June 2026: Hong Kong Residential Monitor

Prices and rents continue to rise although growth in sales activity appears to be softening slightly

- House price growth remains strong across all three regions
- Sales activity metrics still positive but have moderated slightly compared to recent months
- Upward pressure on rental prices seen gaining momentum

The June 2026 edition of the RICS Hong Kong Residential Property Monitor points to a residential market that remains on an upward trajectory, with both house prices and rents continuing to strengthen. At the same time, growth in sales market activity has cooled somewhat from the exceptionally buoyant pace recorded in April and May. The Confidence Index (Chart 1) eased to +30, down from +54 previously, largely reflecting less elevated readings for buyer demand and agreed sales. Importantly, these indicators remain firmly positive, signalling that market activity is still expanding, albeit at a slower pace than in recent months.

Price growth remains robust

House price growth strengthened further in June, with the headline net balance rising to +74%, the highest reading of the year to date. Growth was broad-based, led by Kowloon (+83%), followed by Hong Kong Island (+77%) and the New Territories (+67%). Although respondents remained optimistic on the outlook, short-term expectations softened slightly. The three-month price expectations net balance eased to +37%, down from +54% in May. Nevertheless, the twelve-month measure remained firmly positive at +56%, signalling continued confidence in further price gains over the year ahead.

Sales activity growth moderates

Sales market indicators continued to point to growth in June, but the pace of expansion eased following the strong momentum seen in recent months. The headline buyer demand net balance fell to +35%, down from +57% in May. The moderation was most evident among investor and mainland buyer enquiries, both of which recorded net balances of +21%. In contrast, owner-occupier demand remained relatively resilient at +35%.

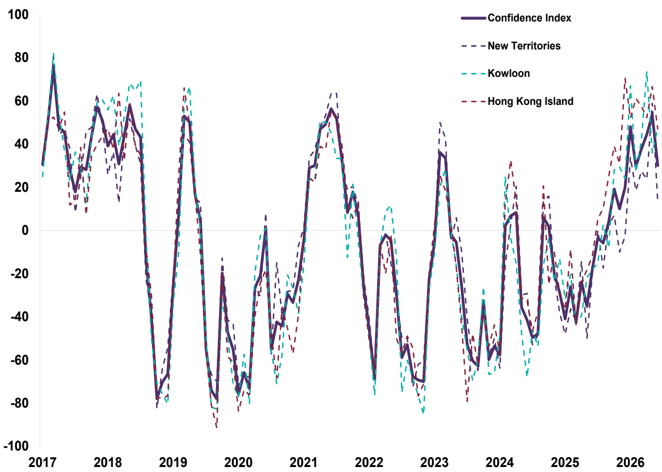
A similar pattern was evident in agreed sales, where the headline net balance fell to +28% from +60% in May. Although the reading points to a slower pace of growth, it still indicates rising transaction volumes overall. Furthermore, activity remained positive across all regions, evidenced by solid net balances on Hong Kong Island (+44%), in Kowloon (+41%), and in the New Territories (+13%).

Looking ahead, respondents continue to take a constructive view of the market. The net balance for three-month sales expectations came in at +24%, while the twelve-month measure remained solidly positive at +46%, suggesting the broader outlook for transactions remains favourable despite the recent easing in momentum.

Rental market strengthens further

Conditions in the lettings market tightened further in June, with the headline net balance for rental price growth rising to +86%. Tenant demand remained robust at a net balance of +47%, while landlord instructions increased to +28%, providing some offset to still-tight supply conditions. Respondents foresee rents continuing to climb over the near term, with the net balance for three-month rental expectations coming in at +46%, supported by firm demand and constrained supply.

Chart 1: Confidence Index



*The Confidence Index is a composite measure capturing overall market momentum, encompassing variables on short-term price and sales expectations.

Chart 2: Current price and agreed sales

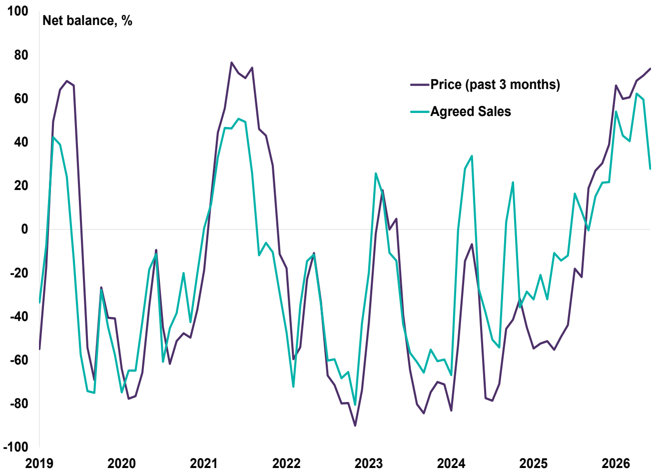


Chart 3: Buyer enquiries and instructions to sell

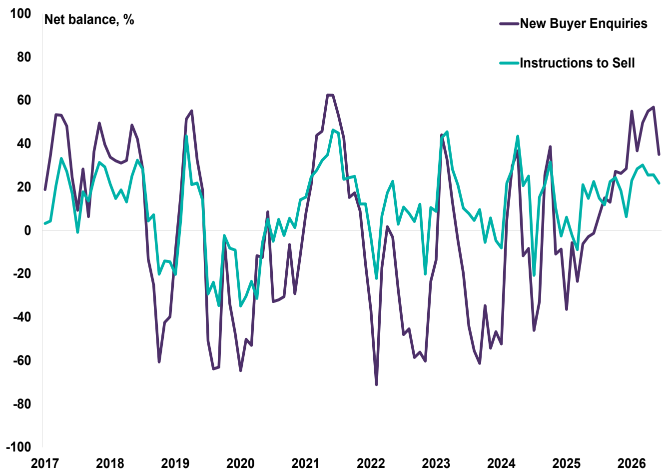


Chart 4: New buyer enquiries by type

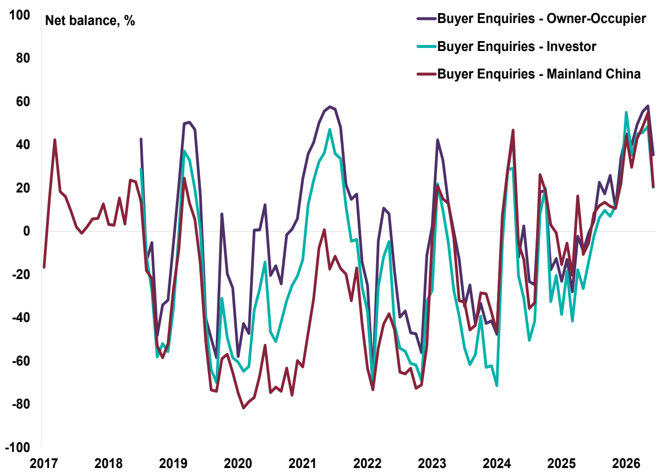


Chart 5: 3-month rent/price/sales expectations

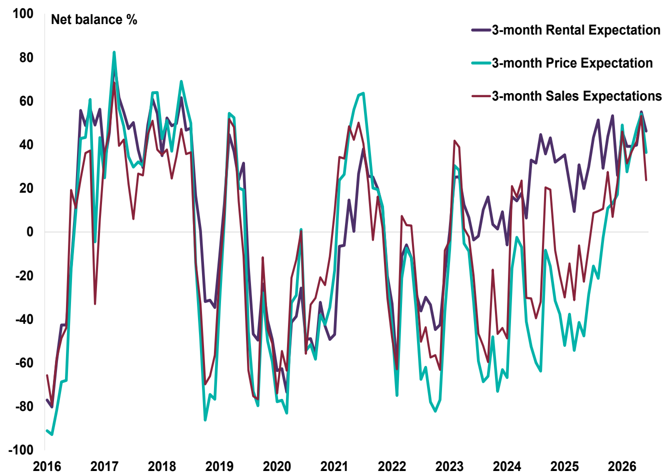


Chart 6: Tenant demand and landlord instructions

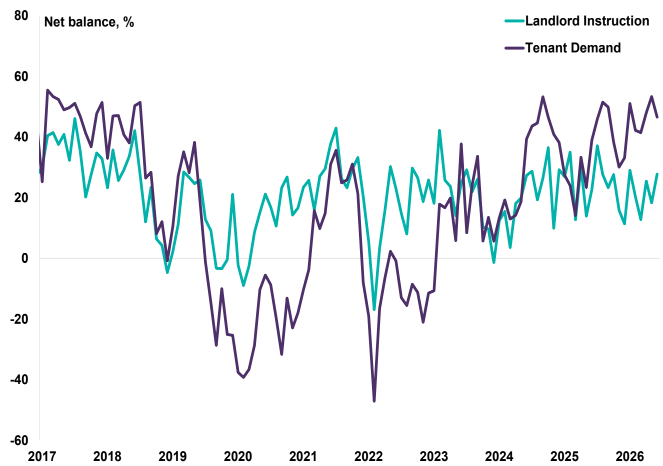
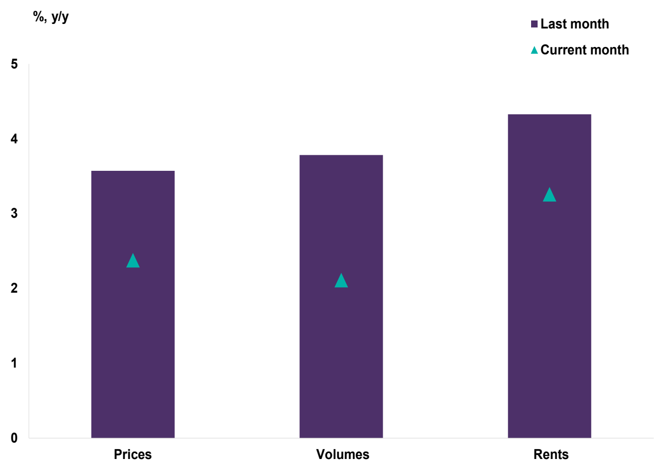


Chart 7: 12-month expectations



Comments from survey participants in Hong Kong

Global economy full of uncertaintly. HK local economy gradually improving. - Kowloon

There are signs of slowing down in terms of transaction volumes after months of price surge. - Kowloong

Employment, interest rates , other investments opportunities and herd theory are all relevant issues.- New Territories

The rent and amounts of enquiries for rented flats are increasing in summer holiday. - New Territories

Poor local governance. - New Territories

Information

Hong Kong Residential Monitor:

The RICS Hong Kong Residential Monitor is a monthly guide to the trends in Hong Kong's housing market. The report is available from the RICS website www.rics.org/economics along with other surveys covering global housing, commercial and land markets, as well as construction activity.

About RICS:

RICS is a global professional body that promotes and enforces the highest professional qualifications and standards in the valuation, management and development of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards - bringing confidence to the markets we serve.

Methodology:

National (headline) data are a regionally-weighted aggregation of three regions: New Territories, Kowloon and Hong Kong Island. Data is not seasonally adjusted.

Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall. For example, if 30% of respondents report a rise and 5% report a fall, the net balance will be 25%.

The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises). Net balance data is opinion based; it does not quantify actual changes in an underlying variable.

Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).

The Home Price Perceptions Index measures the perceived monthly change in home prices as reported by survey participants, where March 2015=100. The Rent Perceptions Index measures the perceived monthly change in rents as reported by survey respondents, where March 2019=100.

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