



August 2025: Hong Kong Residential Monitor

Sales market activity maintains a slightly more upbeat tone

- Headline Confidence Index continues to point towards market stabilisation
- Buyer demand climbs further into positive territory
- Despite this, house prices continue to edge down for the time being

The August 2025 edition of the RICS Hong Kong Residential Property Monitor points to a rising demand across both the sales and lettings market. Even so, the headline Confidence Index (Chart 1) remains in neutral territory at -6, a slight deterioration from July's -3, weighed down by continued (albeit modest) declines in house prices.

Sales market activity continues to recover

Buyer demand strengthened further at the aggregate level, with the net balance rising to +15% from +7% last month. Breaking this down by buyer type shows an increase in enquiries across all three categories. The most significant gain came from owner-occupiers, where the net balance jumped to +23% from +5%, signalling a strong pick-up in buyer enquiries. Investor enquiries also turned positive, moving from -2% to +6%, while mainland buyer enquiries continued to firm, edging up to +12% from +8% in July.

Turning to agreed sales, the latest net balance came in at +8%, signalling a continued expansion in activity (although the August reading is slightly less elevated than +16% last month). As such, the metric remains in positive territory for a second consecutive month, following a prolonged spell of negative readings. Looking ahead, near-term sales expectations remain solid, with a net balance of +10% broadly unchanged from July's +9%. Twelve-month expectations also positive at +15%, albeit this represents a cooling from the readings of +24% and +26% seen in June and July, respectively.

House prices remain on a downward trajectory

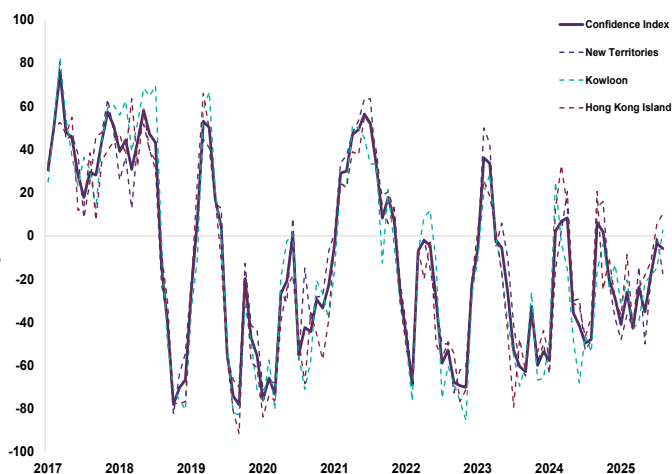
Although August's net balance for house prices (-22%) is noticeably less negative than in earlier in the year, it remains firmly below zero and has slipped slightly from July's -18%. Breaking this down by region reveals a mixed picture. Hong Kong Island has seen this indicator move into neutral territory, rising to +3% from -26% last month (signalling tentative price stabilisation). In contrast, conditions in the New Territories and Kowloon have deteriorated further, with the former falling to a net balance of -32% (from -22%) and the latter sliding to -22% (from -6%). Looking ahead,

three-month price expectations continue to signal downward pressure, but the latest net balance of -11% is notably less negative than readings seen in recent months. Over the twelve-month horizon, expectations have turned positive, with a net balance of +11%, up from -5% last month.

Rental market sustains solid momentum

In the lettings market, tenant demand growth remained firm in August, with the net balance edging up to +51% from +46% in July. On the supply side, the increasing flow of new rental listings eased slightly but stayed solid (net balance +28% vs +37% previously). The backdrop of strong demand continues to place upward pressure on rents, with the net balance for rental prices holding steady at +60%. Looking ahead, rental price expectations over the next three months have strengthened further, rising to a net balance of +51% from +43% last month.

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

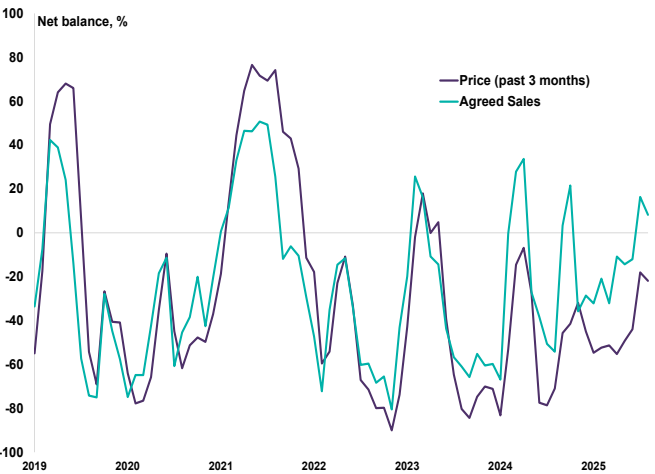


Chart 3: Buyer enquiries and instructions to sell

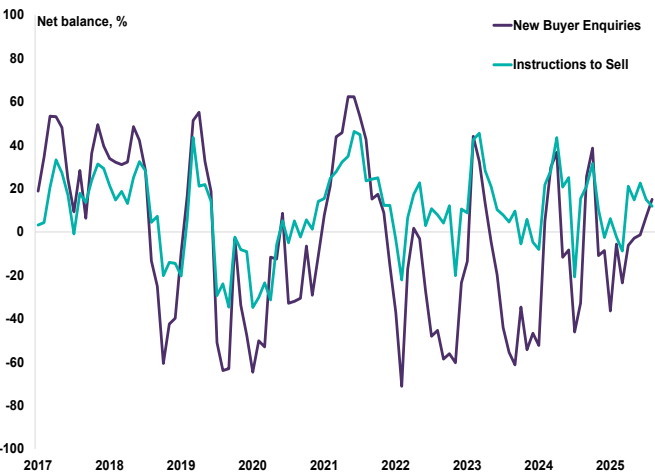


Chart 4: New buyer enquiries by type

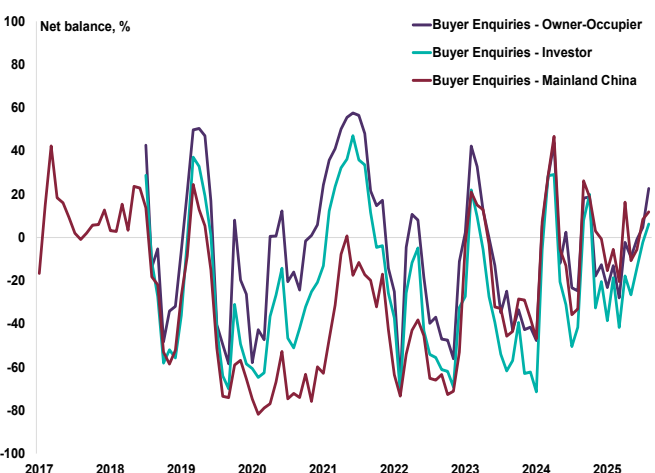


Chart 5: 3-month rent/price/sales expectations

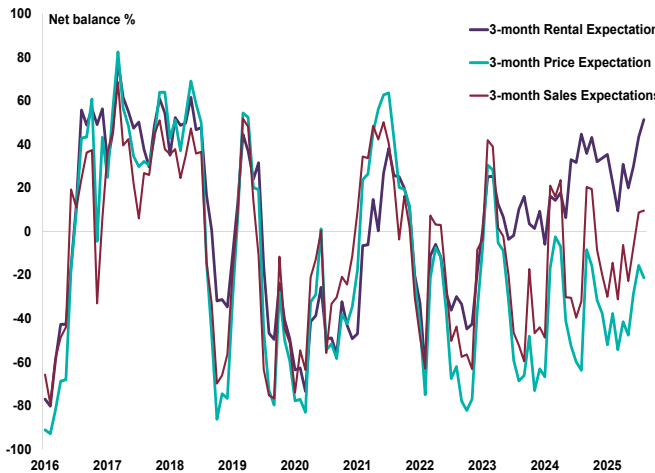


Chart 6: Tenant demand and landlord instructions

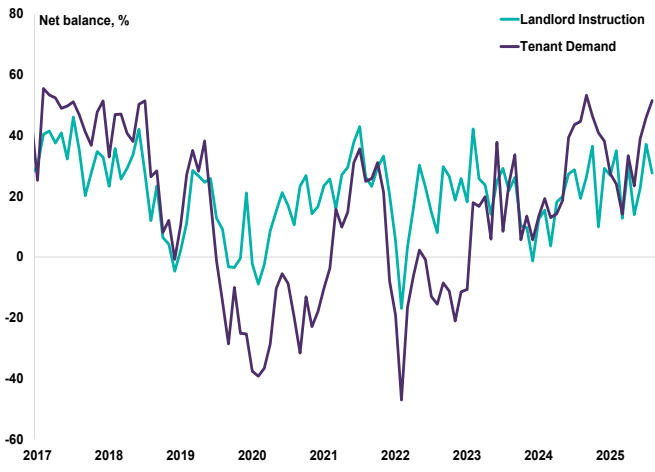


Chart 7: 12-month expectations



Comments from survey participants in Hong Kong

Global economic uncertainty. - The New Territories

Government measures. - The New Territories

Government policy. - The New Territories

Government policy relaxation. - The New Territories

Poor local governance. - The New Territories

Government policies, such as stamp duty, investment immigration, and home purchasing. - The New Territories

Slow economic recovery still has an impact on the confidence of potential buyers. - Kowloon

Government policies on property market. - Hong Kong Island

Govt to further cut the stamp duty. - Hong Kong Island

Hong Kong economy is slowing down. - Hong Kong Island

Interest rate changes and unemployment, as well as income changes will affect property market.
- Hong Kong Island

Whether loan interest rates could be lowered in coming years. - Hong Kong Island

Information

Hong Kong Residential Monitor:

RICS-Spacious 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.

About Spacious:

Spacious is the highest quality online real estate platform in Hong Kong. Spacious is capturing data from real estate searchers and inventory holders and augmenting it with additional data sets to generate real-time, independent, and actionable insights. Spacious' vast property and demographics data can deliver valuable insights for your organization. Contact Spacious to learn more about how your organization can gain additional access to Spacious data.

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.

Survey release dates:

August survey: 18 September 2025

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