



July 2025: Hong Kong Residential Monitor

Sales market activity strengthens with near-term outlook also more upbeat

- Headline Confidence Index reflects a more stable market
- Buyer demand moves into positive territory
- House prices fall further but rate of decline appears to slow considerably

The July 2025 RICS-Spacious Hong Kong Residential Property Monitor results are noticeably less downbeat than in previous months. Indeed, several headline indicators across the sales market in particular saw a recovery over the month. Reflecting this, the latest aggregate Confidence Index (Chart 1) came in at -3, a significant improvement on June's deeply negative reading of -18.

Early signs of a shift in buyer demand momentum

At the aggregate level, the new buyer enquiries metric has entered positive territory for the first time since October 2024, recording a net balance of +7% compared with -1% last month. A breakdown by buyer type - mainland buyers, investors, and owner-occupiers - shows improvements across all three categories. The most notable shift was among mainland buyers, where the net balance rose to +8% from -6% in June. Owner-occupier demand also moved out of negative territory, climbing from -1% to +5%. Although investor enquiries remain slightly negative at -2%, this is still an improvement relative to the steep declines seen in previous months, with the latest figure instead pointing to a broadly flat picture.

Turning to agreed sales, there has been a marked improvement in activity, with the net balance shifting decisively into positive territory at +16%, up from -12% previously. In keeping with this, sales expectations have also strengthened. Over the next three months, the net balance rose by 16pp to +9% in July, while twelve-month expectations remain solid, edging up to +26% from +24% in June.

Downward pressure on house prices moderates sharply

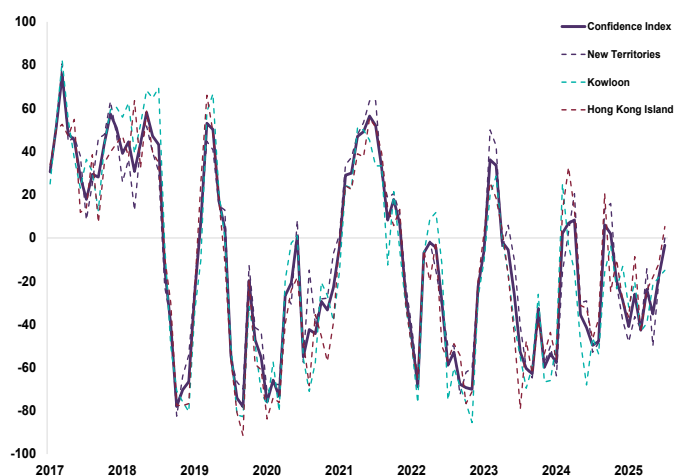
When considering house prices over the past three months, the latest net balance reading of -18% remains negative but is significantly less so than the deeply downbeat figures recorded throughout 2024. At the regional level, Kowloon showed the most notable easing in negativity, with the net balance rising to -6% from -59% last month. The New Territories also registered a less negative outcome, with the

reading improving to -22% from -44%. Looking ahead, prices are still expected to edge lower over the next three months, though at a slower pace, as reflected in a less negative net balance of -11% compared with -27% in June. A similar trend emerges over a twelve-month horizon, with the net balance moving to -6% from -13% last month.

Rental market strengthens further

Over the latest survey period, a headline net balance of +46% of respondents cited an uptick in tenant demand, a slight increase from June's +39% and the strongest reading since late 2024. Meanwhile, landlord instructions also saw a large expansion as evidenced by the net balance rising to +37%, the strongest reading in over two years. Rental price expectations over the upcoming three months also remain solid and have gained momentum according to a net balance of +43% of survey participants (up by 13pp on last month's figure).

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

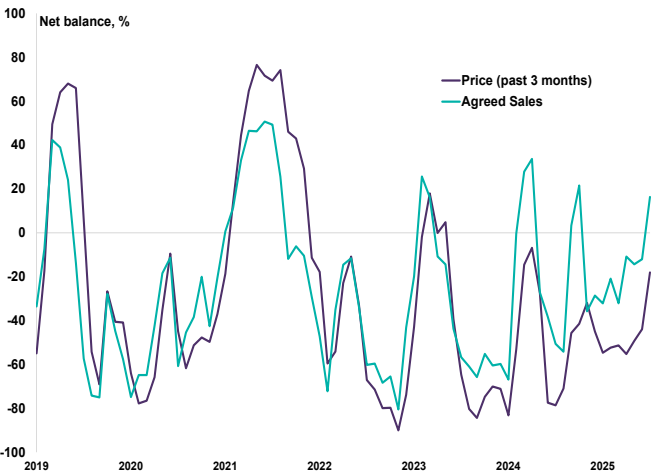


Chart 3: Buyer enquiries and instructions to sell

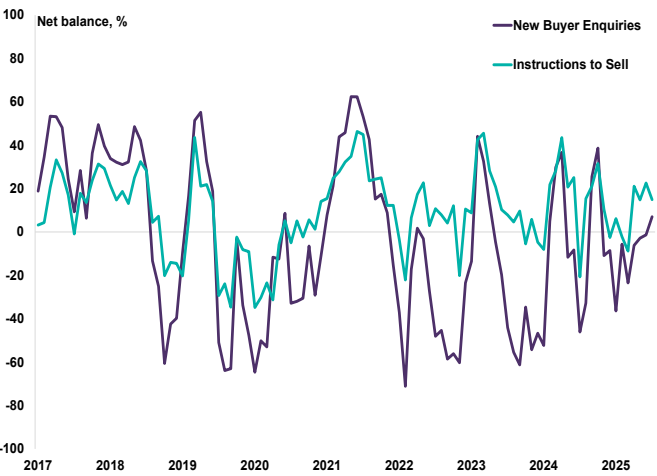


Chart 4: New buyer enquiries by type

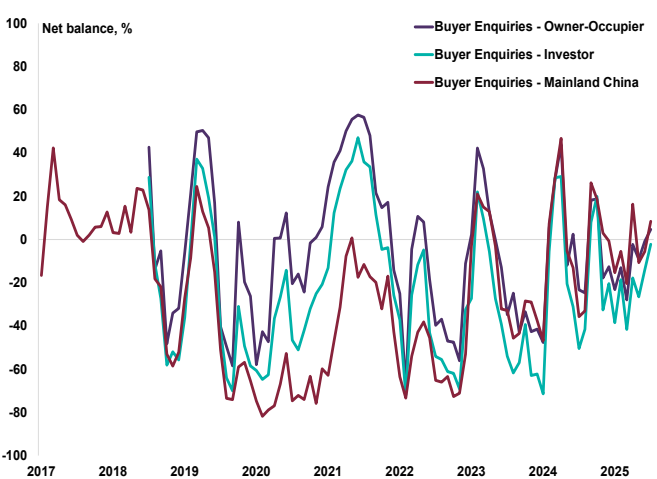


Chart 5: 3-month rent/price/sales expectations

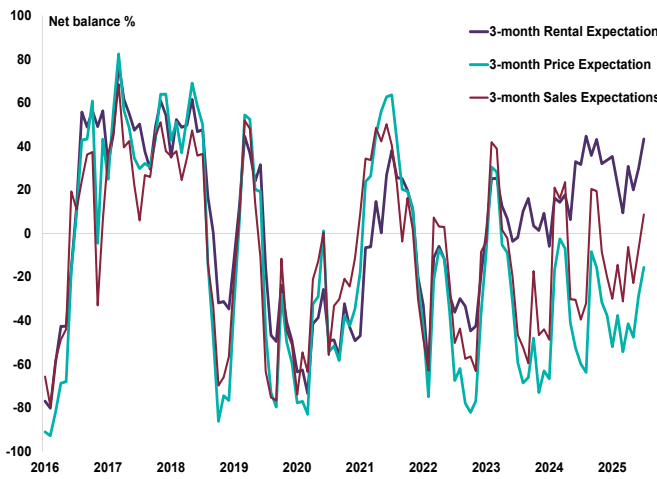


Chart 6: Tenant demand and landlord instructions

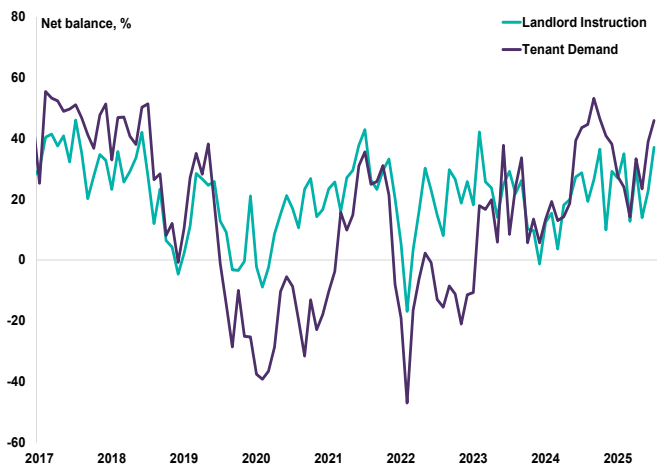


Chart 7: 12-month expectations



Comments from survey participants in Hong Kong

Interest rates, government measures. - The New Territories

Poor local governance. - The New Territories

Residential property market show slight recovery individually. - Kowloon

Emigration. - Kowloon

Slow recovery of economy still has impact on confidence of potential buyers. - Kowloon

Chinese economy is slowing down. - Hong Kong Island

Global economic downturn because of nonsense trade control by USA and Donald Trump. - Hong Kong Island

The summer has been exceptionally quiet this year with so many people going away. - Hong Kong Island

US tariffs conflict impacts on market. - 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

Contact details

This publication has been produced by RICS. For all economic enquiries, including participation in the monitor please contact: economics@rics.org

James Fisher

Spacious COO & Head of Market Analysis and Analytics
+65 68128179
james@spacious.hk

Simon Rubinsohn

RICS Chief Economist
+44(0)20 7334 3774
srubinsohn@rics.org

Tarrant Parsons

RICS Head of Market Research and Analysis
+44(0)20 7695 1585
tparsons@rics.org

Adib Munim

RICS Research Analyst
amunim@rics.org

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Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



rics.org