



September 2025: Hong Kong Residential Monitor

Sales and lettings activity hold firm, supported by the recent interest rate cut

- Headline Confidence Index moves into positive territory
- Sales largely flat over the month but demand remains firm
- House prices rebound after extended downturn

The September 2025 RICS-Spacious Hong Kong Residential Property Monitor results point to a strengthening backdrop across the sales and lettings market. This comes through in terms of both current conditions and expectations. In keeping with this, the latest Confidence Index (Chart 1) recorded a reading of +4, marking the first positive result since late 2024.

Improving picture across the sales market

At the aggregate level, buyer enquiries remain firm, broadly unchanged from last month, with the net balance coming in at +13% compared to +15% previously. Breaking this down by buyer type shows that demand across all three categories (mainland, investor, and owner-occupier) continues to strengthen, posting respective net balances of +13%, +10%, and +17%.

Turning to agreed sales, the latest net balance slipped to zero in September, down from +8% in August, moving the indicator back into neutral territory. This flatter picture was primarily driven by a deterioration in the New Territories, where the net balance fell to -11%, reversing some of the recovery indicated last month (+9% net balance in August). Back at the aggregate level, sales expectations remain slightly positive and consistent with figures observed over the past two months. Indeed, September's +11% net balance points to rising activity over the coming three months. Interestingly, sales expectations over a twelve-month time horizon have strengthened significantly as indicated by a 19pp increase in the net balance to +34% in September.

House prices begin to trend upwards

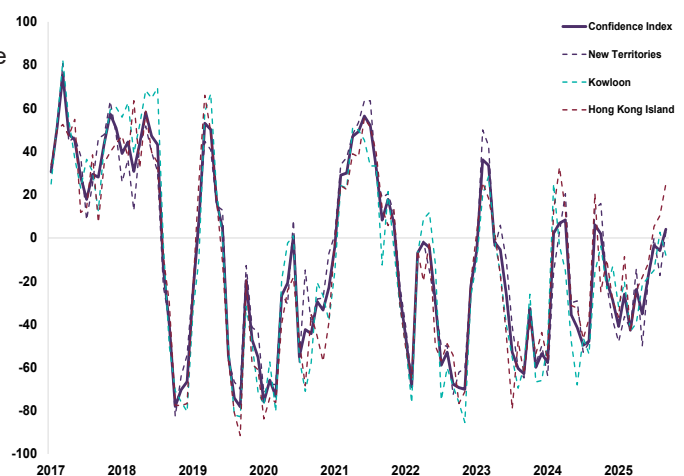
The latest net balance for house prices, at +19%, marks the first positive reading in over two years. At the regional level, all three areas recorded more positive readings compared with August, with the most notable improvements seen in the New Territories (rising from -32% to +32%) and Kowloon (from -22% to 0). Looking ahead to the next three months, price expectations remain somewhat cautious, though significantly less so than in previous reports. Further ahead, expectations over the coming year now signal a positive

trend becoming more firmly entrenched, with the net balance moving to +23% from +2% last month.

Rental market continues to display strong activity

Tenant demand remained solid and largely unchanged from last month, with the net balance edging coming in at +50% (vs +51% beforehand). On the supply side, landlord instructions also held firm, though the corresponding net balance eased to +23% from +28%. The sustained strength in tenant demand continues to drive rental prices higher. In fact, the latest net balance rose to +67%, up 7pp from the previous month. It may be of note that rental price expectations over the next three months have cooled significantly, with the net balance easing to +29% from +51%. Despite this moderation, the indicator remains firmly in positive territory, signalling ongoing, albeit slower, rental growth a little further ahead.

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

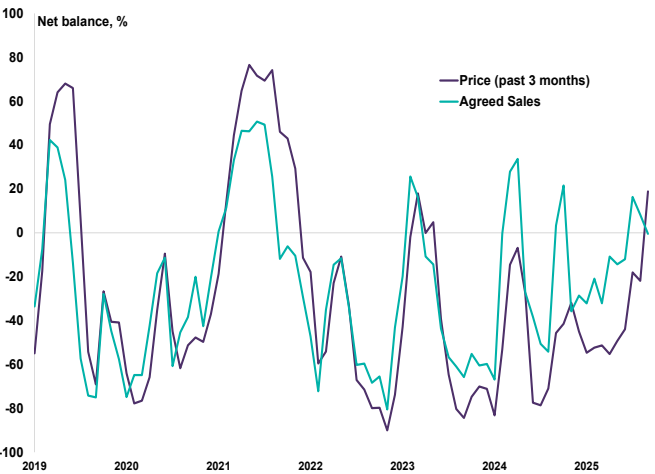


Chart 3: Buyer enquiries and instructions to sell

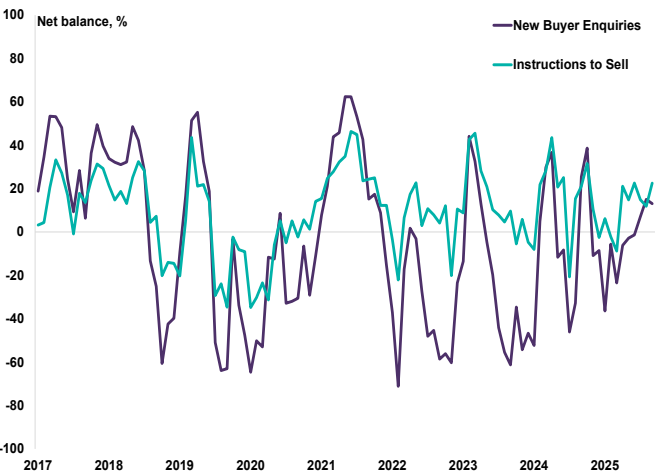


Chart 4: New buyer enquiries by type

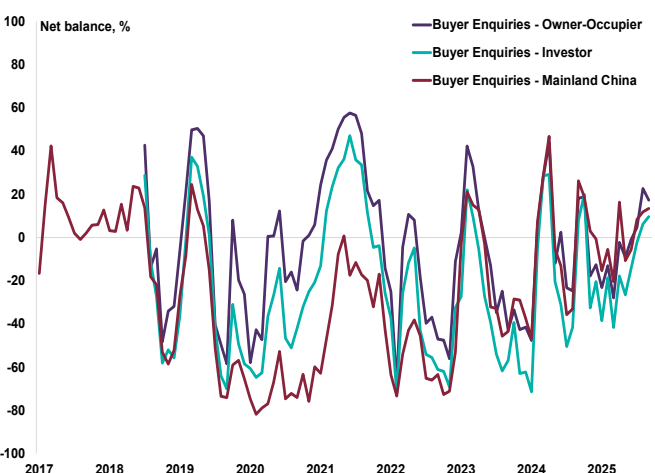


Chart 5: 3-month rent/price/sales expectations

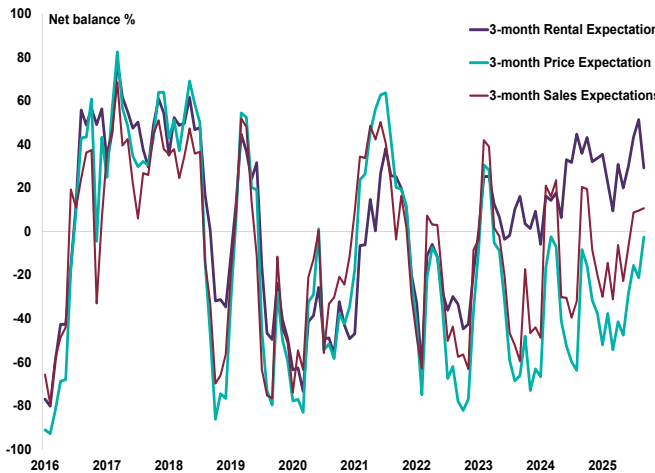


Chart 6: Tenant demand and landlord instructions

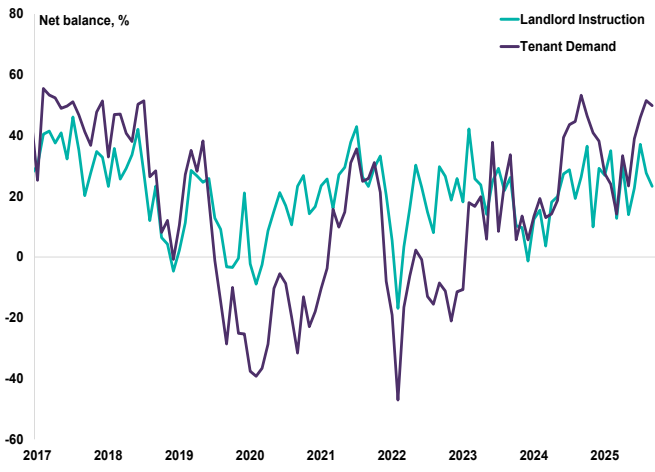
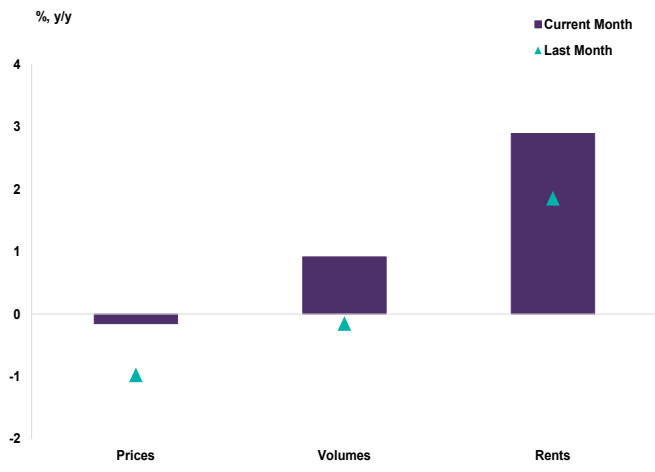


Chart 7: 12-month expectations



Comments from survey participants in Hong Kong

Cyclonic financial swings from dooms to booms and vice versa. - The New Territories

Government policy in land supply and decrease in interest rate. - The New Territories

Poor local governance. - The New Territories

Decreased interest rates caused the sales volume and price of residential properties to go up. - Kowloon

Interest rate cut has a positive stimulus on confidence of potential buyers. - Kowloon

Typhoon season. - Kowloon

Hong Kong economy is slowing down. - Hong Kong Island

Shops leasing is deteriorating. Need drastic cut in rental prices and better lease term to reduce vacancy. - 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

Disclaimer

This document is intended as a means for debate and discussion and should not be relied on as legal or professional advice. Whilst every reasonable effort has been made to ensure the accuracy of the contents, no warranty is made with regard to that content. Data, information or any other material may not be accurate and there may be other more recent material elsewhere. RICS will have no responsibility for any errors or omissions. RICS recommends you seek professional, legal or technical advice where necessary. RICS cannot accept any liability for any loss or damage suffered by any person as a result of the editorial content, or by any person acting or refraining to act as a result of the material included.

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



rics.org