



March 2025: Hong Kong Residential Monitor

Sales market activity suffers a further setback amid global trade tensions

- Headline confidence index deteriorates over the month
- Buyer enquiries and sales fall across all regions
- Respondents foresee further weakness in activity over the months ahead

The March 2025 RICS-Spacious Hong Kong Residential Property Monitor results point to another setback for the market, with deteriorating sentiment (at least in part) attributed to economic concerns related to US trade policy. Reflecting this, the headline confidence index posted a reading of -43 this month, down from -26 in the previous iteration of the survey.

Fall in buyer demand feeds through into a more subdued near-term sales outlook

Across Hong Kong in aggregate, the new buyer enquiries indicator posted a net balance of -23% this month. Having seemingly stabilised in February (when the net balance came in at -6%), the latest results represent a fresh disappointment for the market. Furthermore, demand fell across all categories of buyers (owner-occupiers, investors and mainland buyers), with these declines also noted in each region. In terms of supply, the March net balance of -9% for the new instructions series is consistent with a slight drop-off in the volume of new listings coming onto the market.

Alongside this, agreed sales were down in March according to a headline net balance of -32% of respondents. Looking ahead, near-term sales expectations signal continued weakness in the three months ahead, with the net balance slipping to -31% compared to -14% previously. Moreover, sentiment also deteriorated when considering the twelve-month outlook. Indeed, the year-ahead sales expectations net balance slipped to -20% (significantly weaker than +18% beforehand), marking the most downbeat view since the June 2024 survey results.

House prices remain on a downward trajectory

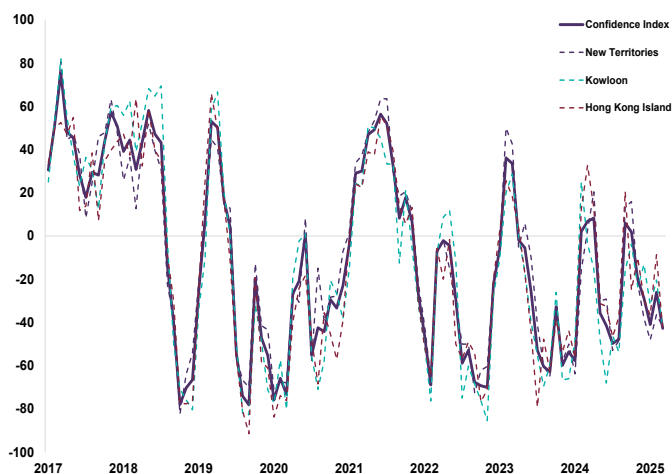
A headline net balance of -51% of contributors saw a decline in house prices over the March survey period. This is broadly unchanged from recent readings of -55% and -52% in January and February respectively. As to the future, price expectations deteriorated noticeably at both the three and twelve-month time horizons over the

latest survey period. In the case of the latter, the March net balance sunk to -59% (the most downcast reading since November 2023). When disaggregated, twelve-month house price expectations are deeply negative across all regions.

Lettings market activity still holding firm

Across the rental market, tenant demand edged higher in March, evidenced by a positive net balance of +14% being registered. Parallel to this, landlord instructions also picked-up slightly, with this series posting a net balance reading of +13%. That said, in both cases, it does appear that the pace of growth has eased somewhat relative to recent months. Regarding the outlook for rental prices, a net balance of +9% of survey participants anticipate an increase in rents over the coming three months (slightly more moderate than readings of +35% and +22% in the previous two reports).

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

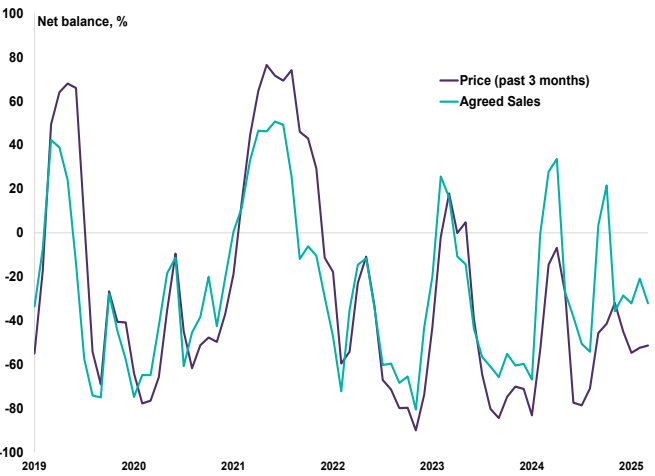


Chart 3: Buyer enquiries and instructions to sell

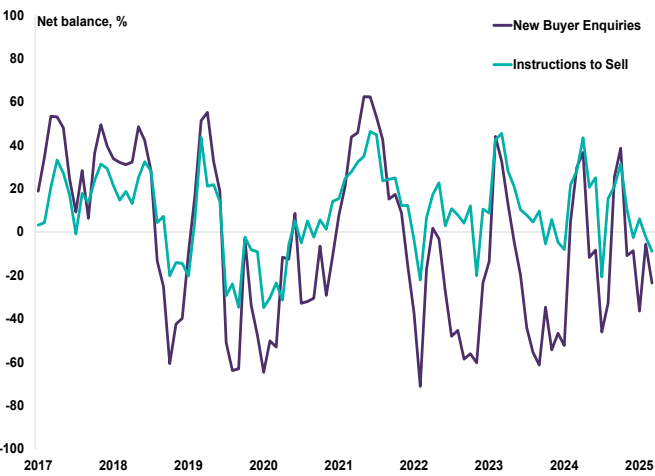


Chart 4: New buyer enquiries by type

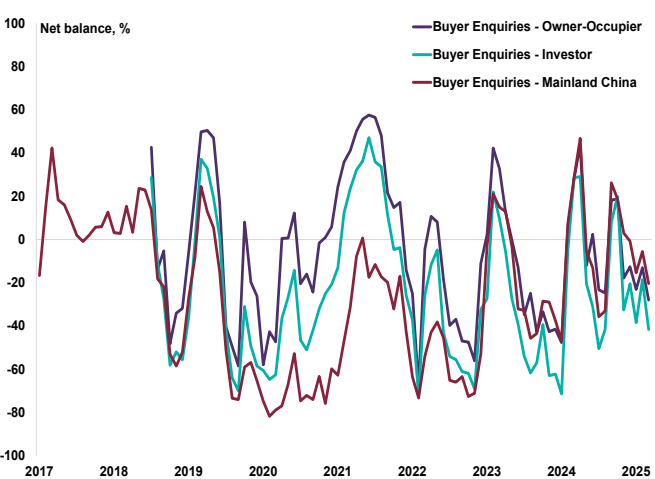


Chart 5: 3-month rent/price/sales expectations

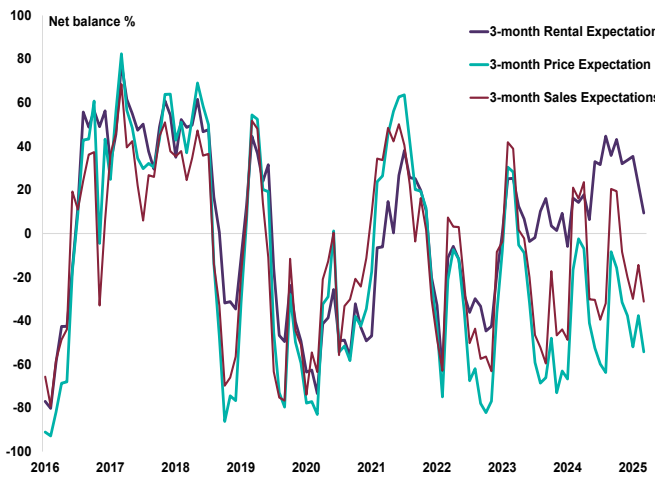


Chart 6: Tenant demand and landlord instructions

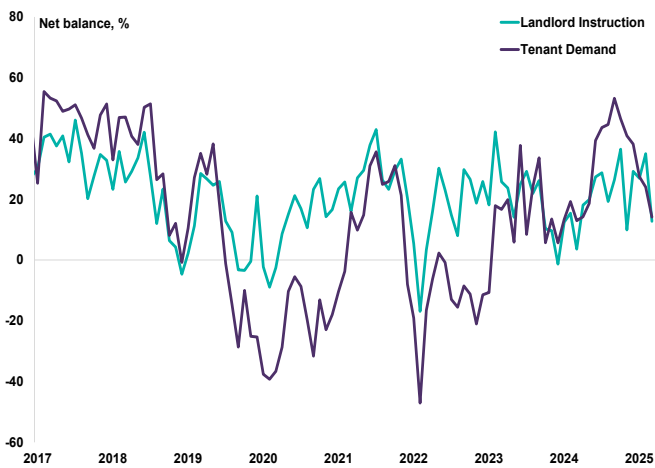
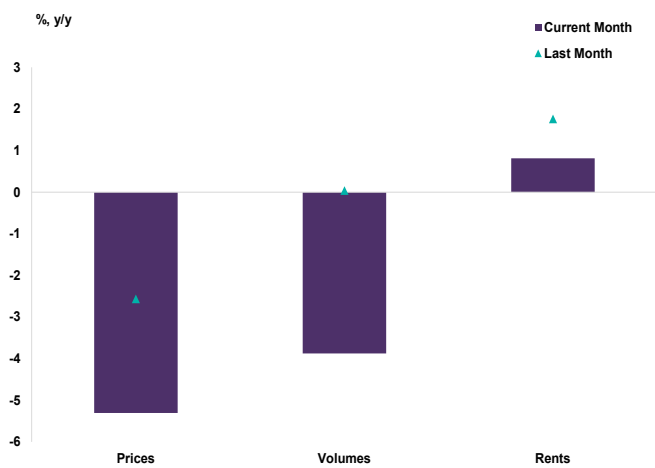


Chart 7: 12-month expectations



Comments from survey participants in Hong Kong

Hong Kong

Global economic conditions. - The New Territories

Poor local governance of HKSAR. - The New Territories

US China tariff war worsens local economy and property market further by lowering price & volume. - Kowloon

Chinese economy. - Hong Kong Island

US tariffs - Kowloon

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:

April survey: 15 May 2025

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