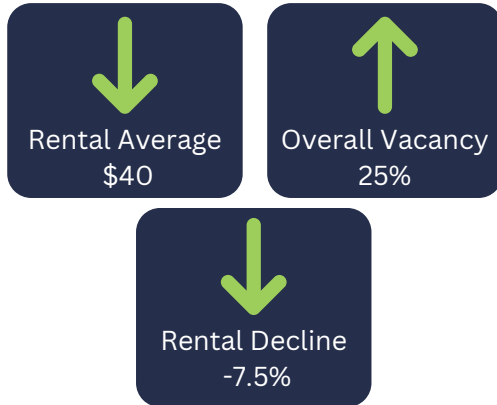


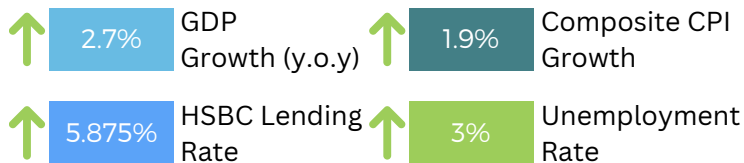
1st Half 2024 Office Market Brief

OVERALL TRENDS

HK & Kowloon overall trends



Key Economic Indicators



MAJOR NEW LETTINGS

BYD - Denza

- Capital Centre, Wan Chai
- 14,000 sq ft - Retail

Prudential Plc

- Airside, Kai Tak
- 53,600 sq ft - Office

China Mobile

- KCC, Kwai Cheung
- 47,400 sq ft - Office

HONG KONG MARKET NEWS...

- There has been a slight uptick in leasing activity.
- Most of the activity was for small to medium-sized spaces, approx. 2,500 - 5,000 sq. ft.
- New completions - The Henderson, 6 Pacific Place, CKCII (Central & Admiralty) in 2024, equalling approx. 1.2 million sq ft.
- More completions are on the way - Lee Garden 8 & One Causeway Bay (Causeway Bay) in 2025/2026, equalling approx. 1.6 million sq ft.
- Geo-political tensions/decoupling and work from home continue to weigh on demand.

Record high vacancy represents a unique opportunity to secure highly favourable commercial lease terms

- 3 large banking corporations are circling the market for en-bloc space (50,000 sq ft +).
- Hong Kong Land will invest US\$400m into an ambitious 3-year renovation project of the Landmark, in conjunction with further investment from luxury retail tenants to create multi-storey maison style retail stores.

Opus recommends seeking advice from tenant rep specialists to extract full value from this current market

GOVERNMENT



Lease Extension Bill
HK Government are granting automatic extensions for land contracts set to expire in 2047, for an additional 50 years.



SUPPLY

New supply
7.5 million sq ft (2024 - 2027).
This supply continues to push vacancy rates higher.



FUTURE

Rental Trend
Grade A office rents will fall by 15% this year.

Any questions? Please contact us

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