



April 2025: Hong Kong Residential Monitor

Sales market backdrop still challenging although the latest results are slightly less negative

- Headline Confidence Index turns somewhat less negative
- Activity metrics appear close to stabilising
- Near-term sales expectations more or less flat while twelve-month sentiment is now slightly positive

The April 2025 RICS-Spacious Hong Kong Residential Property Monitor results are a little less downbeat than those recorded over the previous month, even if the overall tone to the data remains cautious. In keeping with this, the Headline Confidence Index registered a reading of -24 this time around, marking something of an improvement from the deeply negative figure of -43 returned in March.

Buyer demand appears to be stabilising

At the aggregate level, the new buyer enquires metric posted a net balance of -6% in April. This compares with a reading of -23% seen in the previous iteration of the survey and suggests that buyer demand is now levelling-out following a sharply negative trend. When looking at the breakdown across different categories of buyers, enquiries from own-occupiers were broadly stable (net balance -2%), while interest from investors remained relatively weak (net balance -18%). Interestingly, a net balance of +16% of respondents reported an increase in enquiries from buyers based in mainland China (representing the first positive reading for this measure since November 2024).

Turning to agreed sales, the latest net balance of -11% is noticeably less downbeat than the reading of -32% returned last month. Moreover, near-term sales expectations point to a steadier picture coming through, evidenced by the net balance moving to -6% from -31% previously. At the twelve-month time horizon, sales expectations have turned mildly positive, registering a net balance of +12% (up from -20% beforehand).

House prices remain under pressure for now

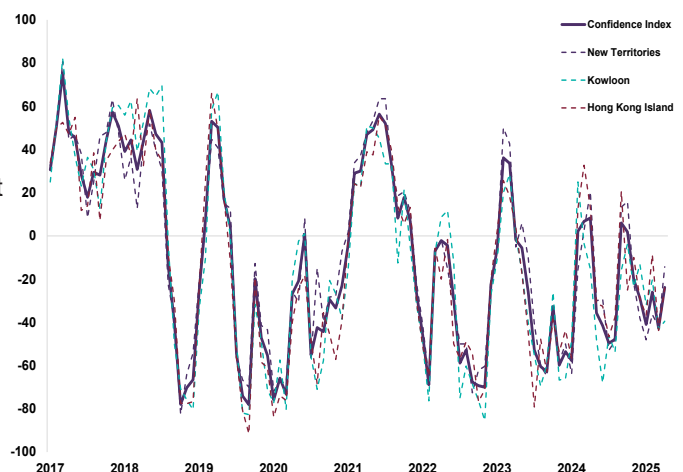
Despite signs of a somewhat steadier sales market of late, house prices continue to move lower for the time being. Indeed, at the national level, the price indicator posted a net balance of -55% in April, marginally weaker than the reading of -51% last month. What's more, all three regions still exhibit firmly negative readings for the house price measure, although Hong Kong Island

displays much weaker results than the headline average at -75%. Looking ahead, national level house price expectations remain in negative territory at both the three and twelve-month time-frames, registering respective net balances of -41% and -28%. That said, in both cases, these readings are not quite as gloomy as before.

Backdrop remains solid across the rental market

Over the latest survey period, a headline net balance of +33% of contributors cited a pick-up in tenant demand, marking the strongest return for this metric since December 2024. At the same time, a net balance of +30% of respondents reported an increase in the flow of landlord instructions coming onto the market. With respect to rental growth expectations, a net balance of +31% of survey participants foresee rental prices rising over the coming three months (up significantly from a reading of +9% in March).

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

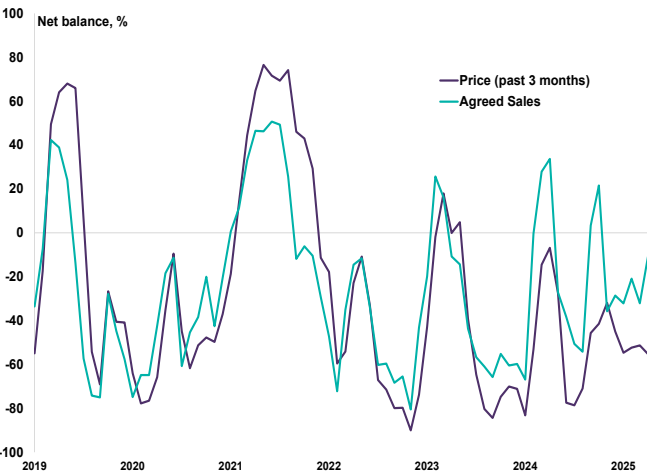


Chart 3: Buyer enquiries and instructions to sell

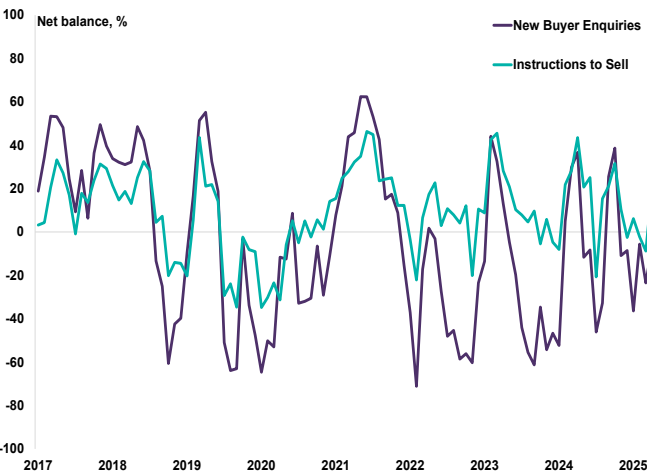


Chart 4: New buyer enquiries by type

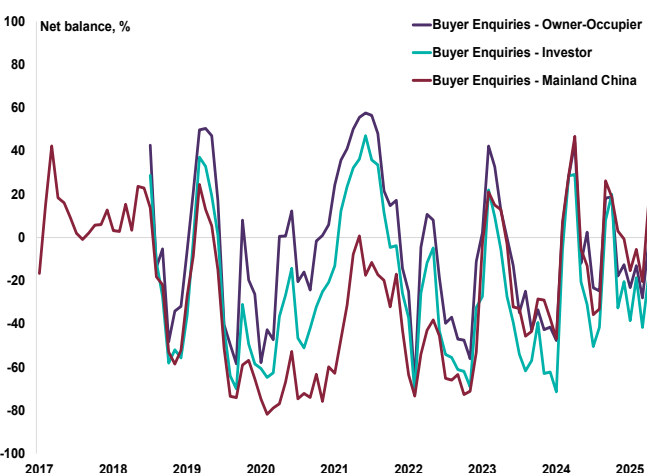


Chart 5: 3-month rent/price/sales expectations

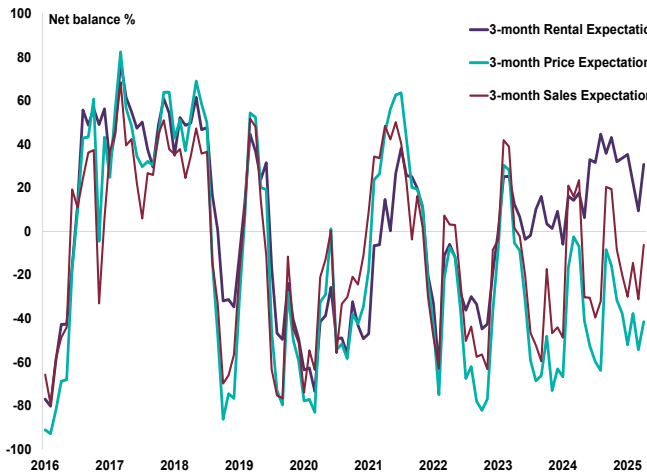


Chart 6: Tenant demand and landlord instructions

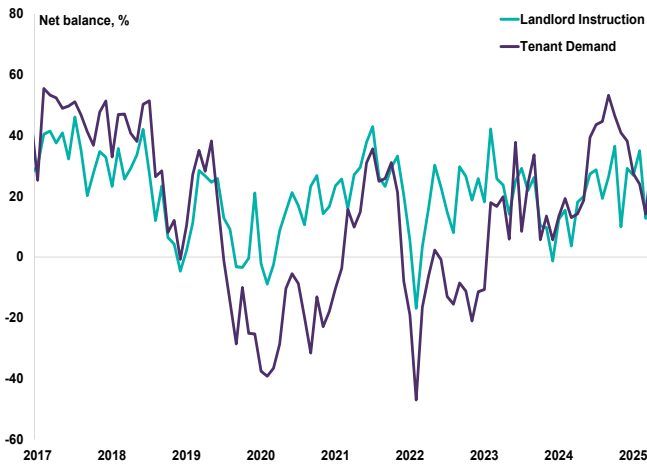


Chart 7: 12-month expectations



Comments from survey participants in Hong Kong

Slow economic recovery still has impact on confidence of potential buyers.

Hong Kong is less affected by US tariffs than the rest of China.

US Tariff may affect economic conditions. Maybe more potential buyers in the Summer holiday.

Market conditions depend on the banks interest rates, political stability & confidence of people.

Wars, tariff wars, high interest rates and economic recession around the world.

Worldwide economic conditions, dependent on whether loan interest rates will be lowered in coming 12 months.

Uncertainty of world trade war and US interest rate impact the real estate market.

China and USA trading war, property market Conditions in Mainland China.

Relevant factors - interest rates; economic situation; and geopolitical uncertainty.

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:

May survey: 19 June 2025

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