

market watch: china hong kong

Information from Cartus on relocation and international assignment trends in China Hong Kong

residential leasing market — china hong kong

Since the beginning of 2024, rental rates have fluctuated, and we expect it to continue for the rest of 2024. These rental fluctuations have been driven by several factors as cited below.

In the first three quarters, there has been a significant increase in moves within the Southside area of Hong Kong, largely due to extensive renovations at numerous leasing properties in the Pacific View development. Both residents and expatriates looked for alternative housing, such as 127 Repulse Bay Road, The Lily, and The Repulse Bay Apartments, with budgets ranging from HKD80,000 to HKD150,000.

Some long-term tenants from the mid-level district were compelled to move due to rising rentals with the stratification of certain leasing developments. These tenants preferred moving to the Southside, where they could secure larger apartments with similar budgets and enjoy better views of their surroundings.

The banking industry also saw a gradual return of expatriate professionals, primarily at the management level. However, their budgets have significantly decreased (as compared to the pre-COVID period averaging HKD80,000 to HKD100,000) ranging from HKD30,000 to HKD60,000. This shift reflects a conservative approach by banks regarding short-term business prospects. These new expatriates hailing from Europe, India, and Southeast Asia are typically on 2-to-3-year contracts.

Besides the return of expatriates, the influx of Mainland China talents is also a driver of this fluctuation. Predominantly working in wealth management and related fields, they have mid-range budgets of HKD20,000 to HKD40,000, favoring new developments on the Kowloon side.

The leasing market is expected to be volatile due to the diversified tenant profile and inter-district movements, which are shifting market dynamics among the different segments.

2024 outlook

Luxury residential rental rates are expected to remain stable in quarter four with a slight increase in 2025.

property rental cost estimate

monthly rate	low range (HKD)	mid-range (HKD)	high range (HKD)
1 Bedroom	\$ 16,000 - 33,000	\$ 24,000 - 57,000	\$ 57,000 - 92,000
2 Bedrooms	\$ 21,000 - 42,000	\$ 34,000 - 87,000	\$75,000 - 148,000
3 Bedrooms	\$ 40,000 - 66,000	\$ 60,000 - 120,000	\$105,000 - 178,000
4 Bedrooms	\$ 50,000 - 80,000	\$ 80,000 - 150,000	\$150,000 - 250,000

permanent housing

1. Leasing agreements are typically for two years, one year fixed with one, two, or three-month break clause.
2. Unfurnished apartment with basic electric appliances such as cooking stove, refrigerator, washing machine, air conditioner, water heater, exhaust fan.

serviced apartments market

The serviced apartment sector faced some challenges in the third quarter due to competition from leasing and co-living options. Despite this, demand remained strong, particularly from low to mid-budget talents arriving from Mainland China. To boost and maintain occupancy rates at around 70%, many landlords chose not to increase rents for tenants who have stayed at the property since the beginning of the year. This allows for more stability and less concern for these tenants.

serviced apartment cost estimate

monthly rate	low range (HKD)	mid-range (HKD)	high range (HKD)
Studio	\$13,000 - 34,000	\$40,000 - 49,000	\$50,000 - 110,000
1 Bedroom	\$20,000 - 42,000	\$40,000 - 58,000	\$70,000 - 220,000
2 Bedrooms	\$21,000 - 53,000	\$50,000 - 83,000	\$140,000 - 250,000
3 Bedrooms	\$25,000 - 56,000	\$80,000 - 150,000	\$170,000 - 330,000

temp housing

1. Minimum 1-month lease term.
2. The options for 3 and 4 bedrooms are very limited.

schooling

The availability of International School placements is limited, especially for renowned and popular schools where there is a long waiting list. Early applications for enrollment are strongly recommended.

international school cost estimate

fees	cost (HKD)
Applications Fees	Nil - \$3,700 (non-refundable)
Assessment Fees	Nil - \$4,300 (non-refundable)
Annual Tuition Fees (Nursery to Year 13)	\$45,900 - 291,200
Annual Capital Levy	Nil - \$100,000

Note:

- The application and assessment fees quoted above are fees published by various international schools in Hong Kong.
- Some international schools require mandatory debenture payable upon acceptance of a school place. The range of the mandatory debenture is between HKD60,000 and HKD610,000. Some are for each individual and some for each family. In this instance, no annual capital levy will be charged.
- For Capital Levy, some schools require a one-off payment to be paid when parents accept the placement offer from the school.

Exclusions:

- School bus transportation, books, uniforms, laboratory equipment, public examination fee, learning support program



school name	application fee (HKD)	debenture (corporate/individual) (HKD)	annual tuition fee (HKD)
English Schools Foundation	\$2,000	Corporate Nomination Rights: Need to contact the ESF Centre Individual Nomination Rights: \$500,000	\$132,500 - 173,900
Chinese International School	\$2,000 Assessment Fee: \$2,000	Corporate Nomination Rights: not issuing new CNR	\$194,800 - 309,000
Hong Kong International School	\$2,000	Family Debenture (transferable): \$3 million Standard Corporate Debenture (non-transferable): \$3 million Comprehensive Corporate Debenture (non-transferable): \$5 million	\$217,200 - 253,400
Kellett	\$2,000 - 2,500	Corporate Debenture: \$650,000 Mandatory Individual Debenture: \$120,000	\$190,900 - 254,400

daily living

Below are some cost estimates and guidelines for utilities and transportation.

utilities cost estimate (HKD)

- Electricity, Gas & Water bills: \$3,000 per month, electricity is expensive in summer
- Mobile Phone bills: \$600 per month
- Broadband Internet bills: \$500 per month

transportation cost estimate (HKD)

- Public Transportation (MTR, bus): \$600 per month
- Car Lease (e.g., BMW X5): \$24,000 per month



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 Source: 'Savills Newsletter'

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