



13 October 2026

Dear Members,

Ask any two members how Hong Kong's office market is doing and you may get two honest and completely opposite answers.

One points to Central, where Grade A vacancy fell to 7.8% at the end of August and rents rose 1.5% in the month. The other points to Kowloon East, where vacancy sat at 19.5% and rents slipped 0.3%. Same city. Same month. Different recoveries.

Then look at the land market. Last week, ten bidders competed for a residential site in Ho Man Tin. The winner paid HK\$4.31 billion. Whatever pressure other parts of the market face, serious money is still prepared to back Hong Kong's future.

So there is no single property story. But one question cuts across all of them: what makes a building worth committing to?

Location and price, certainly. But also, how it performs, how it can adapt, and whether what lies behind the walls can actually be trusted. The first two you can check on a site visit. The last one has to be earned, project by project, over years.

A case from earlier this month brings that into sharp focus. The Buildings Department reported that reinforcement in some floor slabs at a house in a luxury development did not match the approved plans, and that a beam's concrete cover was missing its wire mesh. The Department found no obvious danger, and its investigation continues. But the expectation itself is not up for debate: what gets built should match what was approved, and a purchaser at any price point is entitled to that. It is the most basic promise in construction, and when it is broken, trust goes with it.

Which is why I was genuinely pleased that our **Construction, Property & Infrastructure Committee** was already in the room talking about exactly this. Days after the story broke, **Co-Chairs Hannah Jeong of CBRE and Alex Katsanos of Turner & Townsend** convened a session on safety and risk across the full project lifecycle. Natalie Yung of Leighton Asia walked through how contractors have changed site practice since the Tai Po fire. Gabriella Zhang of Turner & Townsend made the case for Design for Safety: the discipline of finding the risk on paper, when it costs a conversation, rather than on site, when it costs a career. Nothing about the timing of that session was planned, but everything about it was relevant, and the room was full.

Now, not every building is new. In fact, most are not. Research published last year estimated that 44% of Hong Kong's Grade A office floor space was already more than 30 years old, a share projected to reach about 55% by 2030. Age is not obsolescence and some of the city's best addresses have a few decades on them but it does turn renewal from a maintenance line into a strategic decision. A tenant weighing a 30-year-old tower in Kwun Tong against a new one in Kowloon Bay is not asking how old the building is. They are asking whether anyone has a credible plan for it, and whether it will still work for them in five years' time.

The opportunity, then, is not to wait for the cycle to turn. It is to give people better reasons to choose the space, and to trust it once they have.

Yesterday brought a wider lens, and a reminder that the questions Hong Kong is asking are not unique. The Chamber hosted a delegation of Australian local-government officers in Hong Kong as part of the **Australia–China Local Government Exchange**, supported by the National Foundation for Australia-China Relations and led by Dr Daniel Pejic of the University of Melbourne's Melbourne Centre for Cities. Thank you to our Platinum Patron ANZ for hosting the discussion, where four of our committees were represented: Construction, Property & Infrastructure; Sustainability; Finance, Legal & Tax; and Sports & Entertainment. That breadth was deliberate. The delegation's interests run from planning and sustainability to economic development, events and tourism, and we wanted them to meet the members who actually work in each of those areas.

The make-up of the delegation tells you why it mattered. Ten councils, five states: Brisbane, Melbourne, Adelaide, and the Gold Coast, yes, but also Burwood in Sydney's inner west, Boroondara, Frankston and Wyndham across metropolitan Melbourne, Warrnambool on Victoria's coast, and Belmont in Perth. That is not a capital-city view of Australia. It is growth-corridor councils absorbing new residents every year, a regional city managing tourism and a changing economy, and the officers who run planning, transport, sustainability, economic development, and international engagement day to day. These are the people who decide whether a completed district becomes a community or just a postcode. In the afternoon they went on to the Northern Metropolis to see that question being asked at the scale of a new city.

The two conversations belong together. One is about how we deliver projects. The other is about whether the places we create actually work once people move in. Hong Kong needs both answered at once, as it renews an ageing stock of office and residential buildings and builds an entire metropolis in the north.

The test will not be square metres delivered. It will be whether a 30-year-old tower in Kwun Tong can win back a tenant, whether San Tin becomes somewhere people actually want to live, and whether, when the owner of either one opens up a wall ten years from now, they find exactly what the drawings promised.

Our members work on all three, and they have been talking those questions through with each other and with our Australian visitors. That is what the Chamber is for, and my thanks to everyone who gave their time on this important discussion.

Warm regards,
Mary Simpson, AustCham Hong Kong Chief Executive