

# New Report by HKGFA Real Estate Working Group (RE Working Group)

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**HKGFA**  
香港綠色金融協會  
Hong Kong Green Finance Association



## LIST OF CONTRIBUTORS

### Research Leads

Ir Dr Bruce Chong	Arup, HKGFA Real Estate Working Group Co-chair
Grace Kwok	Allied Environmental Consultants, HKGFA Real Estate Working Group Co-chair

### Lead Authors (in alphabetical order by organisation name)

Karina Chow	Arup
Dorothy Chiu	Arup
Kim Perreard	Allied Environmental Consultants

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### Reviewers and Contributors (in alphabetical order by organisation name)

Dr Thomas Tang	AECOM
Jenny Fan	ANZ Bank
Dennis Ngai	DBS
Tracy Wong Harris	HKGFA
Tsun Chen	HKGFA
Tina Wong	HKGFA
Prof Christine Loh	HKUST
Prof Robert Gibson	HKUST
Pritiya Widiarta	HSBC
Celina Chan	OCBC
Carmen Chan	OCBC

## **Hong Kong's building profile**

- ~50,000 existing buildings
- By 2030, around 14,000 will be older than 50 years

Around **8,000** are private commercial buildings (office, hotel, shopping malls etc.)

## **Building sector contributes:**

- 90% electricity consumption
- 60% GHG emissions

Around **2/3** from commercial buildings

## **Long-term targets**

By 2050, reduce electricity use in

- Commercial buildings by 30-40%
- Residential buildings by 20-30%

**Ageing buildings + Energy reduction target  
= RETROFIT opportunity**

## **Potential Retrofit Market Size (Office tower buildings)**

Estimated Market Opportunity

**~ HKD3.6 billion**

- Private office buildings under 50 years old
- Around 2,050 buildings identified
- Retrofit strategy (Shallow / Mid / Deep) assigned based on building age, size, district, equipment provision

## **Challenges to UPSCALE building retrofits**

### **Regulatory**

- Lack of government incentives  
→ *Leads to low motivation and uptake*
- Lack of established benchmarks and criteria for building energy retrofitting  
→ *Limits effective implementation*

### **Technical**

- Lack of transparency and detail in building characteristic and energy data  
→ *Limits meaningful comparison*

### **Financial**

- High investment cost of retrofit
- Lack of access to financing or financing arrangements
- Low return & long payback

# How do other jurisdictions address this?

## Addressing regulatory challenge

### Australia

#### NABERS

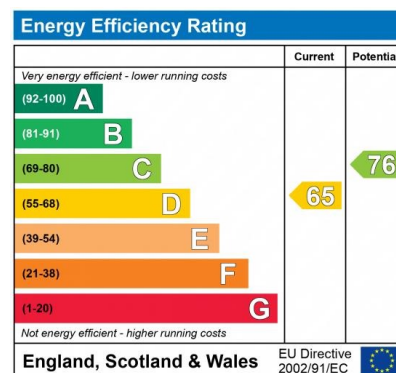
- Ratings from 1 star to 6 stars
- Based on actual operational performance
- Can assess whole building (base building + tenant area)
- Rating must be provided in the sale/leasing of commercial office space



### United Kingdom

#### Energy Performance Certificates

- Ratings from A to G
- Minimum performance required (E rating) for private rented property
- Rating is used to operationalize performance-based instruments e.g. loans



## Addressing technical challenge

In **Singapore**, buildings with GFA  $\geq 5,000$  m<sup>2</sup> are mandated to submit building information and energy consumption data to the Government annually.



#### Attributes:

- Building type
- Main function
- Building size (Large/Medium)
- Previous year EUI
- Previous year EUI quartile/ energy ranking
- Current year EUI
- Current year EUI quartile/ energy ranking
- Year of completion
- Green building certification (Green/Non-Green; Year of Award, Version)
- GFA
- AC Area
- AC Area Percentage
- AC Type
- Age of Chiller
- Air-con system efficiency (kW/RT)

**Availability of critical building information greatly enhance energy performance comparability**

## #1 CLEAR MARKET SIGNAL from the government



Detailed buildings decarbonisation roadmap with clear targets & guidelines

Specificity in the next version of the Climate Action Plan with granular targets & interim milestones & quantified commitments

Government MUST lead by example

Establish disclosures & targets for own buildings & Conduct retrofits on relevant government buildings

Establish a cross-agency task force/committee to push retrofitting

Provide strategic oversight, increased accountability and collaboration and reduce fragmentation

## #2 POLICIES & STANDARDS DRIVERS



Energy audits & data disclosures are a MUST

Need to disclose technical audit details such as energy efficiency coefficients & year of service of major equipment

Mandatory action for underperformers

Results of audits must lead to action

Establish performance benchmarks

Energy labelling drives transparency and underpins policies – rates/tax concessions; better financing, etc.

## #3 FINANCIAL INCENTIVES



Government MUST shoulder more risk to incentivise building retrofits

Dedicated funding is essential to accelerating retrofits & energy efficiency upgrades

Balancing retrofit measures can be complex, ideally led by a CROSS-AGENCY TASK FORCE

**While this paper has outlined a range of regulatory & financial mechanisms to support retrofitting, their success ultimately hinges on:**

- 1** HKSARG should **set clear & measurable targets** for decarbonizing the existing building stock  
Providing **strong market signals**, encouraging stakeholders to align their priorities with long-term climate goals
- 2** Fostering **cross-disciplinary and cross-bureau collaboration** will be essential to ensure policy coherence and maximize the impact of retrofit initiatives
- 3** **Collaboration** across government, the building sector, and the financial industry to develop a transparent and robust data environment  
Improved **data access and standardization** will enable better decision-making, support performance benchmarking, and unlock new opportunities for innovation and investment.

**Through coordinated LEADERSHIP, AMBITIOUS GOAL-SETTING, & COLLECTIVE ACTION, Hong Kong can position itself at the forefront of building decarbonization and shape a more resilient, low-carbon urban future.**