

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 Government land licences, Government rents (other than those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)) and rents from short term tenancies.....	2,579,610	2,384,169	2,238,105	2,181,833
020 Rents from government quarters.....	878,145	846,989	896,375	897,121
030 Rents from government properties.....	1,657,608	1,524,915	1,280,842	1,262,971
040 Investment income and interest.....	27,751,420	39,998,000	40,119,444	45,862,000
060 Returns on equity investments in statutory agencies/corporations	—	5,190,275	5,561,009	5,561,009
080 Recovery from Housing Authority under current financial arrangement.....	1,233,494	2,185,485	1,517,688	2,659,144
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	12,062,214	12,517,000	12,933,000	13,300,000
Total.....	<u>46,162,491</u>	<u>64,646,833</u>	<u>64,546,463</u>	<u>71,724,078</u>

Description of Revenue Sources

This revenue head covers the yields from government land licences; Government rents including those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515); and rents from short term tenancies, government quarters and properties. Investment income earned on the balances of the General Revenue Account and other interest receipts arising from the General Revenue Account, returns from equity investments in statutory agencies and corporations other than those credited to the Capital Investment Fund, and recovery from the Housing Authority of the land costs of subsidised sale flats are also included in this head.

Revenue from properties and investments generated 15.6% of total revenue in 2019–20.

Underlying Changes in Revenue Yield

The 2019–20 revised estimate of \$64,546,463,000 reflects a net decrease of \$100,370,000 (0.2%) against the original estimate.

Under *Subhead 030 Rents from government properties*, the decrease of \$244,073,000 (16.0%) is mainly due to the 50% rental concession for public market stalls, fee-paying public car parks, catering and retail premises for six months from 1 October 2019 to 31 March 2020.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$667,797,000 (30.6%) is mainly due to the lower-than-expected number of subsidised sale flats sold.

The 2020–21 estimate of \$71,724,078,000 reflects a net increase of \$7,177,615,000 (11.1%) over the revised estimate for 2019–20.

Under *Subhead 040 Investment income and interest*, the increase of \$5,742,556,000 (14.3%) is mainly due to the anticipated increase in rate of return on the fund balance placed with the Exchange Fund for investment purpose.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$1,141,456,000 (75.2%) is mainly due to the anticipated increase in the number of subsidised sale flats sold.