

Head 51 — GOVERNMENT PROPERTY AGENCY

Controlling officer: the Government Property Administrator will account for expenditure under this Head.

Estimate 2024–25 **\$2,789.4m**

Establishment ceiling 2024–25 (notional annual mid-point salary value) representing an estimated 320 non-directorate posts as at 31 March 2024 reducing by two posts to 318 posts as at 31 March 2025 **\$229.0m**

In addition, there will be an estimated nine directorate posts as at 31 March 2024 and as at 31 March 2025.

Controlling Officer’s Report

Programmes

Programme (1) Acquisition and Allocation This programme contributes to Policy Area 22: Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape (Secretary for Development) and Policy Area 27: Intra-Governmental Services (Secretary for Financial Services and the Treasury).

Programme (2) Property Management
Programme (3) Estate Utilisation These programmes contribute to Policy Area 27: Intra-Governmental Services (Secretary for Financial Services and the Treasury).

Detail

Programme (1): Acquisition and Allocation

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	622.1	641.0	626.9 (–2.2%)	650.4 (+3.7%)
				(or +1.5% on 2023–24 Original)

Aim

2 The aim is to meet Government’s needs, mainly for offices and quarters, in an economical and cost-effective manner.

Brief Description

3 This programme involves:

- assessing and co-ordinating Government’s needs for general use accommodation;
- meeting Government’s needs for general use accommodation through planning and construction of new government office buildings, as well as renting or purchasing at terms most favourable to Government;
- allocating office accommodation to government bureaux and departments and making available quarters accommodation to government bureaux and departments for allocation to government officers;
- providing input to major refurbishment programmes in respect of government buildings;
- setting, assessing and reviewing space and furniture standards for office and specialist and departmental buildings;
- vetting or assisting in the vetting of schedules of accommodation for government bureaux and departments in respect of general use and specialist accommodation and for non-governmental organisations using government accommodation;
- negotiating the best overall deal for Government for acquired and leased accommodation;
- assessing requirements for Government, Institution and Community (GIC) accommodation in private developments; and
- collaborating with relevant bureaux/departments to continue implementing the “single site, multiple use” initiative and take forward the relevant projects.

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4 The key performance measures are:

Targets

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
take-up rate of office space (%).....	99.8	100	100	99.8
rental level of leased offices (percentage of market rent) (%)Λ.....	95.0	94.5	94.2	95.0
take-up rate of quarters (%).....	99.8	99.9	99.9	99.8
rental level of leased quarters (percentage of market rent) (%)Λ.....	97.0	96.1	96.9	97.0
identifying suitable premises to lease within three months of the Agency's agreement to provide leased office accommodation (%).....	90	100	100	90

Λ The targets are considered to have been met if the rental levels achieved do not exceed the target percentages of market rent.

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
total area of office space (m ²)Ψ.....	1 285 454	1 267 528	1 260 000
office space owned by Government (%).....	60.3	61.3	61.6
office space leased by Government (%).....	39.7	38.7	38.4
new allocation of owned office space to government bureaux/departments (m ²).....	50 642	45 112	13 300
net change in leased office accommodation (m ²).....	81 178¶	(19 343)#	(7 600)γ
renewals of leased office accommodation (m ²).....	124 777	120 181	128 000
non-departmental quarters (NDQs).....	299	245	200
NDQs owned by Government (%).....	100	100	100
departmental quarters (DQs).....	25 533	25 523	25 800
DQs owned by Government (%).....	99.9	99.9	99.9

Ψ Office space excludes specialist and departmental buildings occupied and managed by government bureaux and departments.

¶ The net increase in leased office accommodation is mainly due to new requirements of user departments arising from anti-epidemic operations.

There is a net decrease in leased office accommodation as the floor area of deleasing cases resulted from completion of short-term projects, such as anti-epidemic operations, has offset the new leasing cases.

γ The projected net decrease in leased office accommodation is mainly due to deleasing of leased premises for reprovisioning of office accommodations to government-owned premises.

Matters Requiring Special Attention in 2024–25

5 During 2024–25, the Agency will:

- continue to take forward new government office building projects for the reprovisioning of the departments in the three government office buildings at the Wan Chai waterfront;
- continue to pursue deleasing opportunities where appropriate;
- through an annual accommodation review mechanism, continue to encourage government bureaux and departments to regularly review office accommodation required in the short and medium terms;
- continue to collaborate with relevant bureaux and departments to implement the “single site, multiple use” initiative and take forward the relevant projects;
- continue to assist the Social Welfare Department in identifying potential premises for purchase as premises for the provision of welfare facilities; and
- continue to take forward the initiative to relocate government offices being non-location-specific and without service boundary from high-value areas to lower-value areas or the Northern Metropolis as far as practicable.

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Programme (2): Property Management

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	1,797.3	1,985.3	1,890.4 (–4.8%)	2,061.4 (+9.0%)
				(or +3.8% on 2023–24 Original)

Aim

6 The aim is to manage government properties under the control of the Agency in an efficient and cost-effective manner, to improve and modernise them to meet changing needs, and to ensure that Government's rights and responsibilities as owner of GIC accommodation in private developments are incorporated in the appropriate legal documents.

Brief Description

7 This programme involves:

- property management in respect of government offices, quarters and other non-domestic accommodation through outsourcing as far as practicable;
- discharging owner's functions in respect of government properties in private developments;
- reviewing maintenance, security and amenity requirements for government properties under the Agency's management;
- scrutinising and executing Deeds of Mutual Covenant, assignments and related documents in respect of GIC accommodation in private developments; and
- property and facilities management of joint-user government facilities at boundary control points.

8 The key performance measures are:

Target

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
performance level of property management services contractors (average percentage score measured according to the service level specified in the property management services contracts) (%)	95	96	95	95
performance level of management, operation and maintenance (MOM) services contractors of joint-user government facilities at boundary control points (average percentage score measured according to the service level specified in the MOM services contracts) (%)λ.....	94	N.A.	96	94

λ New target as from 2023 covering the property and facilities management by the MOM contractors at Hong Kong-Zhuhai-Macao-Bridge Hong Kong Port (HZMB HKP) and Heung Yuen Wai Boundary Control Point. The target is subject to review as and when appropriate.

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
management of government properties			
GIC non-domestic properties in private developments under the custody of the Agency	245	247	260
residential flats managed by the Agency	24 618	24 617	24 922
government joint-user buildings managed by the Agency	46	46	46
joint-user government facilities at boundary control points managed by the Agency.....	91	91	91

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	2022 (Actual)	2023 (Actual)	2024 (Estimate)
other accommodation managed by the Agency			
sites.....	12	13	14
area (m ²).....	179 340	152 523	152 591
average management fee for non-domestic accommodation in private developments (\$/m ² /month)§	51.2	51.2	57.0
average management cost of major joint-user buildings (\$/m ² /month)Φ	21.1	21.9	27.0
average management fee for quarters in private developments (\$/m ² /month)§.....	24.7	25.8	34.5
average management cost of wholly-owned government quarters (\$/m ² /month)Φ	16.8	17.8	21.3
average management cost of buildings/facilities at boundary control points managed by the Agency (\$/m ² /month)Ω.....	48.6	44.3	49.9

§ Management fees paid for accommodation in private developments are inclusive of electricity charges for common areas, expenditure on regular maintenance and provision for anticipated major repairs.

Φ Management costs of major joint-user buildings and wholly-owned government quarters are exclusive of expenditure on regular maintenance, provision for major repairs and other ad hoc services, such as anti-epidemic measures in major joint-user buildings which incurred expenditure of \$44.0 million and \$7.4 million in 2022 and 2023 respectively. Management costs of major joint-user buildings also exclude electricity charges while those for wholly-owned quarters include electricity charges for common areas.

Ω Average management cost of the Passenger Clearance Building of HZMB HKP only. Figures are exclusive of the management costs of other buildings and external areas (\$3.2 million per month in 2023) as well as soft landscape areas (\$0.8 million per month in 2023), the expenditure on management services requested and reimbursed by user departments for their own premises, regular maintenance, provision for major repairs and electricity charges.

Matters Requiring Special Attention in 2024–25

9 During 2024–25, the Agency will continue to:

- monitor the performance of its property management services contractors to ensure and enhance their efficiency and effectiveness;
- take forward measures to reduce energy consumption in government joint-user buildings; and
- take charge of the property and facilities management of joint-user government facilities at boundary control points.

Programme (3): Estate Utilisation

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	86.1	77.9	75.2 (–3.5%)	77.6 (+3.2%)
				(or –0.4% on 2023–24 Original)

Aim

10 The aim is to optimise the utilisation of government sites and surplus properties with potential for alternative government uses or commercialisation.

Brief Description

11 This programme involves:

- advising government bureaux and departments on ways to optimise site utilisation at the site reservation stage;
- advising on the utilisation of sites to be developed by government bureaux and departments and, where appropriate, assisting them in identifying joint users with a view to optimising the utilisation of government sites;
- reviewing under-utilised sites managed by government bureaux and departments and, if conditions permit, assisting the bureaux and departments in releasing them for alternative uses or disposal as appropriate;
- assisting government bureaux and departments in putting surplus departmental properties to alternative uses or disposal as appropriate;

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- identifying government properties held by the Agency under its portfolio with commercialisation potential with a view to realising such potential;
- exploring the possibility of introducing commercial activities within government properties where appropriate;
- updating the GIC site record system to take account of new development areas and revised planning parameters;
- implementing the refined leasing arrangements for better achieving the socially caring objective; and
- advising government bureaux and departments on the planning and implementation of public vehicle park projects within government premises from the MOM perspectives.

12 The key performance measures are:

Targets

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
preparing and issuing tender/quotation invitation to lease out non-domestic premises within three months upon completion of feasibility study (%)	95	100	100	95
let out rate of surplus government quarters with tenure of two years or more (%)Δ ...	90.0	77.9	86.5	90.0

Δ The let out rate may vary with changing market conditions.

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
sites for reviewφ	85	85	85
sites ready to be released for disposal, redevelopment or other purposes	2	1	1
non-domestic premises			
lettings	1 183	1 243	1 283
rental income (\$m)	152.3◇	178.3◇	238.6
domestic premises			
lettings	287	318	340
rental income (\$m)	161.4	188.7	229.3
ratio of rental income in respect of domestic and non-domestic premises to related staff cost‡	7◇	8◇	10
government premises identified as having new commercialisation opportunities	8	3	4

φ Sites for review are government sites considered for alternative uses or disposal with a view to optimising utilisation. The number can vary from year to year. The Agency will assess the utilisation of government sites, consult and liaise with departments as required, and work with the Planning Department on any possible release of government sites.

◇ Government rental concessions were granted in 2022 and 2023.

‡ Ratio will be affected by market demand, and availability and value of government premises for commercialisation, and may change either way over time.

Matters Requiring Special Attention in 2024–25

13 During 2024–25, the Agency will continue to:

- assist government bureaux and departments in reviewing their under-utilised sites with a view to releasing the sites for alternative uses or disposal as appropriate;
- assist government bureaux and departments in putting surplus departmental properties to alternative uses or disposal as appropriate;
- identify government properties with commercialisation potential with a view to realising such potential;
- implement the refined leasing arrangements for better achieving the socially caring objective; and
- assist government bureaux and departments in planning and implementing public vehicle park projects within government premises from the MOM perspectives.

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ANALYSIS OF FINANCIAL PROVISION

	2022–23 (Actual) (\$m)	2023–24 (Original) (\$m)	2023–24 (Revised) (\$m)	2024–25 (Estimate) (\$m)
Programme				
(1) Acquisition and Allocation	622.1	641.0	626.9	650.4
(2) Property Management.....	1,797.3	1,985.3	1,890.4	2,061.4
(3) Estate Utilisation.....	86.1	77.9	75.2	77.6
	2,505.5	2,704.2	2,592.5 (–4.1%)	2,789.4 (+7.6%)
				(or +3.2% on 2023–24 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2024–25 is \$23.5 million (3.7%) higher than the revised estimate for 2023–24. This is mainly due to the anticipated increase in the rent and management charges for rented accommodation, partly offset by a decrease of one post in 2024–25.

Programme (2)

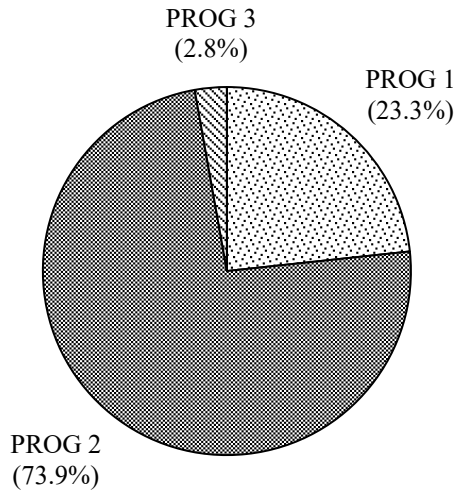
Provision for 2024–25 is \$171.0 million (9.0%) higher than the revised estimate for 2023–24. This is mainly due to the anticipated increase in the requirement for property management and maintenance services, partly offset by a decrease of one post in 2024–25.

Programme (3)

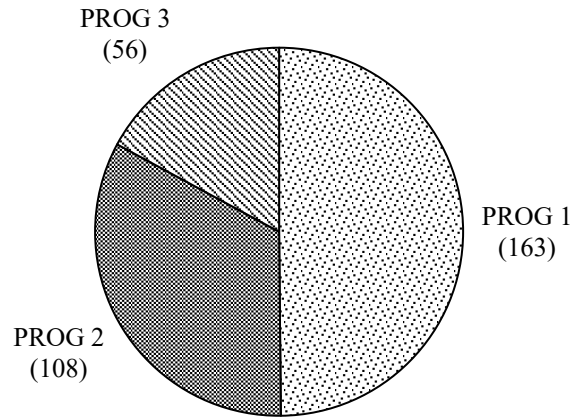
Provision for 2024–25 is \$2.4 million (3.2%) higher than the revised estimate for 2023–24. This is mainly due to salary increment for staff and anticipated increase in other administrative overheads.

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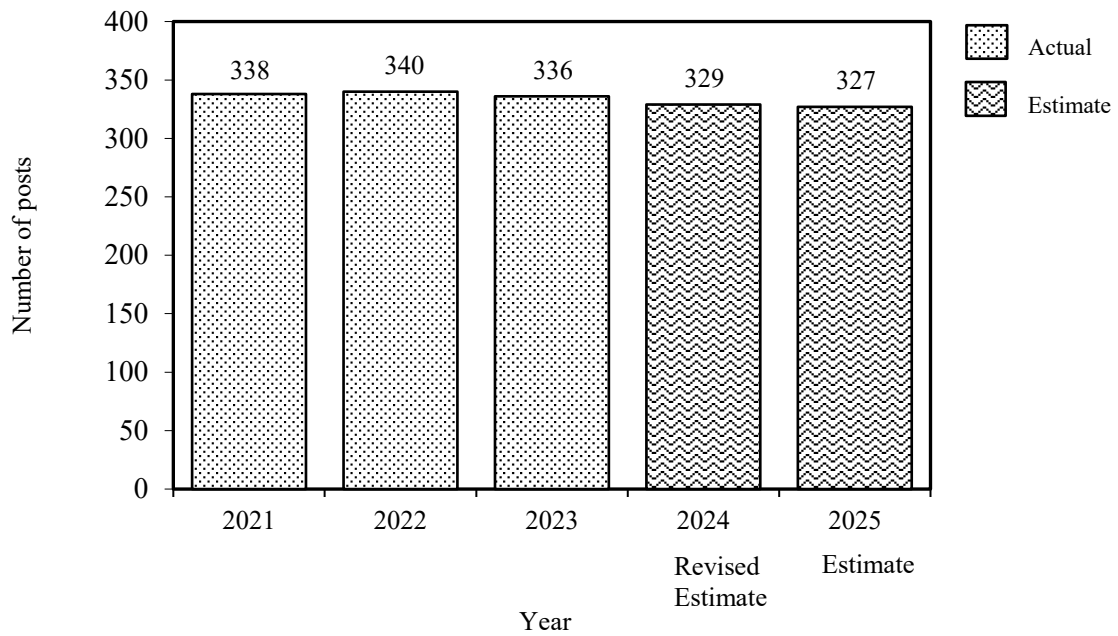
*Allocation of provision
to programmes
(2024-25)*



*Staff by programme
(as at 31 March 2025)*



*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2022–23	Approved estimate 2023–24	Revised estimate 2023–24	Estimate 2024–25	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	2,413,980	2,637,379	2,525,693	2,707,477
	Total, Recurrent	2,413,980	2,637,379	2,525,693	2,707,477
	Total, Operating Account	2,413,980	2,637,379	2,525,693	2,707,477
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Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote)	91,499	66,838	66,838	81,882
	Total, Plant, Equipment and Works	91,499	66,838	66,838	81,882
	Total, Capital Account	91,499	66,838	66,838	81,882
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	Total Expenditure	2,505,479	2,704,217	2,592,531	2,789,359
		<u>2,505,479</u>	<u>2,704,217</u>	<u>2,592,531</u>	<u>2,789,359</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2024–25 for the salaries and expenses of the Government Property Agency is \$2,789,359,000. This represents an increase of \$196,828,000 over the revised estimate for 2023–24 and \$283,880,000 over the actual expenditure in 2022–23.

Operating Account

Recurrent

2 Provision of \$2,707,477,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Government Property Agency.

3 The establishment as at 31 March 2024 will be 329 posts including one supernumerary post. It is expected that there will be a decrease of two posts in 2024–25. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2024–25, but the notional annual mid-point salary value of all such posts must not exceed \$228,990,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2022–23 (Actual) (\$'000)	2023–24 (Original) (\$'000)	2023–24 (Revised) (\$'000)	2024–25 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	223,526	240,400	233,348	258,100
- Allowances	4,874	4,712	6,411	6,563
- Job-related allowances.....	44	65	51	92
Personnel Related Expenses				
- Leasing and management of quarters.....	349,932	371,270	369,363	441,350
- Mandatory Provident Fund contribution	1,120	680	920	705
- Civil Service Provident Fund contribution	13,663	17,299	16,675	18,816
Departmental Expenses				
- Light and power.....	377,555	461,934	429,992	419,615
- Hire of services and professional fees	355,874	409,589	340,374	417,882
- Specialist supplies and equipment.....	14,044	21,126	21,799	18,350
- Workshop services	440,494	469,875	484,186	485,653
- General departmental expenses	20,918	26,416	23,609	28,354
Other Charges				
- Rents and management charges for properties (other than quarters)	611,936	614,013	598,965	611,997
	2,413,980	2,637,379	2,525,693	2,707,477

Capital Account

Plant, Equipment and Works

5 Provision of \$81,882,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$15,044,000 (22.5%) over the revised estimate for 2023–24. This is mainly due to the increased requirement for scheduled replacement of minor plant and equipment in 2024–25.