

## Head 162 — RATING AND VALUATION DEPARTMENT

**Controlling officer:** the Commissioner of Rating and Valuation will account for expenditure under this Head.

**Estimate 2024–25** ..... **\$782.2m**

**Establishment ceiling 2024–25** (notional annual mid-point salary value) representing an estimated 982 non-directorate posts as at 31 March 2024 reducing by two posts to 980 posts as at 31 March 2025 ..... **\$504.1m**

In addition, there will be an estimated 14 directorate posts as at 31 March 2024 and as at 31 March 2025.

### Controlling Officer's Report

#### Programmes

<b>Programme (1) Statutory Valuation and Assessments</b>	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury) and Policy Area 31: Housing (Secretary for Housing).
<b>Programme (2) Collection and Billing of Rates and Government Rent</b>	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).
<b>Programme (3) Provision of Valuation and Property Information Services</b>	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Financial Services and the Treasury) and Policy Area 31: Housing (Secretary for Housing).
<b>Programme (4) Landlord and Tenant Services</b>	This programme contributes to Policy Area 31: Housing (Secretary for Housing).

#### Detail

##### Programme (1): Statutory Valuation and Assessments

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	412.2	485.6	437.3 (–9.9%)	<b>487.3</b> (+11.4%)
				(or +0.4% on 2023–24 Original)

#### Aim

2 The aim is to establish and maintain a database showing all properties liable to Rates and/or Government Rent with their respective rateable values which are reviewed annually.

#### Brief Description

- 3 The Department:
- references properties, creates and maintains a database for them with a view to determining and updating their rateable values on an annual basis;
  - compiles and maintains:
    - a Valuation List showing all rated properties together with their rateable values, on which Rates are charged at a percentage determined in accordance with the Rating Ordinance (Cap. 116) (RO); and
    - a Government Rent Roll for all properties assessed to Government Rent under the Government Rent (Assessment and Collection) Ordinance (Cap. 515) (GRACO) and their rateable values upon which Government Rent is charged at three per cent;
  - reviews rateable values upon receipt of objections and appeals;
  - processes applications for Rates and/or Government Rent exemption; and
  - conducts a general revaluation of the rateable values of properties in the Valuation List and Government Rent Roll annually to reflect prevailing market rents.

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4 The key performance measures in respect of statutory valuation and assessments are:

### *Targets*

	Target	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Plan)
notifying the ratepayer and/or rentpayer of the rateable value of a new property within eight months from the date when Rates and/or Government Rent first become payable (%) .....	85	87	85	<b>85</b>
processing objections to new assessments within four months (%)#.....	90	99	90	<b>90</b>
processing objections to existing assessments within four months (%)# .....	85	86	85	<b>85</b>
keeping the no. of assessments unchallenged or remaining unchanged after objection review to not less than a set percentage of the assessments in the Valuation List (the set percentage) .....	no less than 95	99	99	<b>99</b>
allocating building numbers to new buildings not later than one month after their completion in urban areas (%) .....	95	100	95	<b>95</b>
allocating building numbers to new buildings not later than one month upon receipt of completion document in rural areas where there is an established numbering scheme (%) .....	90	100	90	<b>90</b>

# The statutory requirement is to process objections within six months.

### *Indicators*

	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Estimate)
<b>Valuation List for Rates</b>			
assessments in the List at year end.....	2 661 349	2 700 000	<b>2 730 000</b>
new assessments added to the List.....	35 660	41 500	<b>41 500</b>
assessments deleted from the List.....	7 069	7 000	<b>7 000</b>
<b>Government Rent Roll</b>			
assessments in the Rent Roll at year end .....	2 092 460	2 130 000	<b>2 160 000</b>
new assessments added to the Rent Roll.....	28 891	38 000	<b>38 000</b>
assessments deleted from the Rent Roll.....	4 664	4 000	<b>4 000</b>
<b>Valuation List for Rates and Government Rent Roll</b>			
total assessments .....	4 753 809	4 830 000	<b>4 890 000</b>
assessments per post.....	7 582	7 703	<b>7 849</b>

### *Matters Requiring Special Attention in 2024–25*

5 The Department will:

- continue the referencing and valuation of properties not yet assessed to Rates and/or Government Rent, and add them to the database;
- carry out the annual general revaluation to update rateable values to take effect from 1 April 2025; and
- continue to carry out the preparatory work to take forward the proposals arising from the review of the rating system.

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### Programme (2): Collection and Billing of Rates and Government Rent

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	83.5	97.7	97.8 (+0.1%)	<b>103.5</b> (+5.8%)
				(or +5.9% on 2023–24 Original)

#### *Aim*

6 The aim is to levy Rates and charge Government Rent in accordance with the RO and the GRACO respectively.

#### *Brief Description*

7 The Department issues demand notes and maintains accounts for Rates and/or Government Rent for all properties included in the Valuation List and the Government Rent Roll. The Department also regularly reviews the RO and the GRACO, and updates procedures to ensure the timely collection of Rates and Government Rent and to improve services to the public.

8 The key performance measures in respect of collection and billing of Rates and Government Rent are:

#### *Targets*

	Target	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Plan)
collection of Rates				
keeping the amount of arrears within a set percentage of the Rates demanded for the preceding 12 months (the set percentage).....	no more than 0.9	0.5	0.7	<b>0.9</b>
collection of Government Rent				
keeping the amount of arrears within a set percentage of the Government Rent demanded for the preceding 12 months (the set percentage).....	no more than 1.1	0.7	1.0	<b>1.1</b>

#### *Indicators*

	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Estimate)
Rates and Government Rent accounts maintained.....	2 731 797	2 761 000	<b>2 795 500</b>
Rates and Government Rent accounts per post.....	26 522	26 806	<b>27 678</b>

#### *Matters Requiring Special Attention in 2024–25*

- 9 The Department will continue to:
- remind payers of their responsibility for timely settlement of Rates and Government Rent and the consequences of late payment; and
  - review and enhance its Accounting and Billing System to speed up the recovery of arrears if practicable and to identify areas for improvement in service delivery.

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### Programme (3): Provision of Valuation and Property Information Services

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	97.6	105.0	102.3 (–2.6%)	<b>105.0</b> (+2.6%)
				(or same as 2023–24 Original)

#### *Aim*

**10** The Department provides property valuation advice to government bureaux and departments. It also provides property information services to government bureaux and departments, private sector and the public.

#### *Brief Description*

**11** The main activities involved are:

- providing property valuation advice to the Inland Revenue Department to facilitate the collection of stamp duty and estate duty;
- providing valuation advice to government bureaux and departments to assist them in formulating policies and in their day-to-day work;
- compiling and publishing property market information on a regular basis, and providing property-related information to government bureaux and departments to facilitate policy review and formulation; and
- providing enquiry service on property information to the public.

**12** The key performance measures in respect of provision of valuation and property information services are:

#### *Targets*

	Target	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Plan)
notifying the Inland Revenue Department of valuation on stamp duty cases within four months (%).....	85	88	85	<b>85</b>
notifying the Inland Revenue Department of valuation on estate duty cases within six months (%)^.....	85	100	85	<b>85</b>
notifying other client departments of valuation advice within four months (%).....	90	99	90	<b>90</b>
publishing the monthly property market statistics within six weeks following the end of the month (%).....	100	100	100	<b>100</b>

#### *Indicators*

	2022–23 (Actual)	2023–24 (Revised Estimate)	2024–25 (Estimate)
stamp duty cases scrutinised where stated consideration is considered adequate.....	70 834	75 000	<b>100 000</b>
stamp duty cases scrutinised where stated consideration is considered inadequate.....	4 007	3 400	<b>4 200</b>
valuations provided for stamp duty cases without stated consideration.....	3 964	5 000	<b>4 000</b>
valuations provided for estate duty purposes^.....	266	250	<b>270</b>
valuations on stamp duty and estate duty cases per post .....	919	973	<b>1 261</b>
other valuations and rental advice cases provided .....	20 826	22 000	<b>22 000</b>
other valuations and rental advice cases per post.....	425	449	<b>449</b>

^ Although estate duty was abolished on 11 February 2006, there are still some outstanding cases to be processed.

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### *Matters Requiring Special Attention in 2024–25*

13 The Department will continue to provide property-related information to government bureaux and departments to facilitate their policy review and formulation.

#### **Programme (4): Landlord and Tenant Services**

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	<b>2024–25 (Estimate)</b>
Financial provision (\$m)	70.8	64.6	63.4 (–1.9%)	<b>86.4</b> (+36.3%)
				(or +33.7% on 2023–24 Original)

#### *Aim*

14 The Department assists landlords and tenants in accordance with the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) (LTCO). It also provides advisory and mediatory services to the public on tenancy matters.

#### *Brief Description*

15 The main activities involved are:

- administering the provisions of the LTCO, including processing applications and notifications made under the LTCO;
- monitoring the operation of the LTCO by conducting surveys and reviews, and making recommendations to the Secretary for Housing as and when necessary for improving tenancy arrangements under the LTCO; and
- providing the public with advisory and mediatory services on tenancy matters.

16 The key performance measures in respect of landlord and tenant services are:

#### *Targets*

	Target	2022–23 (Actual)	2023–24 (Revised Estimate)	<b>2024–25 (Plan)</b>
endorsing a notice of tenancy within one month (%).....	99	99	99	<b>99</b>
issuing a substantive reply to a written or electronic enquiry on tenancy matters within 14 days (%).....	90	100	90	<b>90</b>

#### *Indicators*

	2022–23 (Actual)	2023–24 (Revised Estimate)	<b>2024–25 (Estimate)</b>
applications and notices processed.....	77 681	90 000	<b>90 000</b>
enquiries handled .....	95 174	120 000	<b>130 000</b>
applications, notices and enquiries processed per post .....	1 800	2 190	<b>2 180</b>

### *Matters Requiring Special Attention in 2024–25*

17 The Department will:

- continue to administer the provisions of the LTCO, including Part IVA relating to tenancy control on subdivided units (SDUs), which has taken effect since 22 January 2022; and
- step up enforcement of tenancy control on SDUs by checking landlords of no less than 1 000 SDU households on whether they have committed offences for regulated tenancies.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2022–23 (Actual) (\$m)	2023–24 (Original) (\$m)	2023–24 (Revised) (\$m)	2024–25 (Estimate) (\$m)
(1) Statutory Valuation and Assessments....	412.2	485.6	437.3	487.3
(2) Collection and Billing of Rates and Government Rent.....	83.5	97.7	97.8	103.5
(3) Provision of Valuation and Property Information Services.....	97.6	105.0	102.3	105.0
(4) Landlord and Tenant Services .....	70.8	64.6	63.4	86.4
	664.1	752.9	700.8 (-6.9%)	782.2 (+11.6%)
				(or +3.9% on 2023–24 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2024–25 is \$50.0 million (11.4%) higher than the revised estimate for 2023–24. This is mainly due to the increased provision for filling of vacancies and salary increments for staff, partly offset by a decrease of four posts.

##### Programme (2)

Provision for 2024–25 is \$5.7 million (5.8%) higher than the revised estimate for 2023–24. This is mainly due to salary increments for staff and increase in departmental expenses, partly offset by a decrease of two posts.

##### Programme (3)

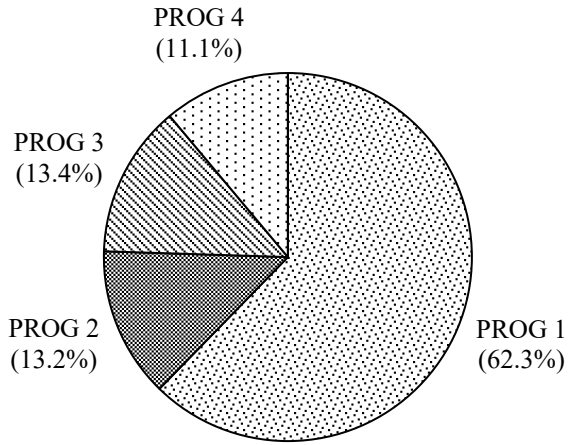
Provision for 2024–25 is \$2.7 million (2.6%) higher than the revised estimate for 2023–24. This is mainly due to salary increments for staff and increase in departmental expenses, partly offset by a decrease of one post.

##### Programme (4)

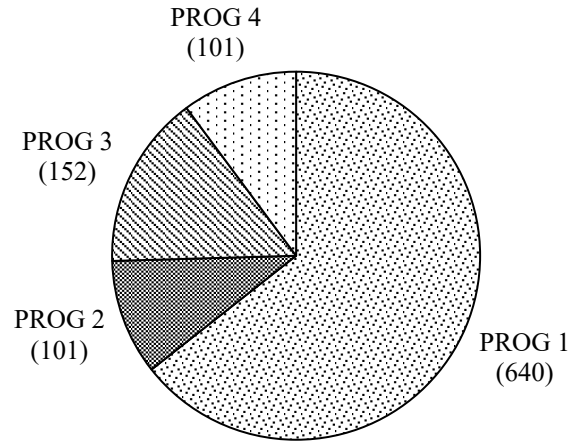
Provision for 2024–25 is \$23.0 million (36.3%) higher than the revised estimate for 2023–24. This is mainly due to the increase in departmental expenses and an increase of five posts.

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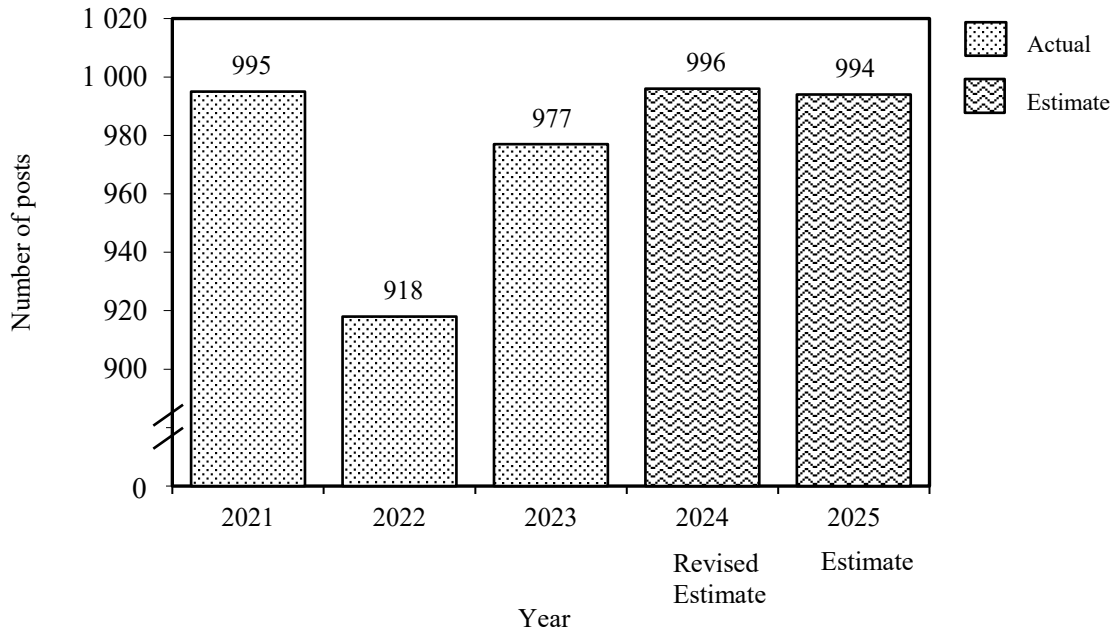
*Allocation of provision to programmes (2024-25)*



*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	<b>Estimate 2024-25</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	664,090	752,367	700,541	<b>782,171</b>
	Total, Recurrent.....	664,090	752,367	700,541	<b>782,171</b>
	Total, Operating Account .....	664,090	752,367	700,541	<b>782,171</b>
<hr/>					
<b>Capital Account</b>					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	—	560	285	—
	Total, Plant, Equipment and Works.....	—	560	285	—
	Total, Capital Account.....	—	560	285	—
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	Total Expenditure .....	664,090	752,927	700,826	<b>782,171</b>
		<u>664,090</u>	<u>752,927</u>	<u>700,826</u>	<u><b>782,171</b></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 Rating and Valuation Department is \$782,171,000. This represents an increase of \$81,345,000 over the revised estimate for 2023–24 and \$118,081,000 over the actual expenditure in 2022–23.

#### *Operating Account*

#### Recurrent

**2** Provision of \$782,171,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Rating and Valuation Department. It represents an increase of \$81,630,000 (11.7%) over the revised estimate for 2023–24. This is mainly due to increased provision for filling of vacancies and increased requirement for departmental expenses.

**3** The establishment as at 31 March 2024 will be 996 posts. It is expected that there will be a net 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 \$504,110,000.

**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)	<b>2024–25 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries .....	466,887	536,080	491,299	<b>556,687</b>
- Allowances .....	7,875	7,952	9,287	<b>9,581</b>
- Job-related allowances.....	121	125	125	<b>125</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	1,853	2,610	2,032	<b>2,767</b>
- Civil Service Provident Fund contribution .....	27,625	32,953	32,275	<b>38,246</b>
Departmental Expenses				
- Temporary staff .....	63,532	79,532	77,960	<b>88,034</b>
- General departmental expenses .....	96,197	93,115	87,563	<b>86,731</b>
	664,090	752,367	700,541	<b>782,171</b>