

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2024–25	Original estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27
	\$'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.....	2,783,576	2,663,000	2,634,000	2,776,000
020 Rents from government quarters.....	1,160,933	1,201,000	1,188,000	1,193,000
030 Rents from government properties.....	1,219,746	1,300,000	1,251,000	1,598,000
040 Investment income and interest.....	5,403,985	6,258,000	7,552,000	9,561,000
060 Returns on equity investments in statutory agencies/corporations	9,070,768	9,632,000	8,371,000	7,271,000
080 Recovery from Housing Authority under the current financial arrangement.....	2,656,444	2,104,000	1,499,000	3,565,000
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	13,035,386	13,992,000	13,921,000	14,401,000
Total.....	<u>35,330,838</u>	<u>37,150,000</u>	<u>36,416,000</u>	<u>40,365,000</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 of the land costs of subsidised sale flats from the Housing Authority are also included in this head.

Revenue from properties and investments generated 5.7% of total revenue in 2025–26.

Underlying Changes in Revenue Yield

The 2025–26 revised estimate of \$36,416 million reflects a net decrease of \$734 million (2.0%) against the original estimate.

Under *Subhead 040 Investment income and interest*, the increase of \$1,294 million (20.7%) is mainly due to the higher-than-expected fund balance placed with the Exchange Fund for investment purpose.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$1,261 million (13.1%) is mainly due to lower-than-expected dividend receipts from statutory corporations.

Under *Subhead 080 Recovery from Housing Authority under the current financial arrangement*, the decrease of \$605 million (28.8%) is mainly due to the lower-than-expected number of flats sold under the Home Ownership Scheme and the Green Form Subsidised Home Ownership Scheme.

The 2026–27 estimate of \$40,365 million reflects a net increase of \$3,949 million (10.8%) over the revised estimate for 2025–26.

Under *Subhead 030 Rents from government properties*, the increase of \$347 million (27.7%) is mainly due to the anticipated increase in rental income from Light Public Housing (LPH) projects, as more LPH projects will commence intake in 2026–27.

Under *Subhead 040 Investment income and interest*, the increase of \$2,009 million (26.6%) is mainly due to the anticipated increase in rate of return on investments with the Exchange Fund and higher fund balance placed with the Exchange Fund for investment purpose.

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Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$1,100 million (13.1%) is mainly due to anticipated decrease in the dividend receipts from statutory corporations.

Under *Subhead 080 Recovery from Housing Authority under the current financial arrangement*, the increase of \$2,066 million (137.8%) is mainly due to the anticipated increase in the number of flats sold under the Home Ownership Scheme and the Green Form Subsidised Home Ownership Scheme.