

## Head 51 — GOVERNMENT PROPERTY AGENCY

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

**Estimate 2026–27** ..... **\$3,234.6m**

**Establishment ceiling 2026–27** (notional annual mid-point salary value) representing an estimated 315 non-directorate posts as at 31 March 2026 reducing by 13 posts to 302 posts as at 31 March 2027..... **\$230.2m**

In addition, there will be an estimated nine directorate posts as at 31 March 2026 reducing by two posts to seven posts as at 31 March 2027.

### 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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	565.0	656.8	606.4 (–7.7%)	<b>629.8</b> (+3.9%)
				(or –4.1% on 2025–26 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 private premises at reasonable terms to Government;
- allocating office accommodation to bureaux and departments and making available quarters accommodation to 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 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

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- collaborating with relevant bureaux/departments to continue implementing the “single site, multiple use” initiative and take forward the relevant projects.

4 The key performance measures are:

### *Targets*

	Target	2024 (Actual)	2025 (Actual)	2026 (Plan)
take-up rate of office space (%).....	99.8	100	98.7◇	90.0◇
rental level of leased offices (percentage of market rent) (%)Λ.....	95.0	92.5	94.9	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	95.9	96.8	97.0
identifying suitable premises to lease within three months of the Agency’s agreement to provide leased office accommodation (%).....	90	100	100	90

◇ Wan Chai Government Offices Compound (WCGOC) is being vacated in phases to make way for the Wan Chai North Redevelopment Project. The take-up rate of office space is expected to drop.

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

### *Indicators*

	2024 (Actual)	2025 (Actual)	2026 (Estimate)
total area of office space (m <sup>2</sup> )Ψ.....	1 233 002	1 243 262	1 235 000
office space owned by Government (%).....	63.0	66.0	66.2
office space leased by Government (%).....	37.0	34.0	33.8
new allocation of owned office space to bureaux/departments (m <sup>2</sup> ).....	18 742	63 256	5 200
net change in leased office accommodation (m <sup>2</sup> ).....	(34 572)#	(33 716)#	(5 400)γ
renewals of leased office accommodation (m <sup>2</sup> ).....	121 384	124 531	93 000
non-departmental quarters (NDQs).....	185	140	100
NDQs owned by Government (%).....	100	100	100
departmental quarters (DQs).....	25 826	25 769	25 900
DQs owned by Government (%).....	99.9	99.9	99.9

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

# There was a net decrease in leased office accommodation as the floor area of de-leasing cases arising from the reprovisioning of office accommodation to government-owned premises and completion of short-term projects has offset the floor area of new leasing cases.

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

### *Matters Requiring Special Attention in 2026–27*

5 During 2026–27, the Agency will:

- continue to take forward new government office building projects for the reprovisioning of the departments housed in WCGOC;
- continue to pursue de-leasing opportunities where appropriate;
- continue to encourage bureaux and departments to regularly review office accommodation demand in the short and medium term through an annual accommodation review mechanism;
- 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 for the provision of welfare facilities; and
- continue to take forward the initiative of relocating 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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	1,979.0	2,162.3	2,030.3 (–6.1%)	<b>2,508.5</b> (+23.6%)
				(or +16.0% on 2025–26 Original)

#### *Aim*

6 The aim is to manage government properties under 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 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	2024 (Actual)	2025 (Actual)	<b>2026 (Plan)</b>
performance level of property management services contractors (average percentage score measured according to the service level specified in property management services contracts) (%) .....	95	97	97	<b>95</b>
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 MOM services contracts) (%) .....	94	96	96	<b>94</b>

#### *Indicators*

	2024 (Actual)	2025 (Actual)	<b>2026 (Estimate)</b>
management of government properties			
GIC non-domestic properties in private developments under the custody of the Agency .....	251	261	<b>273</b>
residential flats managed by the Agency .....	24 923	24 923	<b>24 922</b>
government joint-user buildings managed by the Agency .....	46	47	<b>47</b>
joint-user government facilities at boundary control points managed by the Agency .....	91	89p	<b>99a</b>
other accommodation managed by the Agency			
sites .....	15	15	<b>15</b>
area (m <sup>2</sup> ) .....	152 640	152 640	<b>152 640</b>
average management fee for non-domestic accommodation in private developments (\$/m <sup>2</sup> /month)§ .....	58.2	58.2	<b>59.8</b>

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	2024 (Actual)	2025 (Actual)	2026 (Estimate)
average management cost of major joint-user buildings (\$/m <sup>2</sup> /month)Φ .....	26.4	30.6	32.2
average management fee for quarters in private developments (\$/m <sup>2</sup> /month)§ .....	30.9	31.6	40.9
average management cost of wholly-owned government quarters (\$/m <sup>2</sup> /month)Φ .....	21.0	25.6	25.9
average management cost of buildings/facilities at boundary control points managed by the Agency (\$/m <sup>2</sup> /month)Ω .....	44.6	44.8	56.3

ρ The number of joint-user government facilities at boundary control points decreased from 91 to 89 due to the handover of two joint-user government facilities at the Hong Kong – Zhuhai – Macao Bridge Hong Kong Port (HZMB HKP) to the Airport Authority Hong Kong for the development of Airport City in 2025.

α The estimated number of joint-user government facilities at boundary control points increases from 89 to 99 due to the anticipated handover of joint-user government facilities at the new Huanggang Port Hong Kong Port Area (nHGP HKPA) to the Agency in 2026.

§ 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 and provision for major repairs. 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 and nHGP HKPA. Figures are exclusive of the expenditure on management services requested and reimbursed by user departments for their own premises, regular maintenance, provision for major repairs and electricity charges. Besides, the management costs of other buildings and external areas (\$3.2 million per month in 2025) as well as soft landscape areas (\$0.8 million per month in 2025) for HZMB HKP are also excluded.

### *Matters Requiring Special Attention in 2026–27*

9 During 2026–27, 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 property and facilities management of joint-user government facilities at boundary control points.

### **Programme (3): Estate Utilisation**

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	89.1	81.7	76.2 (–6.7%)	96.3 (+26.4%)
				(or +17.9% on 2025–26 Original)

### *Aim*

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

### *Brief Description*

11 This programme involves:

- advising bureaux and departments on ways to optimise site utilisation at the site reservation stage;
- advising on the utilisation of sites to be developed by 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 bureaux and departments and, where conditions permit, assisting the bureaux and departments in releasing them for alternative uses or disposal as appropriate;
- assisting bureaux and departments in releasing surplus departmental properties for alternative uses or disposal as appropriate;
- identifying government properties held by the Agency under its portfolio with commercialisation potential with a view to realising such potential;

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- exploring the possibility of introducing commercial activities within government properties where appropriate;
- updating the GIC site record system to take into account new development areas and revised planning parameters;
- implementing the refined leasing arrangements for contributing towards the socially caring objective; and
- advising bureaux and departments on the planning and implementation of public vehicle park projects within government premises from MOM perspectives.

12 The key performance measures are:

### *Targets*

	Target	2024 (Actual)	2025 (Actual)	2026 (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 (%)Δ.....	90.0	87.7	88.2	90.0

Δ Revised description of the previous target “let out rate of surplus government quarters with tenure of two years or more” as from 2026. The let out rate of surplus government quarters takes into account all tenancies regardless of their duration. The let out rate may vary with changing market conditions.

### *Indicators*

	2024 (Actual)	2025 (Actual)	2026 (Estimate)
sites for reviewφ.....	85	85	85
sites ready to be released for disposal, redevelopment or other purposes.....	0	0	1
non-domestic premises			
lettings.....	1 220	1 239	1 268
rental income (\$m).....	225.9	220.7	278.9
domestic premises			
lettings.....	322	358	378
rental income (\$m).....	222.8	252.2	266.4
ratio of rental income in respect of domestic and non-domestic premises to related staff cost‡.....	10	10	10
government premises identified as having new commercialisation opportunities.....	6	6	4

φ Sites for review are government sites considered for alternative uses or disposal with a view to optimising utilisation. The number may 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 the possible release of government sites.

‡ 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 2026–27*

13 During 2026–27, the Agency will continue to:

- assist bureaux and departments in reviewing their under-utilised sites with a view to releasing the sites for alternative uses or disposal as appropriate;
- assist bureaux and departments in releasing 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 contributing towards the socially caring objective; and
- assist bureaux and departments in planning and implementing public vehicle park projects within government premises from MOM perspectives.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
(1) Acquisition and Allocation .....	565.0	656.8	606.4	629.8
(2) Property Management .....	1,979.0	2,162.3	2,030.3	2,508.5
(3) Estate Utilisation .....	89.1	81.7	76.2	96.3
	2,633.1	2,900.8	2,712.9 (–6.5%)	3,234.6 (+19.2%)
				(or +11.5% on 2025–26 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2026–27 is \$23.4 million (3.9%) higher than the revised estimate for 2025–26. This is mainly due to the anticipated increase in administrative overheads, salaries and personnel related expenses and the rent and management charges for rented accommodation. There will be a decrease of 13 posts in 2026–27.

##### Programme (2)

Provision for 2026–27 is \$478.2 million (23.6%) higher than the revised estimate for 2025–26. This is mainly due to the anticipated increases in the requirement for maintenance services, property management and electricity charges for the anticipated increase in the number of joint-user government facilities at boundary control points and provision for leasing and management of quarters. There will be a decrease of one post in 2026–27.

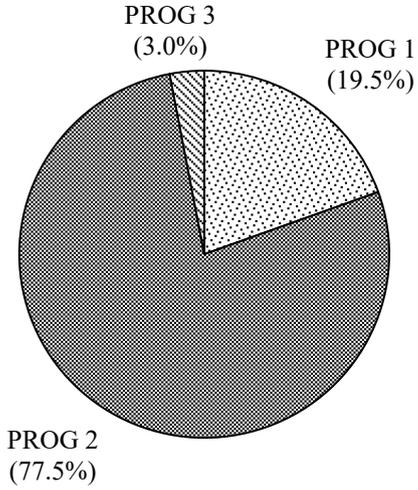
##### Programme (3)

Provision for 2026–27 is \$20.1 million (26.4%) higher than the revised estimate for 2025–26. This is mainly due to the anticipated increases in salaries and personnel related expenses with filling of vacancies, administrative overheads and requirement for consultancy services. There will be a decrease of one post in 2026–27.

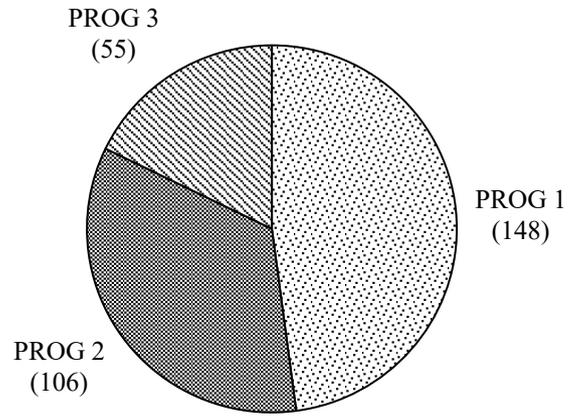
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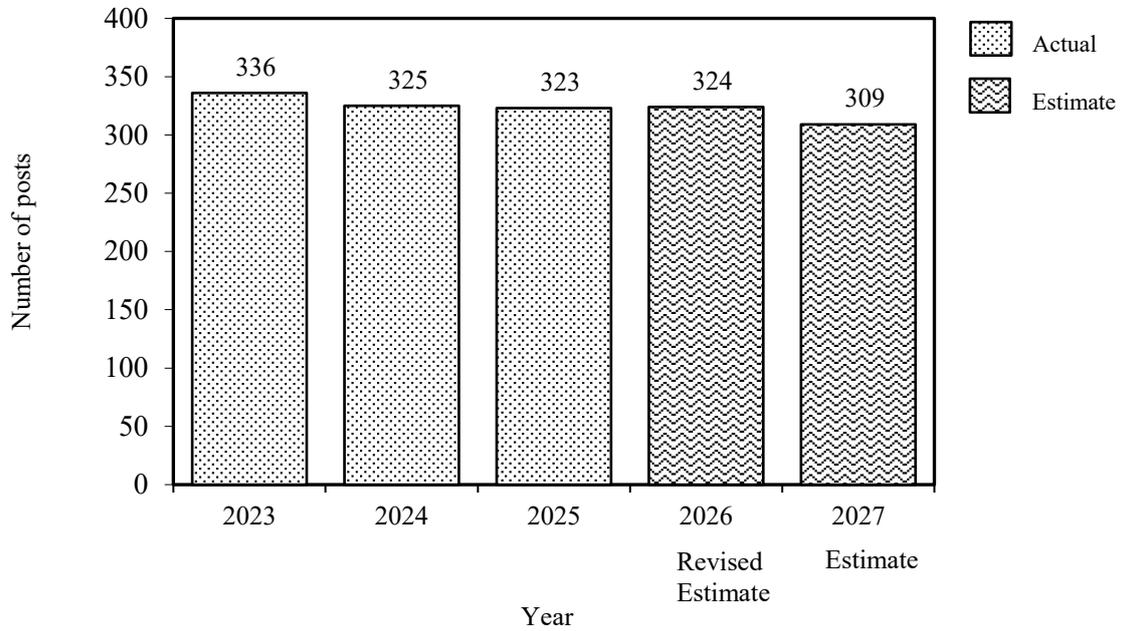
*Allocation of provision  
to programmes  
(2026-27)*



*Staff by programme  
(as at 31 March 2027)*



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



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Sub-head (Code)	Actual expenditure 2024–25	Approved estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27	
	\$'000	\$'000	\$'000	\$'000	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	2,551,224	2,831,729	2,643,819	<b>3,153,753</b>
	Total, Recurrent .....	2,551,224	2,831,729	2,643,819	<b>3,153,753</b>
	Total, Operating Account .....	2,551,224	2,831,729	2,643,819	<b>3,153,753</b>
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<b>Capital Account</b>					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	81,882	69,049	69,049	<b>80,843</b>
	Total, Plant, Equipment and Works.....	81,882	69,049	69,049	<b>80,843</b>
	Total, Capital Account.....	81,882	69,049	69,049	<b>80,843</b>
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	Total Expenditure .....	2,633,106	2,900,778	2,712,868	<b>3,234,596</b>
		<u>2,633,106</u>	<u>2,900,778</u>	<u>2,712,868</u>	<u><b>3,234,596</b></u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2026–27 for the salaries and expenses of the Government Property Agency is \$3,234,596,000. This represents an increase of \$521,728,000 over the revised estimate for 2025–26 and \$601,490,000 over the actual expenditure in 2024–25.

#### Operating Account

##### Recurrent

**2** Provision of \$3,153,753,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Government Property Agency. The increase of \$509,934,000 (19.3%) over the revised estimate for 2025–26 is mainly due to higher departmental expenses for joint-user government facilities at boundary control points and leasing and management of quarters.

**3** The establishment as at 31 March 2026 will be 324 posts. It is expected that there will be a net decrease of 15 posts in 2026–27. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2026–27, but the notional annual mid-point salary value of all such posts must not exceed \$230,167,000.

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

	2024–25 (Actual) (\$'000)	2025–26 (Original) (\$'000)	2025–26 (Revised) (\$'000)	<b>2026–27 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries.....	237,421	273,000	245,328	<b>274,919</b>
- Allowances.....	3,566	5,723	4,448	<b>5,949</b>
- Job-related allowances.....	50	64	48	<b>61</b>
Personnel Related Expenses				
- Leasing and management of quarters .....	438,571	515,530	455,574	<b>517,700</b>
- Mandatory Provident Fund contribution.....	783	554	545	<b>214</b>
- Civil Service Provident Fund contribution.....	18,524	20,912	21,673	<b>25,245</b>
Departmental Expenses				
- Light and power .....	350,640	410,581	375,293	<b>427,886</b>
- Hire of services and professional fees .....	390,341	438,733	418,457	<b>573,215</b>
- Specialist supplies and equipment .....	15,063	18,150	18,078	<b>18,000</b>
- Workshop services.....	511,012	507,761	506,116	<b>653,471</b>
- General departmental expenses .....	24,385	28,993	30,335	<b>43,975</b>
Other Charges				
- Rents and management charges for properties (other than quarters).....	560,868	611,728	567,924	<b>613,118</b>
	2,551,224	2,831,729	2,643,819	<b>3,153,753</b>

#### Capital Account

##### Plant, Equipment and Works

**5** Provision of \$80,843,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$11,794,000 (17.1%) over the revised estimate for 2025–26. This is mainly due to the increased requirement for scheduled replacement of minor plant and equipment in 2026–27.