

## Head 162 — RATING AND VALUATION DEPARTMENT

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

**Estimate 2026–27** ..... **\$737.8m**

**Establishment ceiling 2026–27** (notional annual mid-point salary value) representing an estimated 954 non-directorate posts as at 31 March 2026 reducing by 25 posts to 929 posts as at 31 March 2027..... **\$490.0m**

In addition, there will be an estimated 14 directorate posts as at 31 March 2026 and 31 March 2027.

### 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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	457.9	478.3	475.5 (–0.6%)	<b>469.1</b> (–1.3%)
				(or –1.9% on 2025–26 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 specified percentage(s) 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	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (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	85	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	85	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*

	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Estimate)
<b>Valuation List for Rates</b>			
assessments in the List at year end.....	2 731 011	2 770 000	<b>2 810 000</b>
new assessments added to the List.....	40 619	46 700	<b>46 700</b>
assessments deleted from the List.....	7 995	7 000	<b>7 000</b>
<b>Government Rent Roll</b>			
assessments in the Rent Roll at year end .....	2 153 429	2 190 000	<b>2 230 000</b>
new assessments added to the Rent Roll.....	32 025	38 600	<b>41 600</b>
assessments deleted from the Rent Roll.....	5 484	5 000	<b>5 000</b>
<b>Valuation List for Rates and Government Rent Roll</b>			
total assessments .....	4 884 440	4 960 000	<b>5 040 000</b>
assessments per post.....	7 840	8 118	<b>8 331</b>

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

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; and
- carry out the annual general revaluation to update rateable values which will take effect from 1 April 2027.

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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	99.5	101.1	97.2 (–3.9%)	<b>95.9</b> (–1.3%)
				(or –5.1% on 2025–26 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 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	2024–25 (Actual)	2025–26 (Revised Estimate)	<b>2026–27 (Plan)</b>
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	0.7	0.8	<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	0.8	1.0	<b>1.1</b>

#### *Indicators*

	2024–25 (Actual)	2025–26 (Revised Estimate)	<b>2026–27 (Estimate)</b>
Rates and Government Rent accounts maintained.....	2 807 223	2 839 000	<b>2 879 000</b>
Rates and Government Rent accounts per post.....	27 794	28 390	<b>29 081</b>

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

- 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 and to improve service delivery where practicable.

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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	101.8	103.0	102.8 (–0.2%)	<b>100.7</b> (–2.0%)
				(or –2.2% on 2025–26 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<sup>^</sup>;
- 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	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Plan)
notifying the Inland Revenue Department of valuation on stamp duty cases within four months (%).....	85	87	85	<b>85</b>
notifying the Inland Revenue Department of valuation on estate duty cases <sup>^</sup> 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*

	2024–25 (Actual)	2025–26 (Revised Estimate)	2026–27 (Estimate)
stamp duty cases scrutinised where stated consideration is considered adequate.....	75 743	75 000	<b>75 000</b>
stamp duty cases scrutinised where stated consideration is considered inadequate.....	3 763	4 000	<b>4 000</b>
valuations provided for stamp duty cases without stated consideration.....	4 842	5 200	<b>5 200</b>
valuations provided for estate duty purposes <sup>^</sup> .....	309	250	<b>250</b>
valuations on stamp duty and estate duty cases per post .....	984	982	<b>982</b>
other valuations and rental advice cases provided .....	23 671	28 500	<b>25 500</b>
other valuations and rental advice cases per post.....	483	582	<b>543</b>

<sup>^</sup> 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 2026–27*

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**

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	76.2	74.0	78.9 (+6.6%)	<b>72.1</b> (–8.6%)
				(or –2.6% on 2025–26 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	2024–25 (Actual)	2025–26 (Revised Estimate)	<b>2026–27 (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*

	2024–25 (Actual)	2025–26 (Revised Estimate)	<b>2026–27 (Estimate)</b>
applications and notices processed.....	89 029	103 000	<b>106 000</b>
enquiries handled .....	102 018	115 000	<b>120 000</b>
applications, notices and enquiries processed per post.....	1 900	2 200	<b>2 500</b>

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

17 The Department will continue to:

- administer the provisions of the LTCO, including Part IVA relating to tenancy control on subdivided units (SDUs); 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	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
(1) Statutory Valuation and Assessments....	457.9	478.3	475.5	469.1
(2) Collection and Billing of Rates and Government Rent.....	99.5	101.1	97.2	95.9
(3) Provision of Valuation and Property Information Services.....	101.8	103.0	102.8	100.7
(4) Landlord and Tenant Services .....	76.2	74.0	78.9	72.1
	735.4	756.4	754.4 (-0.3%)	737.8 (-2.2%)
				(or -2.5% on 2025–26 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2026–27 is \$6.4 million (1.3%) lower than the revised estimate for 2025–26. This is mainly due to the decrease in departmental expenses, partly offset by the increased provision for salaries and personnel related expenses. There will be a decrease of 13 posts in 2026–27.

##### Programme (2)

Provision for 2026–27 is \$1.3 million (1.3%) lower than the revised estimate for 2025–26. This is mainly due to the decrease in departmental expenses, partly offset by the increased provision for salaries and personnel related expenses. There will be a decrease of one post in 2026–27.

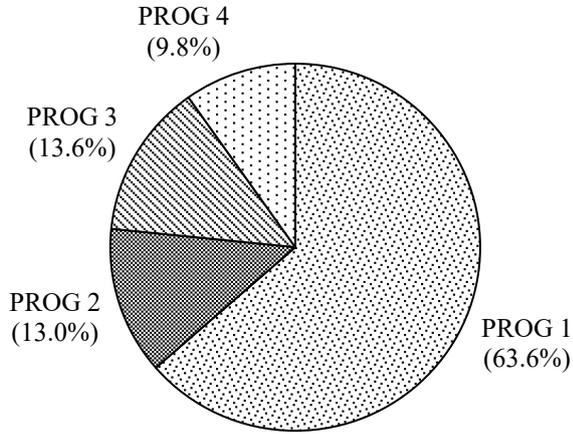
##### Programme (3)

Provision for 2026–27 is \$2.1 million (2.0%) lower than the revised estimate for 2025–26. This is mainly due to the decrease in departmental expenses, partly offset by the increased provision for salaries and personnel related expenses. There will be a decrease of two posts in 2026–27.

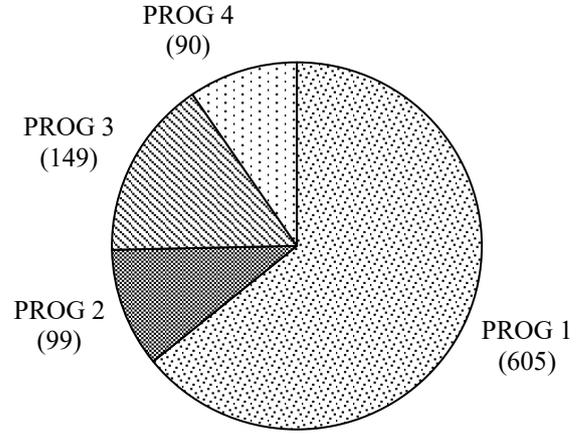
##### Programme (4)

Provision for 2026–27 is \$6.8 million (8.6%) lower than the revised estimate for 2025–26. This is mainly due to the decrease in departmental expenses, partly offset by the increased provision for salaries and personnel related expenses. There will be a decrease of nine posts in 2026–27.

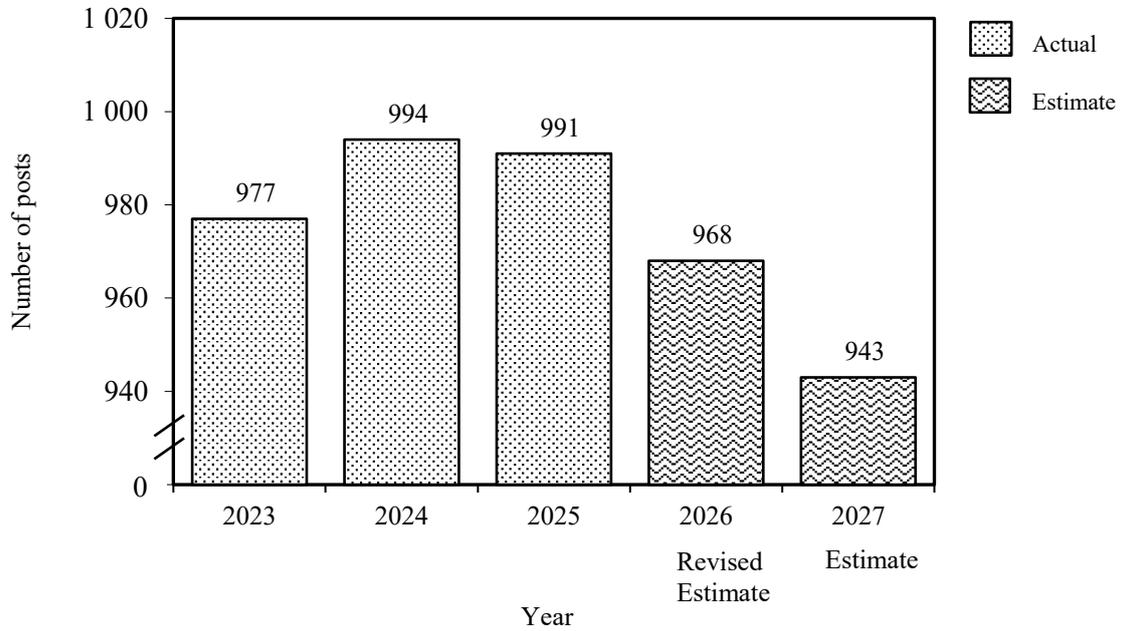
*Allocation of provision to programmes (2026-27)*



*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	<b>Estimate 2026–27</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	735,351	756,419	754,434	<b>737,771</b>
	Total, Recurrent.....	735,351	756,419	754,434	<b>737,771</b>
	Total, Operating Account .....	735,351	756,419	754,434	<b>737,771</b>
<hr/>					
	Total Expenditure .....	735,351	756,419	754,434	<b>737,771</b>
		<u>735,351</u>	<u>756,419</u>	<u>754,434</u>	<u><b>737,771</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 Rating and Valuation Department is \$737,771,000. This represents a decrease of \$16,663,000 against the revised estimate for 2025–26 and an increase of \$2,420,000 over the actual expenditure in 2024–25.

#### *Operating Account*

#### Recurrent

**2** Provision of \$737,771,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Rating and Valuation Department.

**3** The establishment as at 31 March 2026 will be 968 posts. It is expected that there will be a decrease of 25 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 \$489,990,000.

**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 .....	508,053	549,129	505,389	<b>532,865</b>
- Allowances .....	7,688	8,756	9,372	<b>9,714</b>
- Job-related allowances.....	17	125	125	<b>124</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	1,767	2,108	1,769	<b>1,809</b>
- Civil Service Provident Fund contribution .....	37,876	44,087	41,158	<b>47,877</b>
Departmental Expenses				
- Temporary staff.....	86,512	69,874	86,174	<b>63,073</b>
- General departmental expenses .....	93,438	82,340	110,447	<b>82,309</b>
	735,351	756,419	754,434	<b>737,771</b>