

LCQ17: Collection of rates

Following is a question by the Hon Wong Kwok-kin and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (March 17):

Question:

Will the Government inform this Council:

(1) of the total amount of revenue collected by the Government from rates and its year-on-year rate of change, in each of the past five years;

(2) of the (i) number of units and (ii) total amount of annual rates payable (set out in tables of the same format as the table below), in respect of each type of buildings (i.e. private residential, public rental housing, office, commercial and industrial buildings) in each of the past five years, broken down by the range (as set out in the table below) to which the amounts of annual rates payable (before concession) for the units belonged;

Year:

Type of buildings:

Amount of annual rates payable for the units (\$)	Number of units	Total amount of annual rates payable
Below 2,500		
2,500 to 5,000		
5,001 to 7,500		
7,501 to 10,000		
10,001 to 15,000		
15,001 to 20,000		
20,001 to 30,000		
Above 30,000		
Total		

(3) of the respective numbers of (i) "proposals" to alter an entry in a new Valuation List, and (ii) "notices of objection" against a/an correction, deletion or addition to an existing Valuation List, received by the Rating and Valuation Department (RVD) in each of the past five years; among those cases, the respective numbers of cases in which the rateable values were reduced eventually;

(4) given that in assessing the rateable value of a certain property, the authorities will make reference to the open market rents agreed on or around the date of valuation, for similar properties in the same district, with due

adjustments made to reflect differences in sizes, locations, facilities, and standards of finish and management, of the details of the calculation criteria and adjustment ratios concerned;

(5) as some residents of the subsidised housing in Kowloon East (including Hong Pak Court and Hong Nga Court) have pointed out that the housing court in which they reside is similar to an adjacent housing court in terms of the completion time, location, number of storeys and building conditions, etc., but there is a great discrepancy between the rateable values of the units in the two adjacent housing courts, of the reasons for that; and

(6) of the current staffing establishment in the RVD for handling the work of assessment and review of property rates, and the work process of the annual revaluation of the rateable values of properties?

Reply:

President,

(1) The annual rates revenue collected by the Government and the year-on-year rate of change in the past five years are as follows:

Financial year	Rates revenue (after deducting rates concessions) (\$ million)	Year-on-year rate of change
2015-16	22,733	+2.1%
2016-17	21,250	- 6.5%
2017-18	22,203	+ 4.5%
2018-19	17,167	- 22.7%
2019-20	20,981	+ 22.2%

(2) The Rating and Valuation Department (RVD) does not compile statistics by the amount of rates payable and property types. The number of assessed properties on the Valuation List of each of the past five years, sorted by rateable value, is tabulated below:

Rateable value (\$)	Number of properties on the Valuation List as at April 1 of that year (Note)				
	2016	2017	2018	2019	2020
3,001 – 49,999	429 115	426 201	409 414	396 002	403 632
50,000 – 99,999	673 839	645 185	551 188	474 372	493 819
100,000 – 159,999	651 259	695 262	733 876	755 456	769 660
160,000 – 199,999	213 395	219 545	255 052	291 961	292 490
200,000 – 299,999	221 347	221 675	263 121	297 900	296 323
300,000 – 399,999	82 602	85 049	95 527	106 027	104 616

400,000 – 599,999	74 037	74 944	80 278	86 490	86 198
600,000 or above	108 856	109 723	116 132	123 138	122 260
Total	2 454 450	2 477 584	2 504 588	2 531 346	2 568 998

Note: The numbers include properties assessed on a block-assessment basis.

(3) Proposals for alteration of Valuation List and notices of objection to alteration of an entry on the Valuation List received by the RVD in the past five years are as follows:

Year	Proposal for Alteration of Valuation List		Notice of Objection to an Interim Valuation, a deletion or a correction of an entry on the Valuation List	
	Number of Cases Processed	Number of Cases with rateable value reduced after review	Number of Cases Processed	Number of Cases with rateable value reduced after review
2015-16	50 304	1 417	3 383	289
2016-17	48 688	1 386	4 975	97
2017-18	40 190	1 685	3 727	382
2018-19	40 566	1 544	3 423	86
2019-20	39 092	1 644	6 878	177

(4) & (5) In assessing the rateable value of a tenement, the RVD will make reference to and analyse the rents of similar tenements in the same district as transacted in the open market, and make appropriate adjustments through the application of valuation principles and professional expertise and having regard to the actual conditions of the tenement (taking into account factors such as size, floor level, view, location, environmental conditions, building quality, property management level, maintenance, facilities, etc.) in order to determine the rateable value of the tenement concerned. Although neighbouring housing estates situated in the same district may be similar in terms of building type and age, other factors affecting the rental values of individual properties, such as building design, floor layout, natural lighting of a unit, etc., may differ. As such, it is not abnormal for their levels of rateable value to be different.

(6) The RVD has an establishment of 600 posts dedicated to statutory valuation and assessments in 2021-22. Apart from the assessment and annual revaluation of the rateable values of properties liable to rates and/or

Government rent as well as the review of objection and appeal cases, the staff concerned are also responsible for carrying out other relevant statutory duties such as processing rates and/or Government rent exemption, etc.

The RVD will carry out an annual revaluation of rateable values of all properties on the Valuation List. The RVD will issue the Requisition for Particulars of Tenements to ratepayers in order to collect rental information of various properties. Having analysed the rental information collected, the RVD will re-assess the rateable values of the tenements on the Valuation List according to the prevailing market rents as at the valuation reference date (generally on October 1 of the year before the new Valuation List comes into force). Upon completion of the revaluation work, the RVD will declare the new Valuation List for public inspection.