

14 July 2025

BY POST AND EMAIL

Financial Services and the Treasury Bureau
The Government of the Hong Kong Special Administrative Region
24/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Attention: Mr. Christopher Hui, GBS, JP, Secretary for Financial Services and the Treasury Bureau

Dear Mr. Hui,

RE: HKREITA's concerns over the implementation of progressive rates on car parks

Introduction

1. On behalf of the Hong Kong REITS Association ("HKREITA"), its members, and the broader H-REIT industry (including unitholders, investors and the general public), we write to express our concern regarding the recent imposition of progressive rates on car parks owned by one of our members (collectively "**Member Carparks**") under the Rating (Amendment) Ordinance 2024 ("**Ordinance**").

Contradiction to Intent and Operational Impact

2. We are surprised by the classification of Member Carparks as ***en-bloc serving "domestic tenements"*** under the Ordinance, resulting in rate increases from 5% to 12%. We respectfully request a review of the applicability of the Ordinance to Member Carparks with the following points for your consideration.
 - a. The classification lacks clear justification and **contradicts the Ordinance's legislative intent** to target "*high RV domestic tenements*" (understood as luxury domestic properties and those car parks serving them) under the "*affordable user pays*" principle referred to in the Legislative Council report in 2024¹. Member Carparks primarily serve public/government/subsidised housing communities ² (collectively "**Subsidised Housing**"), not luxury domestic properties.
 - b. Applying the progressive rates to car parks supporting Subsidised Housing undermines affordability for those **economically disadvantaged communities** - nearly 45%³ of Hong Kong population.

¹ LC Paper No. CB(1)1297/2024

² Including but not limited to Home Ownership Schemes, Public Rental Housing, Tenant Purchase Schemes

³ [C&SD : Table 130-06603 : Domestic households by type of housing](#)

- c. Many Member Carparks serve other **adjoining/nearby lots** as well as **mixed-use development** such as government/public facilities, welfare, logistics and business-related infrastructure, making the "*domestic*" classification inappropriate.
- d. Increased rates will lead to **higher operating costs**, which will adversely impact users by resulting in higher parking fees that disproportionately affect financially vulnerable groups who rely on these car parking facilities.

Request for Dialogue and Suspension

- 3. Whilst our member has lodged formal objections, we believe a **broader policy-level dialogue** is necessary to resolve the underlying issues and to prevent unintended consequences of the progressive rate regime. We would therefore welcome the opportunity to meet with your office to discuss this matter further.
- 4. In the meantime, given the significant impact of the Ordinance on those living in Subsidised Housing, we respectfully request a temporary suspension of progressive rates on Member Carparks until those discussions can occur.
- 5. We look forward to your positive response.

Yours sincerely,



George Kwok Lung HONGCHOY
Honorary Founding President & Chairman
Hong Kong REITS Association Limited