

**Memorandum for the Subsidised Housing Committee of  
the Hong Kong Housing Authority**

**Annual Review of Management Fees for Home Ownership Scheme/  
Green Form Subsidised Home Ownership Scheme Courts**

**PURPOSE**

This paper informs Members of the annual review of management fees for the 25 Home Ownership Scheme (HOS)/Green Form Subsidised Home Ownership Scheme (GSH) courts <sup>Note 1</sup> for 2024/25.

**BACKGROUND**

2. The Hong Kong Housing Authority (HA) is the Manager under the Deeds of Mutual Covenant (DMCs) to manage the Common Areas and Facilities of HOS/GSH courts where the owners have not yet taken over the management. HA appoints Property Services Agents (PSAs) to perform property management services on its behalf. Management fees for these courts are reviewed annually with regard to the fluctuation in management and maintenance expenses and in accordance with the relevant provisions of the Building Management Ordinance (BMO) and DMCs. HA, being the DMC Manager of the courts, has to inform owners of the management budgets and the revised management fees (if applicable) before the next financial year commencing on 1 April 2024.

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Note 1 Comprising 21 HOS courts (Ching Chun, Choi Hing, Choi Wo, Hoi Lok, Hoi Tak, Ka Keng, Kai Long, Kam Chun, Kam Fai, Ngan Ho, Ngan Wai, Ping Yan, Shan Lai, Sheung Chui, Sheung Man, Tin Chung, Yu Nga, Yu Tai, Yu Tak, Yuk Wo and Yung Ming Courts) and four GSH courts (Ching Fu, Dip Tsui, King Tai and Lai Tsui Courts). The review does not cover Kwun Tak Court as Owners' Corporation would take up the management of the Court since 7 January 2024 and Kai Cheung Court as the first property management agency contract commenced in July 2023.

## MANAGEMENT BUDGETS

3. The budgets for 2024/25 of the 25 courts have been prepared after taking into consideration factors such as price indices, trends in contract rates for cleansing and security services, and the scope of maintenance and improvement works in the coming year. It also includes a Supervision Cost (SC) which covers HA's staff cost in the supervision of the court management plus part of the headquarters administrative overheads. Based on a full cost recovery principle, the projected SC levied by HA for 2024/25 will be increased to \$33 per unit per month.

## REVIEW MANAGEMENT FEES

4. After review, the monthly management fees for 2024/25 of 15 courts <sup>Note 2</sup> will remain unchanged at the current level and nine courts <sup>Note 3</sup> will have an increase ranging from \$13 to \$105 per flat on average, and increasing percentage from +2.25% to +14.99%. The remaining one court <sup>Note 4</sup>, namely Shan Lai Court, will have a decrease of \$45 per flat, representing -6.98%. As shown in **Annex**, the proposed average management fees per flat per month of the 25 courts range from \$592 to \$1,787.

5. Out of the 15 courts where the management fees are maintained at the current level, Ching Chun, Hoi Lok, Ka Keng and Yuk Wo Courts will envisage deficit budgets caused by fluctuations in the operating expenses. Nevertheless, the owners prefer the anticipated deficit to be absorbed by the Accumulated Fund (AF) <sup>Note 5</sup> and through appropriate cost-saving measures. As for the remaining 11 courts, the owners prefer to maintain the existing management fees notwithstanding that there could be room for decrease.

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Note 2 Including Ching Chun, Ching Fu, Choi Wo, Dip Tsui, Hoi Lok, Hoi Tak, Ka Keng, Kai Long, Kam Chun, King Tai, Sheung Chui, Yu Nga, Yu Tai, Yu Tak and Yuk Wo Courts.

Note 3 Including Choi Hing, Kam Fai, Lai Tsui, Ngan Ho, Ngan Wai, Ping Yan, Sheung Man, Tin Chung and Yung Ming Courts. In particular, Lai Tsui Court resolved at the Meeting of Owners to increase the management fees taking effect from 1 September 2023.

Note 4 Shan Lai Court resolved at the Meeting of Owners to decrease the management fees taking effect from 1 December 2023.

Note 5 After absorbing the anticipated deficit in 2024/25, the anticipated AF of Ching Chun, Hoi Lok, Ka Keng and Yuk Wo Courts will be kept at a healthy level of not less than three months' total management fees.

6. Among the nine courts requiring an increase of management fees, the adjustments are considered reasonable on ground of increasing operating expenses. Owners of Ngan Ho, Ping Yan and Tin Chung Courts intend to gradually build up their AFs to a reasonable level, while the increase of management fees for the remaining six courts is primarily for maintaining their healthy financial situation.

7. The average new management fees per square meter of saleable area for the 25 HOS/GSH courts is \$19.69, which is generally lower than the current level of a number of comparable estates in the private sector at \$28.05.

## **COMMUNICATION WITH OWNERS**

8. Pursuant to Schedule 7 to the BMO, comments from individual flat owners on the management budgets have been invited. In line with the established practice, Owners' Corporation/Owners' Committee/Owners have all been informed of the financial position of their courts and the rationale behind the proposed management budgets. Owners of the courts concerned generally find the revised management fees level acceptable.

9. Among the 25 courts under review, AFs of 22 courts are in healthy situation with a reserve of more than three months' total management fees as at 31 March 2025. For the remaining three courts with a reserve of less than three months' total management fees, the manager of Ngan Ho, Ping Yan and Tin Chung Courts proposed to increase management fee in 2024/25 and have also advised the owners of these courts to implement cost-saving measures so as to gradually bring up their AFs to a healthy level.

## **FINANCIAL, STAFFING AND INFORMATION TECHNOLOGY (IT) IMPLICATIONS**

10. The management fees will be deposited to the operating accounts of the 25 HOS/GSH courts. The financial implications to HA arising from HA's contributions to the expenses of estate common areas as the owner of the HA properties (viz. car parks, retail premises in these courts) are considered reasonable <sup>Note 6</sup>. There is no additional staffing implication arising from the review exercise as the workload involved has been absorbed by existing staff. There is no IT implication.

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Note 6 The proposed management fees in respect of HA properties in the 25 HOS/GSH courts is \$282,387 per month.

## **LEGAL IMPLICATIONS**

11. There is no legal implication.

## **PUBLIC REACTION/PUBLICITY**

12. The owners have been informed of the budget proposals and the revised management fees level is generally acceptable to them. We do not anticipate any adverse reaction from flat owners of the courts.

## **INFORMATION**

13. This paper is issued for Members' information.

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**Summary of the Management Fees Review for  
the 25 HOS/GSH Courts for 2024/25**

<b>Name of Court</b>	<b>No. of Blocks/ No. of Flats</b>	<b>Existing Average Monthly Management Fees per Flat (\$)</b>	<b>Proposed Average Monthly Management Fees per Flat (\$)</b>	<b>Amount to be Increased/ (Decreased) (\$)</b>	<b>+/- %</b>
Ching Chun	2/465	1,086.00	<b>1,086.00</b>	0	0
Ching Fu	2/2 868	627.00	<b>627.00</b>	0	0
Choi Hing	3/1 358	723.00	<b>795.00</b>	72	+9.96%
Choi Wo	1/806	1,210.00	<b>1,210.00</b>	0	0
Dip Tsui	1/828	1,022.00	<b>1,022.00</b>	0	0
Hoi Lok	5/2 522	807.00	<b>807.00</b>	0	0
Hoi Tak	1/814	902.00	<b>902.00</b>	0	0
Ka Keng	2/640	1,047.00	<b>1,047.00</b>	0	0
Kai Long	3/683	1,147.00	<b>1,147.00</b>	0	0
Kam Chun	5/2 079	752.00	<b>752.00</b>	0	0
Kam Fai	1/735	851.00	<b>906.00</b>	55	+6.46%
King Tai	1/857	747.00	<b>747.00</b>	0	0
@ Lai Tsui	4/2 545	579.00	<b>592.00</b>	13	+2.25%
Ngan Ho	2/529	1,023.00	<b>1,061.00</b>	38	+3.71%
Ngan Wai	1/170	1,730.00	<b>1,787.00</b>	57	+3.29%
Ping Yan	3/2 409	636.00	<b>665.00</b>	29	+4.56%
* Shan Lai	6/3 222	645.00	<b>600.00</b>	(45)	-6.98%
Sheung Chui	3/962	836.00	<b>836.00</b>	0	0
Sheung Man	1/494	1,161.00	<b>1,266.00</b>	105	+9.04%
Tin Chung	15/6 080	627.00	<b>721.00</b>	94	+14.99%
Yu Nga	6/3 300	651.00	<b>651.00</b>	0	0
Yu Tai	2/1 226	859.00	<b>859.00</b>	0	0
Yu Tak	1/543	1,286.00	<b>1,286.00</b>	0	0
Yuk Wo	1/830	876.00	<b>876.00</b>	0	0
Yung Ming	2/1 395	740.00	<b>778.00</b>	38	+5.14%

@ For Lai Tsui Court, the management fee was increased from \$579 to \$592 with effect from 1 September 2023 by a resolution passed in the meeting of Incorporated Owners of Lai Tsui Court on 10 June 2023 upon the procurement of new Property Management Agency Contract (PMAC).

\* For Shan Lai Court, the management fee was decreased from \$645 to \$600 with effect from 1 December 2023 by a resolution passed in the meeting of owners on 13 August 2023 upon the procurement of new PMAC.