

**From :** CRV <Mimi Mui-fan BROWN TSANG/RVD/HKSARG@RVD>

**To :** RVD Colleagues

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## 5th International Property Tax Institute (IPTI) Mass Appraisal Valuation Symposium “The Pursuit of a World-wide Model on Property Taxation and Mass Valuation” 17-18 June 2010, Hong Kong



International Property Tax Institute  
國際財產稅學會



*The 3 hosts: Mr Tom Johnstone, Chair, Board of Advisors of IPTI, Mrs Mimi Brown, CRV and Dr Geoffrey Shen, Associate Dean, Faculty of Construction and Land Use & Head BRE, HK PolyU (from left to right)*

The 5th IPTI Mass Appraisal Valuation Symposium was co-hosted by RVD, the IPTI and The Hong Kong Polytechnic University on 17-18 June 2010 in Hong Kong. It was the second time that we have co-hosted an international event of this scale. There were some 180 delegates from 13 countries/regions and in particular, over 30 delegates from Mainland China. Topics presented were closely related to our work. Our professional staff benefitted immensely through not only gaining experience and insights from the presentations and discussions, but also the opportunity to network with internationally renowned academia, professionals and practitioners in the field of property taxation and mass valuation.

### Welcoming

In welcoming the participants, I highlighted the importance of this symposium as being a platform that enabled professionals from all over the world to come together and share with one another their knowledge and expertise in the advancement of mass appraisal techniques and their applications in property taxation.

As RVD is one of the forerunners in the application of mass appraisal in property valuation, I highlighted the evolution of our computer-assisted mass appraisal (CAMA), which started in the mid 1980s. With the expansion of our computer facilities and the development of various computer systems, annual General Revaluation was made possible and put into practice since 1999. Our CAMA techniques had further been integrated with digital spatial maps in the Geographical Information Systems (GIS), forming the Integrated Property Database. It is a powerful mass appraisal tool especially in the valuation of retail properties, and it facilitates the analysis of valuations on a digital map, thereby enhancing accuracy and effectiveness.



*CRV giving her welcoming speech*

## Plenary Sessions

During the two-day morning conferences, we had bountiful enlightening presentations covering the full spectrum of mass appraisal and property taxation. There were many learning points with whom the participants can take home.



*Mr Paul Sanderson, Director, Valuation Office Agency, London*

One encouraging story was that the UK Valuation Office Agency (VOA) has successfully reduced the number of objections by publishing their draft Rating Lists 6 months before their coming into effect as well as making their assessments more transparent. Taxpayers are given online access to the summary valuation of an individual assessment, its associated valuation scheme and other assessments adopting the same scheme. It has been demonstrated that through effective communication and transparency, operating costs and manpower could be saved as a result of reduced number of objections and appeals.

Property tax is recognised as a stable source of revenue for many countries across the globe. Many of the developing countries are looking into the reform of property tax system in order to establish a sustainable source of revenue for their governments. Revenue aside, an established property taxation system could influence land use behaviour and help implementing land use policies. It is interesting to note that in South Africa, substantial

tax rebate is allowed for the higher floors without lift access (100% tax rebate for the 4th floor and above) while in Vietnam, taxes payable in respect of properties on the higher floors are much lower than those on the lower levels. There was a consensus of opinion in that the ‘broad tax base and low tax rate’ rule should be followed.



*Dr Joyce Man, Director, Peking University – Lincoln Institute Center*



*Dr Riel Franzsen, Director, Dept. of Economics, University of Pretoria, South Africa*

The audience saw the fascinating graphic demonstrations on GIS and CAMA applications in China and North America. The development of pictometry was astonishing. With the use of helicopters, the 3-dimensional view of buildings and their locality were captured. Advanced technology has enabled more desktop valuations to be done, saving time and resources in conducting site inspection as well as increased revenue collection because of easier and quicker identification of new building improvement works. No one would miss the important message - “the whole is greater than the sum of the parts”, and there is much room for synergy through the use of advanced technology.



*Q&A Session*

## Workshops

Concurrent workshops with different focuses were well received. One of the current hot topics in town, “Property Tax Reform in China”, was vigorously discussed. Scholars from renowned universities in China talked about the shortcomings of the existing land tenure and taxation system. They also deliberated the difficulties of implementing tax reform in China. Those who took the topic to heart seized the opportunity to have direct dialogue with these seasoned researchers who shaped China’s property tax policies.



*Mr Christopher Leung, Acting Principal Valuer, RVD*



*Mr Leo Choy, Senior Valuer, RVD*

Two RVD colleagues joined hands with international experts in the presentation of data collection and management as well as valuation standards and quality assurance. Professors from Northern Ireland, US and Malaysia shared their research on the model building and technological requirements for mass appraisal. The importance of time adjustment to valuation model and the various techniques to handle this key variable were also explored.

Experts from Canada highlighted the importance of earning public trust by involving taxpayers/stakeholders in the course of roll preparation. With increased public trust and transparency, the quality of Valuation Roll was also improved. Speakers from Singapore and Australia further reminded us of the importance of an effective dispute resolution mechanism whereby voice of the taxpayers could be properly heard. Once again, public engagement seems to be the global trend, and we must demonstrate fairness in carrying out our business.



*Dr Riel Franzsen, Mr Leung Yew-kwong, National University of Singapore and Mr Philip Western, NSW Valuer General, Australia (from left to right)*

Changes in economic and political climate as well as the emergence of advanced technology pose new challenges to valuers. Speakers have shared their insights on these challenges and how new generation of valuers should be trained and developed to meet the challenges.



*Dr Tang Bo-sin, Associate Head BRE, HK PolyU*



*Ms Shelly Graham, Municipal Property Assessment Corporation, Canada*

## Getting to Know Each Other

As our luncheon speaker, the Hon Leung Chun-ying, GBS, JP, the Convenor of the Non-official Members of the HKSAR Executive Council shared with us his experience as a surveyor and an appointed official and adviser in Hong Kong as well as in the Mainland China. As a surveyor with vast exposure in land matters, he had assisted the Preparatory Committee for the HKSAR in deliberating the extension of land leases beyond 1997. On the future role of Hong Kong in the economic development of China, he hoped that Hong Kong, with its established global connections and experienced professionals, could position

itself as a model and a benchmark for the mainland so as to help China build a sustainable property tax system.



*The Hon Leung Chun-ying, GBS, JP*



*Mr Yeung Ka-sing, SBS, MBE, JP*



*CRV, the Hon Leung Chun-ying, GBS, JP, and delegates*



*Dr Joyce Man, Dr Geoffrey Shen and CRV (left to right)*

The other guest speaker, Mr Yeung Ka-sing, SBS, MBE, JP, Chairman of the Hong Kong Housing Society, outlined the emerging roles of the Housing Society, filling the gap between the government and the private sector in order to build a sustainable property market for Hong Kong residents at all levels. Many found the Housing Society's new initiative of constructing integrated housing facilities for the middle-class elderly people forward-looking.



*CRV, Mr Stanley Ying, Permanent Secretary for FSTB and Mr Paul Sanderson (from left to right)*

## Closing

Some important messages have been conveyed in this international symposium. Mass Appraisal is not just an algorithm; it is a process involving people working together with data and tools to produce estimated values. Mass appraisal with high standard of correctness, speediness and effectiveness stems from effective organisation and coordination. We should rise up to the challenges in these areas.

While CAMA and GIS assist the professionals in carrying out mass valuation in a short time frame with assurance of accuracy, it is the appraisers, academia and government officials to make the property tax policies equitable, sustainable and effective. The symposium has effectively provided a platform for professionals from all over the world to come together, thereby enabling the exchange of knowledge across continents to explore ways to meet emerging challenges.

I felt most honoured to have co-hosted the event with IPTI and The Hong Kong Polytechnic University. From planning to implementation, we have learnt a lot from one another. I must take this opportunity to thank the colleagues who have spent a great deal of effort in ensuring the smooth running of the symposium. Without their devotion and contribution, the event would not have been so successful.

The symposium has certainly broadened the horizon of our staff, strengthened our international standing, and is a step towards meeting our vision: "To be a world-wide model as a public agency in property valuation and information services." It offered invaluable experience to all participants. Knowledge sharing will enable RVD to move forward and enhance its services to the community.



*Mr Charles Johnstone presenting souvenir to CRV*



*Mr Charles Johnstone presenting souvenir to Mr Tsui Chi-hung*

A handwritten signature in blue ink, appearing to read "Mimi Brown".

Mimi BROWN  
Commissioner



*Dr Tang Bo-sin, Mr Kenneth Pang, Adjunct Prof, HK PolyU, Mr Tom Johnstone, Mr Charles Johnstone, Symposium Chair of IPTI, Mr Tsui Chi-hung, Acting Assistant Commissioner, RVD (from left to right)*



*Mr Paul Sanderson, CRV and RVD colleagues*