

**Submission
No 8**

INQUIRY INTO LAND VALUATION SYSTEM

Name: Name Suppressed
Date Received: 4/02/2013

Partially Confidential

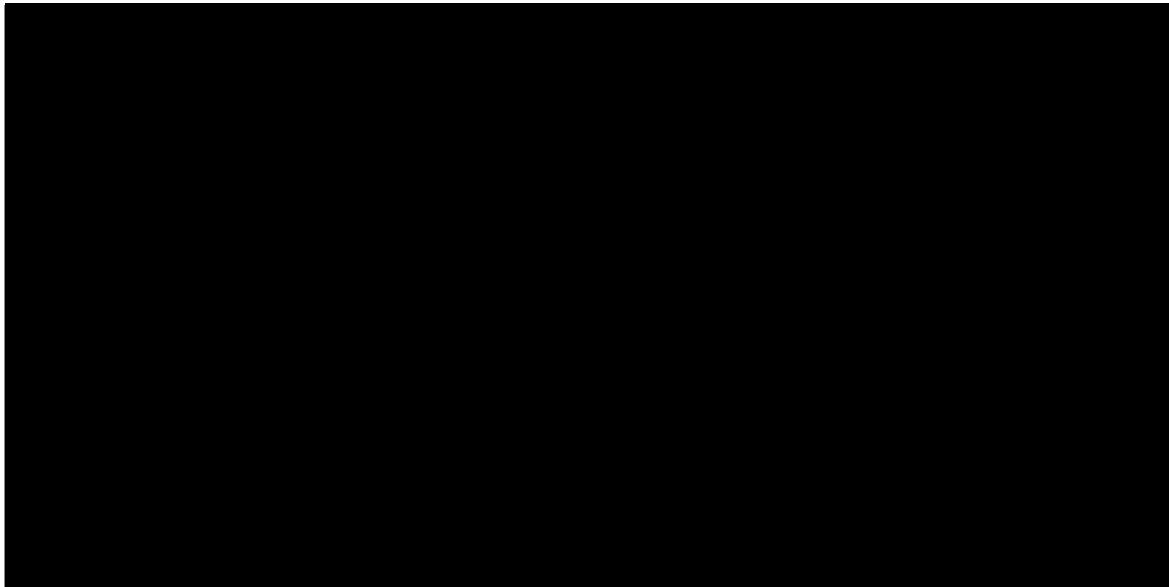
29th January 2013

The Chairman,
Joint Committee on the Office of the Valuer General,
Parliament House,
Macquarie Street,
Sydney, NSW 2000.

Dear Chairman,

My name is [REDACTED] and I would like to say how pleased I am to hear of your Joint Standing Committee's investigation of The Office of the Valuer General's land values. I feel this investigation is long overdue.

I was a landlord for over 30 years owning up to three properties in this State and one in Victoria. My main, and last rental property, was in Mosman, Sydney and when gross rental yields declined from a "normal" 5% after the 2000 Olympics, the cost of land tax really put the squeeze on landlords, particularly in my case.

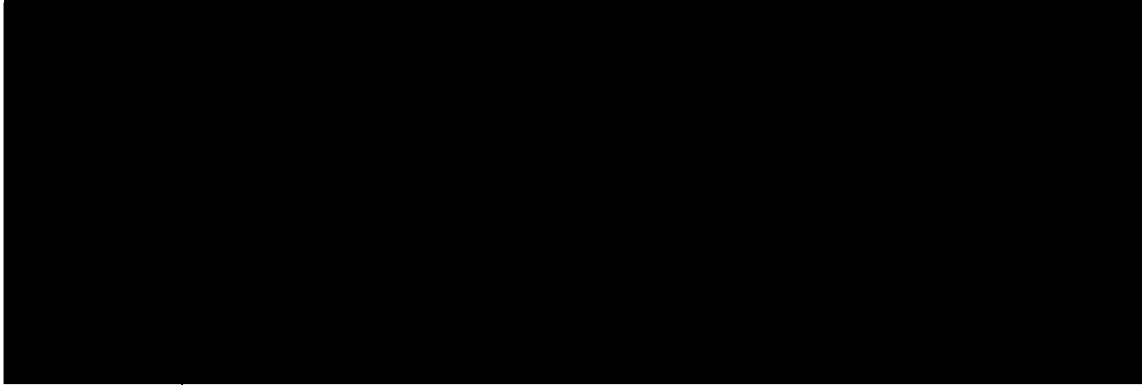


This property was mortgage free and even without interest expense the net rental (after expenses but before tax) ranged for 1.5% to 3.0%, based on my estimations of the property's value during those years. I am sure that you appreciate that a simple risk free term deposit with a bank would be a better investment than renting my property.

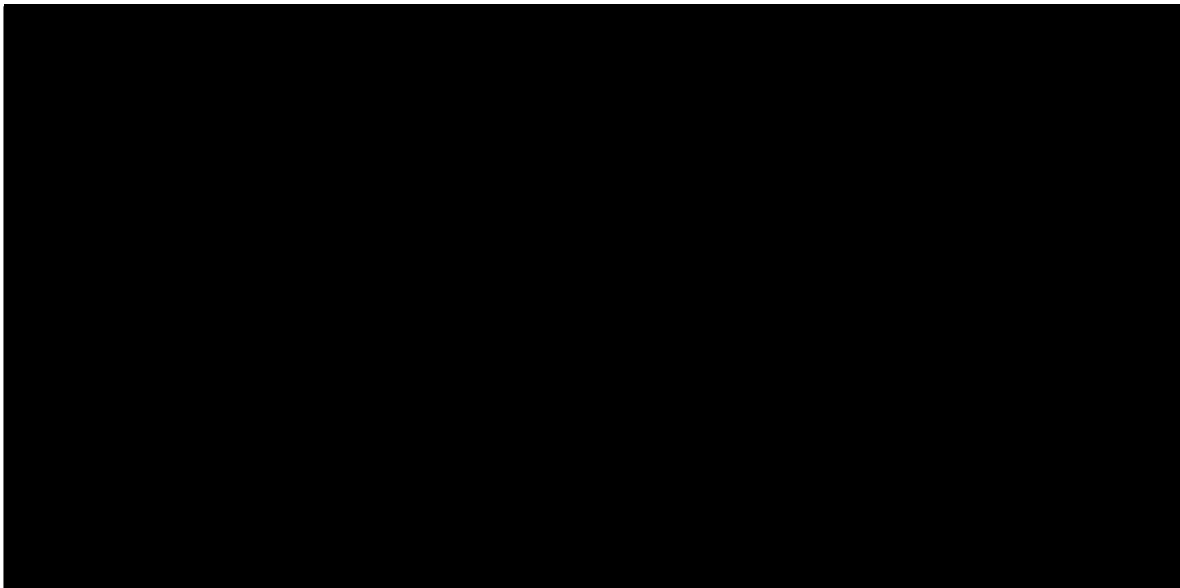
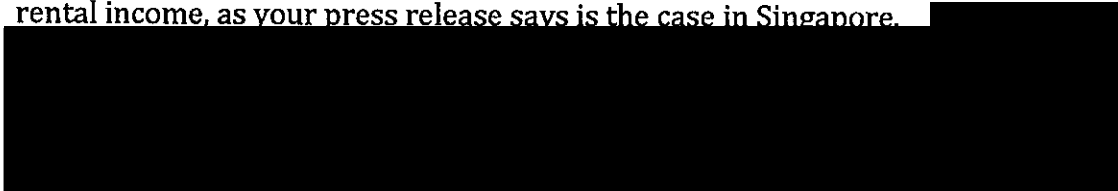


I did protest to my various Mosman Real Estate Agents over the years about losing a fifth of my gross rental to land tax and even reviewed the Valuer General's web site to check the properties they had used to determine my land's value and land tax bill. All the Agents assured me that appeals were useless as the Valuer General could argue that if I was not getting a decent yield it was

because my building was not up to the standard of other wealthy properties in Mosman, since all land was valued the same. However, from my perspective the low gross rental which Mosman received was due to a competitive rental market for up-market properties, where the only tenants were shorter term business people from overseas or interstate, as any more permanent renters would soon decide to buy a property in Mosman and spend their considerable salaries on mortgage repayments, rather than sizable rents. I found that this was the case with most of my tenants.



I strongly recommend to your Committee that land tax on landlords, which is imposed automatically on this class of investor, is related to market rental income, as your press release says is the case in Singapore.



I note from the website **PREPARING SUBMISSIONS TO COMMITTEE INQUIRIES** that I need to inform you of which parts of my submission I wish to keep confidential. Please do not disclose those sections of this letter that are in **bold print**.

Yours Sincerely

