

INQUIRY INTO LAND VALUATION SYSTEM

Organisation: R J & C J Lyons

Name: Mr Ron Lyons

Date Received: 19/02/2013

[REDACTED]

[REDACTED]

KIAMA NSW 2533

19 February 2013

Public Enquiry
Land Valuations
NSW Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir

Re: Public Enquiry into Land Valuations

In recent years, valuations have gone haywire in all areas particularly coastal areas close to Sydney with available transport systems.

One of the reasons is people from Sydney suburbs where there is a shortage of housing, can sell their properties at inflated prices and relocate to areas such as the Illawarra and Central Coast and be close to beaches, enjoy a better lifestyle for themselves and family and have no mortgage and money in the bank.

The reason for inflated prices is that a majority of properties are sold by auction and the sale price is often not arrived at by the value of the property but by who has the most money.

An example of this is a gentleman who sold his business, came to Kiama, liked the area, found the area and views he liked, purchased two adjoining houses and paid in excess of \$1M each, demolished the houses and built a mansion reputed to cost in excess of \$5M. It is easy to say the land value is \$2M (as the houses were demolished) thereby affecting land valuations in that and similar streets.

The house was over capitalised for that street and in fact Kiama. Unfortunately the gentleman died before the completion of the residence and his widow put the property for sale and I believe sold after auction for about \$2.7M. This is an example of someone with money affecting valuations in the area.

../2

Page 2
19 February 2013

I believe the present system of land valuations are outdated because:

1. Council rates are wrongly inflated.
2. Business owners have an added cost burden.
3. Land holders should not be taxed for services to the general public.
4. Land Tax is a tax on the investors who provide accommodation for the elderly, young couples and singles which in effect push up rentals. Many investors have moved to Queensland to avoid this penalty.
5. A wider tax similar to the GST should be designed to replace the present system of land valuations so it effects all the population and not only the land holders.

A petrol tax would be more equitable.

Hope my comments have been constructive.

Yours faithfully

A black rectangular box redacting the signature of Ron J Lyons.

Ron J Lyons

9/2/13

Land shortage drives up cost around Kiama

ALEX ARNOLD

WHEN it comes to residential land values, the Kiama Municipality boasts the highest of any local government area in NSW outside the Sydney metropolitan area.

According to NSW Valuer-General Philip Western, Kiama's median residential land value of \$292,000 now tops that of Byron Bay (\$285,000) and Wollongong (\$236,000).

With that in mind, a new subdivision on South Kiama Drive, overlooking Easts beach, was always going to spark some interest.

Michelle Lay, of Ray White Kiama, said the main reason for Kiama's high prices was the strong demand and lack of supply.

"When it comes to new land, the central Kiama area has been landlocked for some time now," Ms Lay said.

Ray White Kiama began selling lots off the plan for the new Munna Munnora Estate on South Kiama Drive at the end of last year.

The estate comprises 34 blocks, ranging in size from 465 to 631 square metres, with prices starting at \$259,000.

Ms Lay said some of the blocks were steep and would incur extra building costs so had been priced accordingly.

Ten lots had already been sold, with the estate within a short walk from Kiama High School.

"There has been a lot of interest from locals, both young people and investors," Ms Lay said.

The Munna Munnora subdivision is part of a 4.1 hectare parcel previously



Up for grabs: The Munna Munnora Estate (outlined above) on South Kiama Drive is sparking interest.

owned by Anglican Retirement Villages, which had a proposal to build the Kiama Sands seniors' living development on the site.

The site was sold for \$2.6 million in 2010.

Part of it remains zoned for medium-density housing.



DOMAIN
Property guide inside

HOT PROPERTY

Typical residential land values in Kiama as at July 1, 2012:

- 846 square metres at Beattie Street, Jamberoo, valued at \$282,000
- 601 square metres at Johnson Street, Kiama Downs, valued at \$909,000
- 556 square metres at Jupiter Street, Gerringong, valued at \$262,000
- 710 square metres at Meehan Drive, Kiama Downs, valued at \$228,000
- 683 square metres at Stafford Street, Gerroa, valued at \$850,000

NSW Valuer-General Philip Western said landowners wishing to know more a value or the land valuation system could call 1800 110 038 or visit the Land and Information website at www.lpi.nsw.gov.au/valuation.

Independent

Founded in 1863

Covering Kiama, Kiama Downs, Minnamurra, Gainsborough, Jamberoo, Gerringong, Gerroa, Berry

For more of the best local news, entertainment, sports and photos visit www.kiamaindependent.com.au



NEWS
Celebrity chef
•Page 3



COMMUNITY
Organic trial
•Page 11



Fears for retail strip

DANIELLE CETINSKI

GROWING vacancies in Terralong Street have the municipality's business and tourism leaders concerned about the CBD's vibrancy.

Rent increases have played a major part in Brumby's bakery, Bevans Kiama and Stephen C Ray Jewellers exiting the strip.

Kiama Toyworld is occupying two premises while it seeks a tenant to take over one of its leases.

Bevans director Anthony Langlois said the business now worked solely out of its Gerringong office because it did not make sense to remain in Kiama.

"Everything in real estate is on the internet and almost no one comes in the door these days," he said.

"It's not worth paying \$100,000 a year in rent in Kiama when I could hire two more staff."

Mr Langlois said the commercial rental market was decreasing in value, not increasing, and with buildings needing a facelift, the rent hikes in Kiama's main street were unsustainable.

He expected more busi-



Former Brumby's bakery owner Janette Clement-Motzo and Kiama and District Chamber of Commerce president Barry Hayward are concerned about rising rents causing vacancies in Terralong Street. Picture: DYLAN ROBINSON

nesses to vacate in the near future.

Janette Clement-Motzo and her husband, Max, ran Brumby's for eight years before they were forced to give up their premises.

They reached the end

of their franchise agreement mid-last year, but they hoped to rebrand the business and remain in Kiama.

However, the price demanded by their landlord was 30 per cent above the market value and they

have since established a bakery in Stockland Shellharbour, delivering bread directly to Kiama businesses.

"We were terribly sad to leave Kiama - we offered \$70,000 a year, which was more than

anyone else was paid but were told it 'grossly inadequate'. Mrs Clement-Motzo said: "[The landlord] people would be quite up to take over the

■ Continued on

BOMBO





ring a crisis - Colleen and Ken Donnellan with their children, Jack and Lauren.
DAVID HALL

elp for Lauren

■ From page 1

ntend for the night to be
nal and fun," organiser
ie Osborne said.

ere are no set seating
gements or meals, but you
urchase your meal there if
rant.

to things like this and we just
hope everyone comes along and
has a wonderful night.

"Thankfully, Lauren is on the
improve and starting to put on
weight, and this type of support
is very much appreciated by us
all."

The fund-raiser will be called
'Lighten the Load for Lauren'.

Call for diversity in CBD

■ From page 1

yet it's been empty for
six months."

Kiama and District
Chamber of Commerce
president Barry Hay-
ward said if landlords
wanted "top dollar",
they should expect
some vacancies.

"It's better to have
lower rent and have the
premises filled 52
weeks of the year," he
said.

"In the rough times,
people pack up and go."

Kiama Tourism man-
ager Sally Bursell said
the number of cafes in
Terralong Street meant
more diversity was
needed.

She suggested more
fashion and gift shops
would attract more peo-
ple to the precinct, as
well as a new bakery.

"People want some-
thing to look at before
and after having a fu-

coffee," she said.

"At the moment, we
don't really have many
restaurants and there's
not a lot open at night,
so that needs to contin-
ue to be improved.

"The issue is also
parking - businesses
like newsagencies and
bakeries rely on cus-
tomers being able to
pull in, buy what they
need and move on."

Kiama Mayor Brian
Petschler hoped a fu-

ture shopping centre in
Shoalhaven Street
would help existing
businesses by increas-
ing patronage to the
area and reducing es-
cape spending.

"It won't directly im-
pact rent, but hopefully
it will balance it," he
said.

Tell us what you
want to see in Ter-
ralong Street. Email
kinews@fairfaxmedia.
com.au.





Auction mania: Auctioneer Ben Mitchell outside a property set to be auctioned this weekend.

Pictures: KIRK GILMOUR

Going, going, gone

MICHELE TYDD

AUCTION mania has hit the Illawarra, driven by a shortage of homes on the market that is generating fierce competition among bidders.

The number of auctions in the past three years has remained steady but the clearance rate so far this year has hit a high of 58 per cent, significantly outgunning the previous two years, according to Australian Property Monitors figures.

In 2011 the clearance rate by early March was 31 per cent and in 2012 it was 33 per cent.

"I'm loving it," says Ray White's Illawarra and Southern Sydney auctioneer Ben Mitchell, who has called 28 auctions in the past week with a combined 600 people, 128 registrations and hundreds of bids.

"Last year we averaged 1.2 bidders per property and that has jumped to 4.5 bidders in the first two months of this year," he said.



Popular: Crowds outside a Shell Cove home that sold at auction.

climate can add to the supply shortage, with vendors sitting tight for a while."

But he said the higher interest in auctions went beyond simply supply and demand.

"It could have something to do with agents in the region gaining a better understanding

Ocean Avenue, Woonona, attracted 16 registered bidders and sold for \$723,000 - \$43,000 above reserve.

"We were lucky to get three bidders at most of our auctions last year," he said.

Maria Field from Coastside First National Shellharbour, said she had sold three

TOP TIPS

Domain.com property expert Stuart Benson's tips for first timers.

- Do your research so you can put a real, personal value on the property - how much is it worth to you?
- Be flexible on your limits - missing your dream home for the sake of an additional bid may haunt you.
- Don't be afraid to start bidding - worst thing that could happen is you buy a house!

the high end homes," she said.

Colliers International principal Simon Kersten put the heightened auction activity down to normal cyclical fluctuations in the market.

"You can't read too much into clearance rates because Wollongong, unlike Sydney, is not traditionally an auction city," he said.

"Sydney probably sells