

**Submission
No 101**

INQUIRY INTO LAND VALUATION SYSTEM

Name: Ms Clare Owen

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JOHN GALWAY & CLARE OWEN

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FORBES RIVER

NSW

2446

07/03/2013

F.A.O JOHN MILLER
COMMITTEE ON THE OFFICE OF THE VALUER-GENERAL
C/O PARLIAMENT HOUSE
MACQUARIE STREET
SYDNEY
NSW
2000

Dear Mr John Miller

Re: Inquiry into the land valuation system

Further to the recent advertisement in The Land Newspaper regarding the above I write to you with information that I feel may be of some significance to the inquiry. It is by chance that I am currently dealing with an objection to a valuation on behalf of my husband whose name is on the title deeds of the rural property we both reside at full-time.

My husband and his brother were both jointly left a rural property upon the death of their father about 20 years ago. In 2011 it was jointly decided that they would separate the farm each having half to do with as they wished. To make it as short as I can in 2009 the valuer-general valued the 580 hectare property as a whole at \$490,000. When the farm was split in 2011 the valuer general valued my husband's property of 270 hectares at \$390,000. As stated on the notice of valuation the land value reflects market conditions as at 01/07/2009 and the valuation was made on 26/09/2011 and reflects the physical conditions and the way in which the land could be used at this date.

As of the most recent valuations for each property our half has been valued at \$400,000 and the other half has been valued at \$235,000.

In the 'Your Land Review Guide' it gives details of what can be used for valid supporting information and what is considered invalid supporting information.

For example one invalid reason stated is 'my property is nothing like properties listed on the valuation sales report so the value must be wrong'. When an estate agent values a property they have to take into account the immediate vicinity, the nature of the property itself and what properties in that specific area are selling for. When the valuer general creates a valuation they can use examples from sales which have occurred in areas which are selling for more than your own area and are closer to town centres. They also fail to distinguish between the fact that some farming areas are more productive and fertile than others.

The sales report provided to me held no examples of properties which had sold in our area and yet I was able to obtain results from sales closer to our local area. A lot of the information that I was able to obtain to support our objection came from a valuation carried out by an estate agent and what I have quoted verbatim in supporting evidence was stated to the detriment of the value of our property when valued by an estate agent.

You are also not allowed to state as a reasonable objection 'you haven't been to look at my property. How can the value be so high?' Is this not a reasonable question? Whilst I understand that it isn't possible for every property to be assessed individually and this wouldn't be necessary in any case, it may prove beneficial for a selection of random properties to be assessed periodically to help establish a better database of information containing more up to date information on different areas and true property values.

An aid for this could be in the form of a questionnaire that affords people the chance to answer a series of questions regarding their properties to indicate in more detailed information such as:

- Location
- Topography (land surface such as slope)
- Distance from nearest town, school, hospital
- Nearby development
- Rural lifestyle property or active primary producer
- Access issues
- Soil type (for rural property)
- Land size and shape
- Possibility for subdivision
- Fire Danger
- Whether land is flood prone
- Details to be submitted where applicable if estate agent valuations have been carried out
- Road conditions e.g. tar, gravel, unsealed
- Town water, rubbish collections
- Views

The suggestions location, nearby development, land surface such as slope, soil type, views, land size and shape and is land flood prone are all examples from page 15 of 'Your land review guide' and the rest are just a few I have come up with from my recent experiences and feel they are worthwhile suggestions.

The original valuation for 01/07/2009 of \$490,000 for the property as a whole does not explain how they could re-value half of the property using property market conditions as of 01/07/2009 at \$390,000. They have effectively doubled the value of the farm upon its division and we now pay more in rates for the property than we did for the property as a whole, taking into account that we have no water or rubbish collection service where we live and we have gravel road for almost 20kms. Each farm does not become a more profitable enterprise following division. In fact each farm is capable of running considerably less cattle and the value at the time should have been split accordingly. This is purely and simply a revenue raising technique employed by the valuer general and we hope that this inquiry will help to maintain a consistency in valuing a long with a better policing system to ensure that this cannot be allowed to continue.

I hope that this information will prove to be of assistance.

Yours sincerely
Clare Owen