

**Submission
No 37**

INQUIRY INTO LAND VALUATION SYSTEM

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Date Received: 25/02/2013

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25th February, 2013

Joint Committee on the Office of the Valuer General
Parliament House
Macquarie St
Sydney NSW 2000

Re: Investigation into Current Land Valuation System

I submit the following for consideration on the current Land Valuation System.

TRANSPARENCY

The transparency of the system is poor. The criteria used in arriving at a valuation for a property is not clearly stated in the Review Guide. A better and more understandable explanation of the "Method of Valuation" at page 19 of the Guide needs to be given as the vague reference to "Mass valuation approach" etc. is inadequate. Quite often when a property is reassessed as the result of an objection no reasons are given.

METHODOLOGY

The Valuation Sales Report provided by the Valuer General when an Objection Kit is requested has, in my experience, had little relevance to my property. At least 50% of the properties listed are some distance away and on land with different topographical features. The Report seems to be based more on the Post Code, which, locally, covers a wide and varying geographical area. To base a valuation on this is suspect.

There should be consistency with the valuations of nearby, similar properties. My experience is that they are erratic and illogical.

CONSTRAINTS ON MAKING OBJECTIONS

Much of the Invalid Supporting Information when raising an Objection listed at pages 18 –20 of the Guide is unreasonable as much of it is most applicable when arriving at a fair and reasonable valuation e.g.

- Value of adjoining properties of similar size. This is in conflict with the example at page 14.
- The value of a view is acceptable at page 15 but not at page 18.
- Slow sales market, which usually causes a lowering of asking prices.
- Comparison with previous land values should be acceptable when there has been reduction in CPI and/or a levelling or drop in the sales market. (Pages 18/19)
- The encumbrances listed at page 20 do have an effect on the value of properties, which should be reflected in the valuation imposed. I suffered in this respect in the sale of a previous property.

RECOMMENDATION

Many of the comments made above amount to recommendations also but I cannot emphasize enough that there is an essential need for the system to be refined so that the ordinary person, like myself, can understand it. There is a general attitude amongst the public that valuations are made "at the desk" without due reference to all the factors that should be considered. However, I accept that staff has to work within restrictive guidelines. Full reasons for refusing an objection should be provided in writing.

I believe very strongly that when an objection of some substance is being considered that an on site visit be made and the owner interviewed or, failing that, discussed on the telephone.

Yours faithfully,

[REDACTED]