

## **INQUIRY INTO LAND VALUATION SYSTEM**

**Organisation:** The Monarch Investments Group of Companies  
**Name:** Mr Peter Icklow  
**Position:** CEO  
**Date Received:** 15/02/2013

**FAXED**  
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14<sup>th</sup> February 2013

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

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**MONARCH**  
LEADERS IN LAND & PROPERTY SINCE 1955

Dear Sir/Madam,

**Re: Historically Incorrect Land Valuations**

Monarch is a long standing family owned property development business. Over the many years we have been in business we have had a number of instances of objections and court actions in an attempt to obtain fair valuations on our land. Following is an example of one of the most unfair:

Base Date Year	Initial VG Valuation	We Objected	VG Amended Valuation	Campbeltown Council Objected	VG Amended Valuation
2003	\$2.624m	✓	\$130,000	✓	\$1.5m
2006	\$3.25m	✓	\$130,000	✓	\$1.5m
2007			\$123,000	✓	\$1.42m
2008			\$123,000	✓	\$1.42m
		We Objected	VG Disallowed Objection & Value Unchanged		
2009	\$1.27m	✓	\$1.27m		
	Property Sold				
2010	\$105,000				

*Background*

This land was not residential, it had no use other than “waving grassland” (as described by Council), it was outside the permissible development area on the Masterplan, there were no changes to the land over the many years of valuations to warrant any increase in valuations, it abuts the M5, the majority of the land was required for a sound attenuation barrier, we offered it to Council for free and they refused to take it, and it had no value.

The VG refused to listen to our ongoing objections against their valuations for this piece of land. We were being forced to pay grossly inflated rates and land tax on the incorrect valuation and, as we could not afford another expensive legal battle, we were forced to sell the land at public auction as a direct result of the VG’s refusal to value this land fairly. The piece of land subsequently sold at public auction for \$105,000.

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*Valuations*

This land did not exist for the base date 2000 valuation. It was part of a larger englobo parcel and was not subdivided. We received the 2003 base date valuation of \$2.624m and objected. Following many follow up letters, including a complaint to the Ombudsman, we were advised that *“the objection was held pending the result of the court’s decision on our appeals relating to Lots [REDACTED] on the basis that the decision may have provided guidance in reviewing the land value. The 1 July 2003 land value for property number [REDACTED] was determined on 14 March 2007. The 1 July 2004 and 1 July 2005 land values were reascertained at this time . . . advice from the Crown Solicitor’s Office (Oct 2006) and the appointed barrister determined that the Land & Environment Court decision only applied to the 1 July 2003 land value and land values for subsequent years should be reviewed and corrected by reascertainment, if necessary . . . following excision of a small area for a road from for (sic) property number [REDACTED] a new lot and DP was created. The property is now property number [REDACTED]. The 1 July 2006 land value for this property was determined on 14 March 2007 and the land value reduced from \$3,250,000 to \$130,000 . . . the determination of land values for the lands concerned involved complex town planning issues.”*

In summary, the initial valuation for 2003 was **\$2.624m**. Finally in 2007 the 2003 valuation was reduced to **\$130,000**. Campbelltown Council then objected to the reduced valuation and the VG increased it back up to **\$1.5m**. **Our further objections were denied.**

Our expectation was that the years based on a base date year (ie. 2004 and 2005 valuations were based on 2003 base date) were affected by the changes to that base date valuation. When the 2003 base date was adjusted we believed that the 2004 and 2005 values would be adjusted accordingly. As our objection to the 2003 valuation was not determined until 2007 we did not find out until then that we should have lodged a separate objection for 2004 and 2005.

The **2006** base date valuation for **\$3.25m** was received before we had received the amended 2003 base date valuations. We objected and 2006 valuation was reduced to **\$130,000**. That caused the 2007 valuation to be issued at \$123,000 and the 2008 valuation at \$123,000. Following objection by Campbelltown Council the VG increased the 2006 valuation to **\$1.5m** which had a flow on effect of changing 2007 to \$1.42m and 2008 to \$1.42m. We objected and wrote many letters however our **objections were disallowed**.

The VG’s initial **2009** valuation was **\$1.27m**. We objected in March 2010. On 24 June 2010 contracts were exchanged for the **sale** of the property for **\$105,000** following the public auction. A letter was sent by the VG dated the same day as the exchange occurred advising they had disallowed our objection. However we recently received a land tax refund for 2009 of \$26,328.65 for “valuation change for land item [REDACTED] new value **\$105,000**”.

At great expense to our company, we had to resort to court action in an effort to obtain fair valuations on the following properties:

Base Date Year	Initial VG Valuation	We Objected	VG Disallowed Objection & Value Unchanged	We Appealed to Courts	Court Ruled Amended Valuation
2003	\$1.375m	✓	\$1.375m	✓	\$309,120
			VG Amended Valuation	Campbeltown Council Objected	VG Amended Valuation
2006	\$1.65m	✓	\$309,120	✓	\$828,000
2007		✓	\$293,000	✓	\$785,000
2008		✓	\$293,000	✓	\$785,000

Base Date Year	Initial VG Valuation	We Objected	VG Disallowed Objection & Value Unchanged	We Appealed to Courts	Court Ruled Amended Valuation
2003	\$1.15m	✓	\$1.15m	✓	\$220,752
			VG Amended Valuation	Campbeltown Council Objected	VG Amended Valuation
2006	\$1.34m	✓	\$220,752	✓	\$630,000
2007		✓	\$209,000	✓	\$600,000
2008		✓	\$209,000	✓	\$600,000

Base Date Year	Initial VG Valuation	We Objected	VG Disallowed Objection & Value Unchanged	We Appealed to Courts	Court Ruled Amended Valuation
2003	\$2.1m	✓	\$2.1m	✓	\$614,320
			VG Amended Valuation	Campbeltown Council Objected	VG Amended Valuation
2006	\$2.73m	✓	\$614,320	✓	\$1.425m
2007		✓	\$583,000	✓	\$1.35m
2008		✓	\$583,000	✓	\$1.35m

Base Date Year	Initial VG Valuation	We Objected	VG Amended Valuation		
2000	\$150,000	✓	\$80,000		
			VG Disallowed Objection & Value Unchanged	We Appealed to Courts	Court Ruled Amended Valuation
2003	\$108,000	✓	\$108,000	✓	\$80,000
			VG Amended Valuation	Campbeltown Council Objected	VG Amended Valuation
2006	\$108,000	✓	\$80,000	✓	\$80,000
2007	N/A				
2008	N/A				

There was a decrease of approximately 30% in sales prices achieved between the 2003 base date and 2006 base date. As a result the 2006 base date valuations should have been lower than the 2003 base date valuations. Not only did the VG ignore the court ordered 2003 valuations, in some instances they actually increased the valuations from the original (incorrect) 2003 valuations.

**Other**

The smaller lots mentioned previously - lots [REDACTED] - were subdivided from a number of “super lots”. Those super lots were also the subject of Land & Environment Court Proceedings in 2000 following unsuccessful objections to the VG’s valuations. This was under 1999 Court reference 30259 for Lot [REDACTED]  
[REDACTED]

Lot DP 270152	Base Date Year	Initial VG Valuation	We Objected	VG Disallowed Objection & Value Unchanged	We Appealed to Courts	Court Ruled Amended Valuation
10	1997	\$1.8m	✓	\$1.8m	✓	\$1.6m
10	1998	\$2.07m	✓	\$2.07m	✓	\$1.6m
11	1997	\$1.6m	✓	\$1.6m	✓	\$1.4m
11	1998	\$1.84m	✓	\$1.84m	✓	\$1.4m
12	1997	\$8.8m	✓	\$8.8m	✓	\$2.3m
12	1998	\$9.27m	✓	\$9.27m	✓	\$2.3m

We have recently written to Campbelltown Council and the Office of State Revenue seeking reimbursement for overpayment of Land Tax and Rates on incorrect valuations on Lots [REDACTED] as well as interest on the overpaid amounts.

This submission provides only a small selection of the issues we have had over many years with the VG’s valuations and I would be happy to discuss our ongoing problems with you at any time.

Yours sincerely,

**THE MONARCH INVESTMENTS GROUP OF COMPANIES**



**Peter Icklow**  
CEO

*encl.*