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Reports calls for land tax rethink

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LAND tax assessments for North Shore property owners and investors may actually fall thanks to last week's investigation by the NSW Ombudsman.

The valuation process was turned on its head when the Ombudsman's report stated "the vast majority" of properties in the state were undervalued by the Valuer General.

The acceptable margin of error when valuing properties is plus or minus 15 per cent, but North Shore council areas were well beyond that range.

The report found 47 per cent of Ku-ring-gai properties and 46 per cent of Lane Cove properties were outside the margin of error.

Willoughby Council was not included in the report's survey of 36 local government areas.

North Shore property owners expect their council rates and land tax bills to rise once the new valuations begin next year.

But all three municipalities were last valued in the height of Sydney's property boom which caused alarm early this year when residents received higher assessments based on out-dated market expectations.

Valuations happen every three years and are based on improvements made to the land and the market price at the time of the valuation.

Ku-ring-gai was last valued in

2002 and will be re-valued this year.

Willoughby was valued in 2003 and Lane Cove in 2004 and they will be revalued in 2006 and 2007 respectively.

The NSW Value General Philip Western said previous media reports, that 80 per cent of incorrect valuations meant properties were currently undervalued, were not correct.

He also said the downturn in the property market may mean future valuations on the North Shore may actually calculate to be lower under current market conditions.

"That is genuinely possible," Mr Western said.

at a glance value judgement

■ **VALUATIONS FALL:** The NSW Ombudsman has said that land values

■ **HIGHER TAXES:** New valuations out next year could see property owners paying higher land taxes and rates

■ **BIG MARGIN:** 47 per cent of Ku-

15 per cent margin of error when valuing properties

■ **REVISION:** 46 per cent of Lane Cove properties are outside the 15 per cent margin of error when valuing properties