

Dr B. Lloyd  
Secretary to ACT Assembly Committee of Inquiry  
Into Methodology for Determining Rates & Land Taxes  
For Strata Residences,  
ACT Assembly ,  
London Circuit,  
Canberra , ACT 2600

Dear Sir,

**RE : ACT Assembly Committee of Inquiry Into Methodology for Determining Rates & Land Taxes For Strata Residences – Terms of Reference as published**

I and my wife purchased this townhouse Unit ██████████  
Greenway ACT 2900 three years ago. The Average Unimproved Value ( AUV ) of our strata unit was \$ 133,609. The valuation base charge was calculated at \$ 366.69 . The methodology used to calculate the base charge was the AUV of the strata unit . This makes sense because we have a certificate of title to this townhouse . We have no certificate of title to the other 29 townhouses that make up the ██████████  
██████████ complex ██████████.

There was a considerable inducement to purchase this townhouse by downsizing from our larger house in Rivett as the rates were far less , as you would expect, in the valuation base charge.

You can imagine our astonishment , and subsequent anger , when the Rates Assessment Notice for 2017 /2018 arrived in the mail to announce , with no warning , that the methodology in assessing the average base charge had changed. It was not based on the individual strata unit AUV but on the complex as a whole . From AUV of \$ 133,609 to a complex AUV of. \$ 3,844,000 . We do not own the complex , only 1 /30 th of it. This value placed our rates in the \$ 600,000 – and above Residential AUV which is the same grouping as properties in the very expensive suburbs of Canberra . Consequently our valuation base charge has more than doubled from \$ 366.69 to \$ 771.04 . This is unsustainable for pensioners like us.

The whole point of downsizing is to make a larger house and block available for young families to purchase . This 110 % increase penalises people downsizing . It distorts the financial rationale for moving from a large property on a large plot of land to a smaller strata unit on a smaller plot of land.

We urge this committee of inquiry to require the Government to return to the previous methodology for determining Rates and Land Taxes which applied for strata residences until the 2016/17 year whereby every individual residential property is entitled to their individual strata AUV.

With Kind Regards



Simon Hearder  
Owner Unit ██████████

23 March 2018