



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON THE COVID-19 PANDEMIC RESPONSE

Mr Alistair Coe MLA (Chair), Ms Tara Cheyne MLA (Deputy Chair), Mrs Vicki Dunne MLA,
Mr Michael Pettersson MLA, Ms Caroline Le Couteur MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by ALISTAIR COE MLA on 17 April 2020: ANDREW BARR MLA took on notice the following question(s):

Ref: Hansard Transcript 17 April 2020, PAGE 28

In relation to:

THE CHAIR: Thank you. Do you have any modelling on what impact the pandemic and the financial downturn are going to have on unimproved land values in the territory?

Mr Barr: Not at this point. It is very difficult to model anything at the moment because we do not know the extent and duration of the public health measures or, indeed, the economic implications, consumer behaviour and the like that will flow on from that. But I will take that question on notice and add it to the very long list of modelling and information requests that are currently before treasury.

ANDREW BARR MLA: The answer to the Member's question is as follows:—

The economic impacts of COVID-19, including on the property market, are highly uncertain at present and depend very much on the nature of the restrictions necessary to contain the virus and how long they are in place. The economic survival measures that the ACT Government has taken and those of the Commonwealth Government will influence how the economy and the property market respond and recover from the crisis.

Little official data has been released incorporating the effects of COVID-19 on the economy and the property market. For example, recent sales transaction data collected by the ACT Government showed that the median residential property price increased by 0.3 per cent in March 2020.

Treasury will continue to monitor a range of property related metrics including vacancy rates, building approvals, housing finance, commercial property yields as it considers the impact of COVID-19 on prices and turnover in the property market. Treasury's analysis will focus on market prices as they are a key indicator of the economic and revenue implications of changes in the property market. Changes in unimproved values do not determine or influence the level of rates revenue.

Unimproved values are set each year by the Commissioner for ACT Revenue on advice from the ACT Valuation Office. The ACT Valuation Office actively monitors the sales of property across all sectors and localities of the Territory. Where a sufficient body of sales evidence suggests that there has

been a permanent change to unimproved values in a particular locality or more broadly, ACTVO will recommend to the Commissioner that unimproved values be adjusted. Typically, unimproved values do not respond immediately to changes in the property market.

Approved for circulation to the Select Committee on the COVID-19 pandemic response

Signature: 

Date: 30.4.20

By the Treasurer, Andrew Barr MLA