

**From:** Joel Smith  
**To:** [LA Committee - PA](#)  
**Subject:** Increased Land Tax and Rates dispute  
**Date:** Tuesday, 20 March 2018 3:28:12 PM

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Dear Dr. Lloyd,

I am writing to submit my frustrations and opinions in relation to the recent changes in both rates and land tax calculation methodology which has led to massive increases charged to unit owners and investors.

I manage and operate a complex of apartments as a serviced apartment hotel. Our business and sole source of income is derived from generating income on behalf of the individual owners of each apartment and charging them a management fee.

With these recent increased costs (some owners have reported increases as high as 120% on valuation based land tax), units in the ACT have become a much less desirable investment and as such investors are beginning to divest in our complex and focus on assets in other states and territories.

As our business model relies on the ability to pool investor's units together and sell them as a hotel style product, even a small decrease in available apartments due to divestment can have a dire flow on affect on all investor's ability to generate income - many of who are self funded retirees who use this business as their sole source of income and to support themselves.

As I'm sure that you are aware, the hotel and hospitality industry experiences peaks and troughs as ACT's tourism market fluctuates. This affects the returns that each of our owners receives each month, on lower months, some owners may not even be able to cover their costs, especiall those who need to cover mortgage repayments. The increased burden of these taxes only exacerbates this and I believe it will force investors out of the ACT.

Regards,

Joel Smith  
Manager  
Manuka Park Serviced Apartments

[www.manukapark.com.au](http://www.manukapark.com.au)

Cnr Manuka Circle & Oxley Street, Manuka ACT 2603

Ph. 0420 249 250

Ph. 02 6239 0000

Fax. 02 6295 7750