

Property Alert

Statutory Land Valuations

The Valuer-General issued statutory land valuations for Queensland properties on 3 May 2011. The valuations are used to calculate rates and land tax.

Property owners who disagree with the VG's valuation have the right to object. An objection must be "properly made" meaning that it:

- Must include supporting evidence (in most cases this includes a recent valuation prepared by a registered valuer)
- It must be submitted to the VG within 60 days of the valuation being issued (that is, by 4 July 2011).

If a property has been permanently damaged (flood, cyclone or other acts of nature) a property owner may request an amended valuation within six months of the damage occurring. If property was damaged in the January 2011 floods or Cyclone Yasi property owners will need to request an amended valuation by 12 July 2011 and 3 August 2011 respectively.

As part of the changes brought about by the introduction of the *Land Valuation Act 2010*, the Government has implemented transitional provisions which allow a property owner to claim either:

- A site improvement deduction or
- An offset allowance.

The site improvement allowance allows a property owner to claim a deduction for site improvements made in the 12 years prior to the introduction of the Act. The deduction may only be claimed by a land owner if it was that land owner which made the improvements. The Site Improvement Deduction is claimable over a maximum of 12 years from when the works were performed and is applied annually to the determined site value of the land.

The offset allowance phases in any increase in the annual valuation in cases where the increase in the annual valuation of the property exceeds \$1 million. The offset allowance mitigates the increase by incrementally phasing it in over a 12-year period. The offset allowance is a one-off mitigation measure and will only be initiated prior to the issue of the 2011 annual valuation. No offset allowances will be initiated after 2011. The Valuer-General has automatically applied the

offset allowance to valuations where there is more than a \$1 million increase between the new site value issued on 3 May 2011 and the existing unimproved value.

Please contact us if:

- you would like us to prepare an objection on your behalf;
- you would like us to request an amended valuation by the VG
- you would like advice in respect to whether you qualify for the site improvement deduction provisions set out in the *Land Valuation Act 2010*.

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