

LGAQ ANNUAL CONFERENCE MOTION TEMPLATE – 2015

Submitting council / organisation Sunshine Coast Council	
Date of council / organisation resolution	LGAQ Policy Executive district
Number and title of motion	
Motion	To introduce a different valuation methodology to Strata Units by using market value
Background	<p>Sunshine Coast Councillors have requested Council staff review the current rating of Strata Units, through Sunshine Coast Council's (SCC) differential general rating scheme.</p> <p>The request highlights that under SCC's current rating methodology a unit on the top floor of a strata unit complex can be valued the same as the unit on the bottom floor of the same complex. However the top unit will generally sell for a significantly higher value in the market place.</p> <p>The initial request was made to Council staff to review the methodology so that the higher the unit, the higher the general rate cents in the \$ and therefore the higher the general rates paid.</p> <p>Currently SCC has 4,181 unit complexes which contain 34,936 individual lots. When reviewing the initial proposal, SCC staff identified that there are many circumstances where the top unit of a high-rise strata unit complex can have a significantly lower market value to a lower unit of a low-rise strata unit. These differences can arise due to floor size, location, access to facilities and many other factors.</p> <p>In the attachment to this motion are statistics on unit sale values, compared to the rating valuation. There are 3 units highlighted that prove that a move to a vertical rating system will not remove the inequity in rating values compared to market value.</p>
<p>What is the desired outcome sought?</p> <p>What are the impacts (positive or negative) on local government?</p>	<p>The desired outcome is to determine a fair and equitable general rating methodology for Strata units (and other potential situations such as Community Strata titles), that is simple to apply and does not result in cumbersome or costly data collection and maintenance.</p> <p>After careful review of the options SCC believes that this can be achieved by allowing Councils to have the option of using market valuation for sectors of properties within the local government area.</p> <p>SCC accepts that any increase in the cost of providing separate valuations for lots in a strata unit by the valuer-general would be passed on through the annual valuation fee.</p>
LGAQ comment	

Sample of Sale Value v. Rating valuation for Sunshine Coast Council

Lot Name	Unit Level	No. of Levels in Complex	Unit Area M ²	Sale Value \$	Yearly General Rate	Rating Category	Rating Category Description	Rating Valuation
Lot 49 SP 126003	2	5	62	\$233,000	\$ 1,995.00	27	High-rise units Non PPR	\$50,256
Lot 18 SP 213063	2	5	76	\$199,000	\$ 1,995.00	27	High-rise units Non PPR	\$12,897
Lot 314 SP 185244	4	5	137	\$785,000	\$ 1,995.00	27	High-rise units Non PPR	\$129,703
Lot 22 SP105077	4	5	78	\$171,000	\$ 1,995.00	27	High-rise units Non PPR	\$55,319
Lot 1062 SP 186488	5	10	158	\$710,000	\$ 1,995.00	27	High-rise units Non PPR	\$33,888
Lot 2092 SP 186488	8	10	158	\$860,000	\$ 1,995.00	27	High-rise units Non PPR	\$43,132
Lot 38 SP 155194	8	10	115	\$430,000	\$ 1,995.00	27	High-rise units Non PPR	\$51,099
Lot 2 SP 108815	2	4	195	\$785,000	\$ 1,960.00	29	Low-rise Units Non-PPR	\$252,155
Lot 5 BUP 8636	3	3	117	\$449,120	\$ 1,295.00	29	Low-rise Units Non-PPR	\$110,000
Lot 19 BUP 8958	4	4	109	\$334,000	\$ 1,295.00	29	Low-rise Units Non-PPR	\$119,048
Lot 40 SP 133943	4	4	195	\$975,000	\$ 1,295.00	29	Low-rise Units Non-PPR	\$153,048