

Property Valuation & Adjustment Factors

A new law is now in force that provides rating and taxing authorities with market-based Adjustment Factors which will be applied to existing Government valuations in between the current six-yearly revaluation cycle. These factors will help minimise the big fluctuations in valuations that can occur following the completion of a revaluation in a municipal area.

From 1 July 2007 the application of the new Adjustment Factor program will enable both land tax and council rates assessments to be more closely aligned to the current market value of a property.

For example, in times of buoyant real estate conditions, the factor trends will generally increase. In the event of declining property values, the factors will then decrease in accordance with market trends.

Land tax has been adjusted annually for some time, with single factors being applied to property classifications across each municipality. Adjustment Factors have now been refined and provide for locality factors where necessary, within each municipality. The Adjustment Factors will have regard to local market conditions rather than broader municipal averages. The Adjustment Factors will now be applied for both land tax and council rates.

Who determines Adjustment Factors?

Adjustment Factors are determined by the Valuer-General and applied to Government valuations currently in force. In instances where a revaluation is being carried out within a municipal area, use of Adjustment Factors will not be necessary as the revaluation itself will be used by the relevant authorities in the calculation of rates and taxes.

How often will Adjustment Factors be used?

The factors are determined annually for Land Value and every two years for Assessed Annual Value.

What properties will have an Adjustment Factor applied?

Adjustment Factors are determined for all properties within a municipal area.

The Valuer-General may determine Adjustment Factors for defined classes of property on a municipality, locality, or group of localities basis within a municipal area.

How are Adjustment Factors calculated?

The Valuer-General uses property sales information, current rental data and other relevant market evidence to determine the current levels of value of each property class within the selected area. The factors are determined in accordance with current International Valuation Standards Committee Protocols.

What are the current classes of property as determined by the Valuer-General?

Residential, Commercial, Industrial, Rural, Community Services and Other.

Where can current Adjustment Factors, locality and class of property be viewed?

The Valuer-General publishes the Adjustment Factors, localities and classes in the Government Gazette and provides notification of such in local newspapers in late February/early March of each year.

Can Adjustment Factors be reviewed?

A landowner may apply to the Valuer-General for a review of an Adjustment Factor within a period of 60 days following the publication of the factors in the Government Gazette. The application for review must be in writing and accompanied by a statement of the grounds on which the application is made. Any relevant supporting evidence should be included.

An Adjustment Factor is not a valuation. It is a factor that is used to adjust the levels of value of all property in a locality and class, based on broad market movements. A detailed valuation discussion on an individual property is therefore not relevant. A request for review must relate to the factor applied for the defined class and locality.

If a landowner believes their property has been included in the wrong class or locality, they may advise the Valuer-General, stating the class or locality considered to be correct. The Valuer-General will investigate the matter and notify the landowner of the determination.

FURTHER INFORMATION

Office of the Valuer-General
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Property owners can also find out the individual Adjustment Factors that are applied to their property by accessing thelist.tas.gov.au