

## *Site Value = Fair Value*

### **Benefits of Land (site) Value Rating**

1. Site value rating levies rates according to the amount of community service homeowners receive.
2. Site value rating is a means of returning to the community part of the unearned increment in the value of land.
3. Site value rating discourages speculation; the withholding of valuable land from use is discouraged;
4. Site value rating encourages improvement to land, by not rating the improvements.
  - Home owners would not pay more in rates when they are renovate their home.
5. Site value rating will slow the increase in land values, making it affordable for young Tasmanians;
  - To the extent that land prices are checked, more finance will be available for better buildings.
6. Under site value rating, more revenue accrues on vacant and under developed land in advance of development.
  - Local authorities will therefore have finance available for the planning and construction of services in advance.
  - The higher cost of constructing services after occupation, such as storm water, drainage and sewerage can be avoided.
7. Site value rating does not add to the cost of industry and therefore prices are not affected.
  - Under AAV, rates levied on buildings and property improvements can be passed on to the tenant and therefore add to the cost of industry and land use generally. Prices are therefore affected.
8. Site value rating cannot be passed on to tenants.
  - The unearned income of landholders is reduced to the same extent as land revenue is collected by the public authority.
9. Site value rating will reduce the cost of town planning to the extent that land acquired for public purposes would be reduced in price.
10. Under site value rating the cost of valuations is considerably lower and more accurate;
11. Under site value rating, it is not necessary to invade the privacy of home owners to inspect the interior of houses when making valuations;
12. Under site value rating, manipulation of valuations and rates is more difficult, because of the relative value of adjoining land. This does not apply to buildings.
13. Under site value rating, steadily increasing land values (because of the progress of society) would allow a buoyant revenue position for the local authority. This would allow a continual reduction of the rate in the dollar;
14. Under site value rating, closer settlement would result from bringing idle land into use;
15. Under site value rating, the provision of transport and other public services is more likely:
  - The cost of public transport would be reduced, due to the closer settlement.
  - The cost of private transport would also be reduced.
  - The reduction in vehicle use will read use greenhouse emissions and have an effect on climate change.
16. Under site value rating, vacant allotments pay a fair share for rates.
17. Under site value rating, neighbours pay a similar amount, resulting in equal sharing by ratepayers receiving similar services.
18. Under site value rating, the home owner pays only according to the amount of community services received. Shops, schools, transport, held services, water, sewerage, roads, etc. will all increase site value.