

Revaluation 2020/21 and what it means to my 2020/21 rates

Frequently Asked Questions

Under the *Valuation of Land Act 1978*, the Valuer General is required to maintain valuation rolls for all properties in Western Australia for rating and taxing purposes.

On behalf of the Valuer General, Landgate valuers provide independent and unbiased valuations of your property. These are called Gross Rental Values (GRVs) and they are used by local governments, government agencies, including the Water Corporation and emergency services as a basis to determine property rates, service charges and levies.

Every three years the Valuer General is required to reassess the Gross Rental Values for all properties within the metropolitan area. The Valuer General continued with the implementation of the Revaluation amidst the current economic circumstances to fairly reflect the reduction in the rental market. Therefore the 2020/21 rates will be based on the new Gross Rental Value (GRV).

What is a Gross Rental Value (GRV)?

For land that is developed, the GRV represents the gross annual rental that a property might reasonably be expected to earn annually if it were rented. The GRV is calculated based on rental evidence from property managers, owners and other sources for all rateable properties at a “snapshot in time”, regardless of whether the property is occupied by the owner or a family member, rented or unoccupied.

For land that is not developed, as rental evidence cannot be used, a statutory valuation of 3% of the Unimproved (or capital) value of the land is applied to properties designated as residential and 5% for properties designated as non-residential (commercial/industrial).

What affects my GRV?

The GRV of a property is affected by many factors including the age of a house, the number of bedrooms and bathrooms it has, whether it has a pool and the property's location. This means that your GRV may be different from your neighbour, or from someone in a different suburb with a similar property.

What is a Revaluation?

Every three years the Valuer General is required to reassess the GRVs for all properties within the metropolitan area and this process is called a “Revaluation”.

How and when is the GRV determined

All properties within a local government area are assessed at the same date. This date is used by valuers to ensure a fair and equitable assessment is completed for all properties at a given point in time.

The assessment date, which is known as the date of valuation, or DOV, is conducted every three years for the metropolitan area. The GRV remains in force for the respective three-year period until the next GRV is calculated, unless the property GRV is reassessed due to an addition, demolition etc.

Valuers at Landgate collect rental evidence at the date of valuation. The rental evidence is analysed to establish property market levels, with individual property attributes considered to determine a fair rental value for each property.

The City of Joondalup does not have input into the GRV set by Landgate's independent process.

What is the Date of Valuation (DOV) for the 2020/21 Revaluation?

The DOV for the 2020/21 revaluation is **Saturday 1 August 2018**. Rating valuations are therefore assessed at this “snapshot in time” which reflects the property rental market for the metropolitan area at the same date, which ensures consistency across the metropolitan area.

When will the new GRVs come into effect?

The new GRVs will come into effect on **Wednesday 1 July 2020** which means that these new GRVs will be used to calculate the 2020/21 rates.

Why is this information so ‘out of date/old’?

There is a delay between the date of valuation and the date the valuations are applied by local governments due to the time it takes for Landgate to collect and analyse evidence and calculate new GRVs for all Western Australian properties.

For local governments in the metropolitan area this timeframe is 23 months between the date of valuation and the effective date.

How are my rates calculated?

The City of Joondalup determines the revenue required to complete the essential services that the City provides as part of the annual budget process. The City uses a differential rates system which means that different rate levels are charged for residential, commercial and industrial properties.

A rate in the dollar is applied to each rating category (residential, industrial, commercial, vacant or improved). The general rates are calculated by multiplying the GRV by the applicable rate in the dollar. This means that your rates may be different from your neighbour, or from someone in a different suburb with a similar property.

Your General Rates = GRV x Rate in the \$

Other charges may also appear on your rate notice such as Refuse Charge, Pool Inspection Fee, Specified Area Rate or Emergency Services Levy. The Emergency Services Levy is levied and collected by local government on behalf of Department of Fire and Emergency Services (DFES).

What is the impact of the Revaluation on my rates?

Revaluations do not necessarily mean an increase in rates. Usually, only properties with valuation increases above the average increase for all rateable properties, will pay higher rates from **Wednesday 1 July 2020**.

The total budget Council needs each year is set through its annual budget process which is expected to be finalised by **Tuesday 30 June 2020**.

In a Revaluation year, the "rate in the \$" set by Council in the budgeting process and is normally reduced to counteract the impact of the GRV increases which occur during this period.

For the first time in 20 years, the sustained downturn in the rental market has resulted in a general decrease in property valuations.

Due to COVID-19, the City has elected to receive no increase in rates revenue for the 2020/21 financial year compared to 2019/20. This freeze is to provide some relief for ratepayers in these difficult times, however, as the State Government has moved forward with the Revaluation process and the new GRVs come into force on **1 July 2020**, there are some ratepayers who may pay an increased amount in rates for the 2020/21 year as a result of an increased GRV.

Due to the differential rates the City has proposed and the revaluation of all properties by the Valuer General, 95% of ratepayers will pay less rates than they did in 2019/20.

Can I object to my valuation (GRV)?

A property owner may lodge an objection against the valuation of a property with Landgate within 60 days of the date of issue of a rates notice. For information on how your values are calculated and how to lodge an objection, please visit Landgate's website at landgate.wa.gov.au/valuations or call Landgate Customer Service on **9273 7373**. The City has no control over the GRVs and any objections must be lodged with Landgate.

Rates must be paid by the due date of the rate notice, irrespective of whether an objection has been lodged. If your objection is successful, the rates will be reassessed. Any credit that results from this reassessment will either be allocated to any balance outstanding or can be refunded on request.

For further information visit joondalup.wa.gov.au or call **9400 4574**.