

Issue – Flat house prices in small country towns

House values in small rural towns over the last 20 years have not increased anything like the huge rise in house prices in the cities. In fact the value of older houses in small rural towns owned by aged persons, has depreciated. This is due to pensioners and older people being unable to maintain and upgrade their houses because of age, ill health or lack of finance. Each year the rate bill from Council increases to such an extent that the property valuation arrived at, is greater than the market value. This problem needs to be addressed.

Actions required:

1. Currently the house valuations are calculated using a method of desktop formula, with current building replacement costs based on the dimensions and type of building. This method does not reflect the true condition of houses over 60 years old, like ours. The market valuation would be a fairer system to use for the Council valuation.
2. Introduction of a differential rate system for pensioner and aged people would give some relief and be a much fairer system.
3. A significant increase to the Municipal Rate concession, for eligible pensioners (currently at \$235-15) would be a real and direct benefit.

Summary:

It is recognized that actions 1 & 2 can be manipulated by Councils when setting their annual rates, which would negate the effect of any benefits. Therefore only option 3 would provide actual financial benefit to pensioners.