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LAND VALUES RESEARCH GROUP

CITY OF OAKLEIGH.

A Study of the Distribution of Ratepayers Among
Vacant Land Holders, Improved Land Holders,
Absentee Holders and Local Holders of Vacant Land
and the Effect Upon Each Group of a Reversion
to Annual Value Rating

A complete dissection of the Municipal Voters' Rolls has been conducted by the Land Values Group, in view of a proposal to revert from Rating Upon Unimproved Capital Value of Land to the Net Annual Rental Value Basis. This proposal was defeated at a poll of Ratepayers by 1761 votes to 587 votes. The results are summarised below. They cover all holdings of land even as low as £2 annual value which, in this district, carries a vote.

The Rate of 6 $\frac{1}{4}$ d. in the £ of unimproved land value corresponds to 2/9 in the £ on the net annual value. There has been no general revaluation for nine years.

A. SUMMARY OF PURELY VACANT LAND HOLDERS

WARD	Number of Vacant Holders	Of Which		Annual Value	Unimp'vd Land Value.
		Absentee	Local		
NORTH WARD	361	303	58	£ 2,022	£ 36,599
SOUTH WARD	624	542	82	3,978	71,291
WEST WARD	252	225	27	2,311	43,231
	<u>1,237</u>	<u>1,070</u>	<u>167</u>	<u>8,311</u>	<u>151,121</u>

The total voters on the roll is 5,075 so that the proportion of vacant lot holders is 24%. As a considerable proportion of the voters are joint owners of the same properties the vacant holders will be greater as a proportion of distinct properties.

Of the total holders of vacant lots only, no fewer than 86% are Absentee owners, i.e., live in other districts than Oakleigh.

The largely speculative nature of these vacant holdings is shown by the fact that of the 1,070 absentee holders no less than 265 are located interstate or in country districts of Victoria. The proportion is particularly high in the North Ward, 108 or 33% of the total absentees.

A further evidence of small scale speculation is found in the fact that 488 of the 1,237 vacant holders (40%) are females, who are not so likely to have intentions of building for themselves.

The total unimproved value of the district is £970,152 so that under site value rating these vacant holders, 86% absentees, now contribute 15 $\frac{1}{2}$ % of the total general rate revenue. Under Annual value rating their contribution would drop to 4 $\frac{1}{2}$ percent, the difference being made up by rate increases to the holders of improved properties. The rates at present total £3,920 on these vacant lots and would fall to £1,170 under annual value rating, giving a rate bonus of £2,750 mainly to land speculators.

B. SUMMARY OF VACANT LAND HELD IN CONJUNCTION
WITH BUILDINGS.

These are holders mainly with a house or other improved property and owning vacant land in addition. Not all of these would gain under annual value rating.

<u>WARD</u>	<u>Total Holders</u>	<u>Annual Value of Holdings</u>	<u>Unimp'vd Value of Land</u>
		£	£
NORTH WARD	72	4,534	42,763
SOUTH WARD	40	2,666	24,522
WEST WARD	20	1,139	8,883
TOTALS	132	8,339	71,168

The number of ratepayers owning vacant land in addition to built property is very small, but the land value held is very great. Under site value rating this group pays £1,840 in rates which would fall to £1,180 under annual value rating, a reduction of £660. This gain would be shared by only 104 holders however, as 28 in this group are actually benefited by site value rating, the saving on their built properties outweighing the extra on the vacant land. The largest holders in this group are listed in the Appendix.

C. PROPORTION OF HOUSES AND SHOPS BENEFITING
UNDER THE RESPECTIVE SYSTEMS

The rolls for each ward have been dissected and the houses and shops benefiting under each of the rating systems are shown below. Houses or shops with vacant land in addition are not included.

HOUSES.

<u>WARD</u>	<u>Number Gaining Under</u>	
	<u>Site Value Rating</u>	<u>Annual Value Rating</u>
NORTH WARD	693 83%	138 17%
SOUTH WARD	810 93%	59 7%
WEST WARD	1,278 90%	149 10%
Total Houses	2,781 89%	346 11%

SHOPS.

NORTH WARD	27 56%	21 44%
SOUTH WARD	84 71%	45 29%
WEST WARD	49 90%	5 10%
Total Shops	160 69%	71 31%

In addition there were 37 built properties of other kinds which benefit under site value rating and 26 which benefit under annual value rating. The former are highly improved properties e.g. House & Garage, House & Dairy, Theatre, Factory, Fire Station, The latter are relatively poorly improved, e.g. Woodyards, Stables, Blacksmith.

Although 31% of the Shops would pay reduced rates under annual value rating their interests would be injured by the change to a considerably greater extent. The 89% of houses which would have rate increases with the change would have less money to spend in their shops. At present the £2,750 more paid under site value rating on the purely vacant land is defrayed almost entirely (86%) by absentees in other districts. This amount would have to be met from the incomes of the local residents with a change to annual value rating and would have other secondary effects in reducing the spending power in the district.

Although, numerically, the ratepayers gaining under site value rating are in great majority, in terms of voting power the houses mainly carry single votes whereas the majority of those which would benefit under annual value rating have two or three votes. One timber yard in this class actually carries nine votes. The voting strength is thus much more even than these figures might suggest, particularly as vacant land holdings below £5 annual value carry a vote under a recent amendment to the local Government Act. The largest holdings of vacant land and land held in conjunction with buildings are listed in the Appendix.

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Further copies of this study are obtainable at 3d. each from the Research Director, Land Values Research Group, 32 Allison Avenue, Glen Iris. S.E.6.
