

Planning and Development (Lease Variation Charges) Amendment Determination 2015 (No 1)

Disallowable instrument DI2015–205

made under the

Planning and Development Act 2007, s 276C (2) (a) (Lease variation charges—amount payable) and s 276E (1) (Lease variation charges—s 276E chargeable variations)

1 Name of instrument

This instrument is the *Planning and Development (Lease Variation Charges) Amendment Determination 2015 (No 1)*.

2 Commencement

This instrument commences on the day after its notification day.

3 Instrument amended

This instrument amends the *Planning and Development (Lease Variation Charges) Determination 2011 (No 1)* DI2011-198.

4 Schedule 3

Substitute schedule 3 with the attached schedule 3.

5 Schedule 4

Substitute schedule 4 with the attached schedule 4.

Andrew Barr
Treasurer
19 June 2015

Schedule 3

Lease Variation Charge Determination Schedule 3 – Commercial and Industrial			
column 1 Zone	column 2 Suburb	column 3 Applicable criteria (if any)	column 4 Additional gross floor area amount per square metre
Commercial – Town Centres			
Commercial CZ1	Belconnen	Town Centre - Retail Core	\$390
		Town Centre - Business	
Commercial CZ2	Belconnen	less than 10,000m ² GFA maximum	\$515
Commercial CZ2	Belconnen	10,000m ² to 20,000m ² GFA maximum	\$360
Commercial CZ2	Belconnen	20,000m ² GFA maximum and above	\$265
Services Zone			
Commercial CZ3	Belconnen	less than 5,000m ² GFA maximum	\$465
Commercial CZ3	Belconnen	5,000m ² GFA maximum and above	\$400
CZI Areas			
Commercial CZ1	City	Less than 10,000m ² GFA maximum	\$570
Commercial CZ1	City	10,000m ² to 20,000m ² GFA maximum	\$380
Commercial CZ1	City	20,000m ² GFA maximum and above	\$340
Commercial CZ1	Greenway	Town Centre Retail Core	\$390
Commercial CZ2	Greenway	Town Centre – Business	\$265
Commercial CZ3	Greenway	Town Centre Service Zone	\$265
Commercial CZ1	Gungahlin	Town Centre -Retail Core	\$390
Commercial CZ2	Gungahlin	Town Centre - Business	\$275
Commercial CZ3	Gungahlin	Town Centre Service Zone	\$245
Commercial CZ5	Gungahlin	Mixed Use Area	\$220
Commercial CZ1	Phillip	Town Centre Retail Core	\$390
Commercial CZ2	Phillip	less than 10,000m ² GFA maximum	\$465
Commercial CZ2	Phillip	10,000m ² to 20,000m ² GFA maximum	\$370
Commercial CZ2	Phillip	20,000m ² GFA maximum and above	\$250

column 1 Zone	column 2 Suburb	column 3 Applicable criteria (if any)	column 4 Additional gross floor area amount per square metre
Commercial CZ3	Phillip	Town Centre Service Zone	\$560
Commercial – Group Centres			
Commercial CZ3	Amaroo	Group Centre-Service Zone	\$430
Commercial CZ5	Barton		\$600
Commercial CZ2	Braddon	Business Zone	\$1,310
Commercial CZ3	Braddon	Services Zone	\$1,310
Commercial CZ5	Bruce	Mixed Use Area	\$430
Commercial CZ1	Calwell	Group Centre-Core Zone	\$770
Commercial CZ3	Calwell	Group Centre-Service Zone	\$530
Commercial CZ1	Charnwood	Group Centre-Core Zone	\$730
Commercial CZ2	Charnwood	Group Centre-Business	\$600
Commercial CZ3	Charnwood	Group Centre Service Zone	\$380
Commercial CZ1	Chisholm	Group Centre-Core Zone	\$670
Commercial CZ3	Chisholm	Group Centre-Service Zone	\$530
Commercial CZ1	Conder	Group Centre-Core Zone	\$820
Commercial CZ2	Conder		\$750
Commercial CZ3	Conder	Services Zone	\$510
Commercial CZ1	Curtin	Group Centre- Retail Core	\$770
Commercial CZ2	Curtin	Business Zone	\$510
Commercial CZ3	Curtin	Services Zone	\$600
Commercial CZ2	Deakin	Group Centre-Business Zone	\$1,370
Commercial CZ5	Deakin	Mixed Use Area	\$510
Commercial CZ1	Dickson	Town Centre Retail Core	\$1,270
Commercial CZ1	Dickson	Group Centre-Core Zone	\$770
Commercial CZ2	Dickson	Group Centre-Business	\$860
Commercial CZ3	Dickson	10,000m ² to 20,000m ² GFA maximum	\$510
Commercial CZ3	Dickson	20,000m ² GFA maximum and above	\$400
Commercial CZ5	Dickson	less than 10,000m ² GFA maximum	\$700
Commercial CZ5	Forrest		\$600
Commercial CZ5	Franklin	Mixed Use Area	\$260
Commercial CZ1	Griffith	Group Centre-Core Zone	\$2,140
Commercial CZ2	Griffith	Group Centre-Business	\$1,290
Commercial CZ5	Harrison	Mixed Use Area	\$260

column 1 Zone	column 2 Suburb	column 3 Applicable criteria (if any)	column 4 Additional gross floor area amount per square metre
Commercial CZ1	Hawker	Group Centre-Core Zone	\$1,120
Commercial CZ2	Hawker	Group Centre- Business	\$750
Commercial CZ3	Hawker	Group Centre Service Zone	\$430
Commercial CZ1	Holt	Group Centre -Retail Core	\$730
Commercial CZ2	Holt	Group Centre - Business	\$650
Commercial CZ3	Holt	Services Zone	\$650
Commercial CZ1	Kaleen	Group Centre-Core Zone	\$820
Commercial CZ1	Kambah	Group Centre-Core Zone	\$940
Commercial CZ2	Kambah	Group Centre- Business	\$430
Commercial CZ3	Kambah	Group Centre Service Zone	\$510
Commercial CZ1	Kingston	Group Centre-Core Zone	\$1,460
Commercial CZ2	Kingston	Group Centre- Business	\$960
Commercial CZ5	Kingston	Mixed Use Area	\$650
Commercial CZ5	Lyneham	Mixed Use Area	\$600
Commercial CZ1	Macquarie	Group Centre-Core Zone	\$860
Commercial CZ2	Macquarie	Group Centre- Business	\$600
Commercial CZ3	Macquarie	Group Centre Service Zone	\$510
Commercial CZ1	Mawson	Group Centre- Retail Core	\$650
Commercial CZ2	Mawson	Group Centre- Business	\$510
Commercial CZ3	Mawson	Group Centre Service Zone	\$680
Commercial CZ5	Oaks Estate	Mixed Use Area	\$360
Commercial CZ2	Turner	Town Centre- Business Zone	\$800
Commercial CZ5	Turner	Mixed Use Area	\$600
Commercial CZ1	Wanniassa	Group Centre-Core Zone	\$820
Commercial CZ2	Wanniassa	Group Centre- Business	\$700
Commercial CZ3	Wanniassa	Group Centre- Service Zone	\$510
Commercial CZ5	Wright	Mixed Use Area	\$360
Commercial CZ1	Weston	Group Centre-Core Zone	\$820
Commercial CZ3	Weston	Group Centre- Service Zone	\$510
Commercial – Local Centres			
Commercial CZ4	Ainslie		\$770
Commercial CZ4	Aranda		\$540

column 1 Zone	column 2 Suburb	column 3 Applicable criteria (if any)	column 4 Additional gross floor area amount per square metre
Commercial CZ4	Banks		\$410
Commercial CZ4	Bonner		\$540
Commercial CZ4	Bonython		\$410
Commercial CZ4	Bruce		\$540
Commercial CZ4	Calwell		\$410
Commercial CZ4	Campbell		\$770
Commercial CZ4	Charnwood		\$540
Commercial CZ4	Chifley		\$540
Commercial CZ4	Chisholm		\$410
Commercial CZ4	Cook		\$540
Commercial CZ4	Curtin		\$540
Commercial CZ4	Deakin		\$770
Commercial CZ4	Dickson		\$770
Commercial CZ4	Downer		\$770
Commercial CZ4	Duffy		\$540
Commercial CZ4	Dunlop		\$540
Commercial CZ4	Evatt		\$540
Commercial CZ4	Fadden		\$410
Commercial CZ4	Farrer		\$540
Commercial CZ4	Fisher		\$540
Commercial CZ4	Forde		\$540
Commercial CZ4	Florey		\$540
Commercial CZ4	Franklin		\$540
Commercial CZ4	Fraser		\$540
Commercial CZ4	Garran		\$540
Commercial CZ4	Giralang		\$540
Commercial CZ4	Gordon		\$410
Commercial CZ4	Gowrie		\$410
Commercial CZ4	Griffith		\$770
Commercial CZ4	Hackett		\$770
Commercial CZ4	Hall		\$475
Commercial CZ4	Harrison		\$540
Commercial CZ4	Higgins		\$540
Commercial CZ4	Holder		\$540
Commercial CZ4	Holt		\$540
Commercial CZ4	Hughes		\$540
Commercial CZ4	Hume		\$230
Commercial CZ4	Isabella Plains		\$410
Commercial CZ4	Issacs		\$540
Commercial CZ4	Kaleen		\$540
Commercial CZ4	Kambah		\$410
Commercial CZ4	Latham		\$540
Commercial CZ4	Lyneham		\$770
Commercial CZ4	Lyons		\$540
Commercial CZ4	Macgregor		\$540
Commercial CZ4	Macquarie		\$540
Commercial CZ4	Mawson		\$540
Commercial CZ4	McKellar		\$540
Commercial CZ4	Melba		\$540
Commercial CZ4	Monash		\$410
Commercial CZ4	Mitchell		\$310
Commercial CZ4	Narrabundah		\$770
Commercial CZ4	Ngunnawal		\$540
Commercial CZ4	Nicholls		\$540

column 1 Zone	column 2 Suburb	column 3 Applicable criteria (if any)	column 4 Additional gross floor area amount per square metre
Commercial CZ4	O'Connor		\$770
Commercial CZ4	Page		\$540
Commercial CZ4	Palmerston		\$540
Commercial CZ4	Pearce		\$540
Commercial CZ4	Red Hill		\$770
Commercial CZ4	Richardson		\$410
Commercial CZ4	Rivett		\$540
Commercial CZ4	Scullin		\$540
Commercial CZ4	Spence		\$540
Commercial CZ4	Tharwa		\$410
Commercial CZ4	Theodore		\$410
Commercial CZ4	Torrens		\$540
Commercial CZ4	Warramanga		\$540
Commercial CZ4	Watson		\$770
Commercial CZ4	Weetangera		\$540
Commercial CZ4	Weston		\$540
Commercial CZ4	Yarralumla		\$770
Industrial Centres			
Industrial IZ1	Fyshwick	General Industry 'A'	\$215
Industrial IZ1	Fyshwick	General Industry 'B'	\$205
Industrial IZ2	Fyshwick	Precinct 'A'	\$365
Industrial IZ2	Fyshwick	Precinct 'B'	\$270
Industrial IZ2	Fyshwick	Precinct 'C'	\$335
Industrial IZ2	Fyshwick	General Industry	\$275
Commercial CZ2	Fyshwick	Business Zone	\$400
Industrial IZ1	Hume	General Industry < 5,000m ² GFA	\$205
Industrial IZ1	Hume	General Industry 5,000m ² to 10,000m ² GFA	\$155
Industrial IZ1	Hume	General Industry > 10,000m ² GFA	\$130
Industrial IZ1	Mitchell	General Industry	\$195
Industrial IZ2	Mitchell	Mixed Use Industrial	\$295
Industrial IZ1	Symonston	General Industry	\$315
Broad Acre / Industrial IZ1	Beard	General Industry	\$230

Schedule 4

Schedule 4 - Statement of Reasons – determining lease variation charges – section 276E(4)(a) of the Act

In the 2009-10 Budget, the Government agreed to codify the Lease Variation Charge (LVC) in response to industry concerns about the degree of uncertainty in change of use charge determinations. The agreed codification is achieved in part through determining the charges covered by this LVC Determination.

The LVC Determination is framed in such a way as to assign clear, fixed, unambiguous LVC values to specified lease variations in a specified locality (Territory Plan zone or sub-location within a zone). It does this through cross referencing the attached schedules and maps. Only one LVC value is assigned to any given lease variation. This approach has the following benefits.

The assessment of the LVC for lease variations covered by the LVC Determination will be efficient, transparent and straightforward. A lessee will be able to determine the LVC for a proposed lease variation essentially by looking at the dollar value the LVC Determination applies to the proposed variation at the block, section and location of the lease.

The above approach will also mean that the LVC amounts for every lease variation covered is clear and therefore accountable. The calculation for these lease variations will also be straightforward and therefore accountable.

The above benefits of transparency and efficiency will also:

- assist the property development industry with upfront project planning;
- reduce holding costs because the LVC can be determined more quickly;
- reduce administrative costs for applicants because a valuation report prepared by an accredited valuer will not be required; and
- provide increased certainty and predictability in LVC determinations.

The intention is for the above benefits to be applied to as broad a range of lease variations as possible. As a result, the LVC Determination includes all lease variations to increase the maximum number of dwellings, all variations to increase the maximum gross floor area for non-residential use and several other categories.

How the Lease Variation Charge is determined – section 276E(4)(b) of the Act

The LVCs for lease variations to which schedule 3 applies (specific charges) have been worked out as follows.

The charges in Schedule 1 apply to a chargeable variation of a certain specific type that attracts a specific fee.

The specific fees relating to aged care units and beds are based on market value using recent transaction data. These fees are unaffected by location. Lease variations for Self Care are charged at \$40,000 per unit, which may include two or three bedrooms.

The specific fee is based on the market price charged to move into one of these high care units. Lease variations for High & Low Care beds when included in a retirement complex are charged at \$10,000 per bed, based on recent sales data.

Other charges in Schedule 1 are also unaffected by location. These other charges (other than item 14 – “removal of association”) are also based on a charge per unit basis (eg charge per extra dwelling or per each lease being consolidated) subject to any specified thresholds. However, these other charges are not based on market values or sales data. Instead the fees were determined taking into account the need to recover as far as practicable the ACT Planning and Land Authority’s costs of processing the lease variation, including administration, legal, and information technology costs; and the additional benefit being provided through the variation. *The LVCs for lease variations to which schedule 2 applies (lease variations to increase the maximum number of dwellings permitted under the lease) have been worked out as follows.*

The charges in Schedule 2 apply to a chargeable variation to increase the maximum number of dwellings permitted under the lease.

The LVCs for schedule 2 are based on market values.

An average market value for specified residential localities (locality A, B, C etc.) within each suburb was determined. This was done using recent land sales information and other relevant factors. The boundaries of the residential localities have been drawn so as to ensure as far as possible that the properties within each locality are, in terms of location and geographic features, of a similar value. The boundaries of suburbs are derived from the Territory Plan.

The LVCs are based on land values only and do not take account of improvements to the land.

To overcome market fluctuations, a rolling three year average of market values of land in each residential locality in each suburb is used. The figures to be used from 1 July 2011 have been calculated using a three year rolling average of land values in a particular suburb as at 31 March for each of the years 2008, 2009 and 2010. The final averaged values reflect current market values as at 31 March 2010.

The above methodology for residential land determined the added value associated with current land components of a typical benchmark property, for each land use category by locality in each suburb. The schedules provide the average increase per additional dwelling unit, taking into account the scale of the development.

For each suburb, different values were set for the total number of approved dwellings on a site according to a sliding scale for:

- 2 units;
- 3 units;
- 4 units;
- 5-10 units;
- 11-20 units;
- 21-40 units;
- 41-100 units; and
- 100+ units.

In the above, the value assigned per unit in effect decreases according to the scale of the development.

In 2010 the schedules were prepared by accredited valuers, and reviewed by an independently chaired panel with representatives from the Australian Valuation Office and the Australian Property Institute. The schedules are current for the purposes of the LVC.

The LVCs for lease variations to which schedule 3 applies (lease variations to increase the maximum gross floor area permitted under the lease for non-residential use) have been worked out as follows.

The charges in Schedule 3 apply to a chargeable variation to increase the maximum gross floor area permitted under the lease to be used for non-residential purposes.

The LVC was calculated using average market values and other relevant property data per square metre of gross floor area (GFA) for each suburb in each Territory Plan zone. The suburbs and zones are as indicated in the attached maps. The calculation is based on market sales transactions relevant to each land use zone, averaged over the last three years.

The boundaries of suburbs the Territory Plan zones are derived from the Territory Plan. Localities within a suburb have been identified where this was necessary to ensure that as far as possible the properties within each locality are, in terms of location and geographic features, of a similar value.

The figures to be used from 1 July 2015 have been calculated using a three year rolling average of land in a particular land use zone for each suburb as at 31 March for 2013, 2014 and 2015. The final averaged values reflect current market values as at 31 March 2015.

Under the auspices of the Commissioner for ACT Revenue, the schedules have been prepared by accredited valuers (ACT Valuation Office). The schedules have also been reviewed by a representative of the Australian Property Institute (ACT Division).