

As a registered valuer, estate agent and residential property developer and investor for over 30 years, I believe the proposed rental formula for domestic waterfront tenancies is flawed.

Six per cent return on residential property in Sydney is impossible. Property values have escalated over the last few years while residential rents have gone down .I have recently leased 2 semi-detached cottages in Crows Nest at a nett return of less than 3% of their value. As these waterfront properties are in Sydney the return should be based on Sydney returns not on "residential properties rented throughout NSW".

The 50% discount obviously reflects the facts that the land is "landlocked", it is vacant (who wants to rent vacant land?) and therefore the only possible tenant is the adjoining owner.

I cannot understand why GST would apply as GST does not apply on residential tenancies.

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