

POLITICS VICTORIA CLADDING CRISIS

Rates rise despite fall in value of apartments with flammable cladding

By [Clay Lucas](#)

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Thousands of Victorian apartment owners whose buildings are covered in flammable cladding are paying rates that fail to recognise that the value of their property has plummeted.

One academic has estimated that at least 40,000 properties across Victoria will need full or partial replacement of their cladding.



Neill Fitzpatrick on the balcony of his Port Melbourne apartment. Rates on his property have not fallen, despite cladding needing to be rectified on it. JASON SOUTH

The state opposition has called on the Andrews government – which is spending \$600 million on fixing the problem – to cut rates for buildings with flammable cladding, with some owners saying their homes are now unsellable.

Port Melbourne apartment owner Neill Fitzpatrick said part of the reason it had been so hard to accurately rate affected apartments was the government's

decision to keep secret a list it has compiled of 1100 buildings with flammable cladding.

The only apartments where rateable valuations have fallen are those that have either experienced a fire, or that have appeared in the media.

A government spokeswoman said it had received advice from Victoria Police not to publish the addresses of buildings with combustibile cladding, “to avoid the risk of arson”.

The government’s Valuer-General says that when valuations were done on Victorian homes in January “cladding information was not available”.

As a result, apartments long identified as having faulty cladding are valued as if there is no identifiable problem.

“It is expected this information will be available for the 2020 valuation,” Valuer-General Robert Marsh said.

While the first major cladding fire in Victoria was Docklands' Lacrosse apartments in 2014 – five years ago next month – serious action to address the problem didn't begin until after London’s deadly 2017 Grenfell blaze.

In August Mr Fitzpatrick raised the matter with Mr Marsh, who took over property valuations from most local governments this year.

“Apartment owners with cladding are paying too much,” Mr Fitzpatrick said. "This could precipitate a tsunami of objections to councils.

"I thought the state government was trying to assist owners of cladded building [but] keeping the listing secretive is having the opposite impact."

Mr Fitzpatrick said it was terrible the effect of cladding issues on apartment valuations such as his was only now being considered.

Opposition planning spokesman Tim Smith said keeping the list of buildings confidential ensured the scale of the crisis – and what he said was the inadequacy of the government's response – was never clear.

Mr Smith said the public had a right to know which properties were clad in dangerous materials. He also said the government should help residents affected by flammable cladding by minimising their rates bills.

“They talk about their taskforce and all these things they are doing, but thousands of apartment owners around Melbourne have no confidence anything at all is being done,” Mr Smith said.

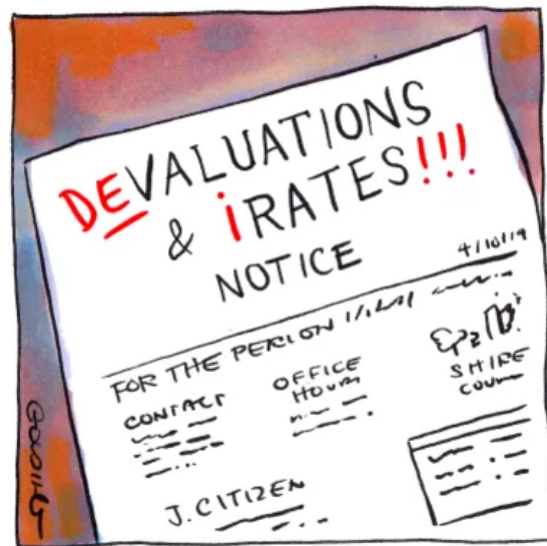


Illustration: Matt Golding

The government said in a statement that there was no mechanism for it to intervene to change valuations this year.

To set a property's rates, the valuer assesses its "capital improved value", taking into account factors including its condition and recent sales in surrounding areas. If an owner believes their bill is too high, they have 60 days to object.

Simon Lockrey, a design academic at RMIT, owns a property with flammable cladding and has been part of a push to focus government attention on the issue.

Dr Lockrey said a conservative estimate would see more than 40,000 individual properties across the state, possibly far more, affected by flammable cladding, although not all of these buildings need immediate repair.

He said the high awareness now of cladding among prospective apartment buyers meant prices of affected buildings had fallen.

"It has made a lot of these apartments unsaleable," he said.

Despite this, Dr Lockrey said, some councils had raised rates on apartments with known issues. "The fact that some [rates] are going up is farcical," he said.



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