

G & M DRIVAS

3 December 2003

Review of Rental for Domestic Waterfront Tenancies in NSW
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230
By email: ipart@ipart.nsw.gov.au

Dear Sir/Madam.

Re: Rental for domestic waterfront tenancies (address deleted)

We write in reference to the above matter and in particular to Discussion Paper DP71 dated October 2003.

We wish to advise that there is insufficient time to respond to the above paper and kindly request that extension of time be given.

However, should the Independent Pricing and Regulatory Tribunal not agree to an extension, we would like to point out the following that is of great concern: -

1. The Valuer General's Statutory Land Value (SLV), calculated at \$ per sqm of the adjoining land is not a fair estimate of the value of the land leased from waterways. The reason for this is that:
 - We do not own the leased area and there are strict controls over the use it.
 - We cannot share, rent, lend or sub-lease the land.
 - The Lease is on a year by year basis and there is no certainty or security as to whether we will lease the land in the future in conjunction with our adjoining land.
 - It does not take into consideration that cost of installing and maintaining the waterfront facility.
2. We **do** not believe that it is equitable to imply that the leased area has a value to the Lessee which returns the lessor 3% per annum.
3. The proposed formula: -
 - May diminish the resale value of our property
 - Makes no allowances to amortise or write off the cost of providing our waterfront facility until such time as it requires replacement.
 - Leads to a massive increase in our rental.

We await your urgent reply.

Yours Faithfully,

George Drivas