

Stage 4 2019 Revaluation

Valuation of Land Act 1960**REPORT OF GENERAL VALUATION UNDER SECTION 7AA(1)****Valuation summary**

Area: 3305 km2	Date valuation was returned to valuation authority: 24 April 2019	Date of previous valuation returned to valuation authority: 30 June 2018	Name of valuation authority: South Gippsland Shire Council
	Level of value date: 01 Jan 2019	Level of value date of previous valuation: 01 Jan 2018	

	Residential	Commercial	Industrial	Rural	Non-Rateable leviable	Other	Total
Number of assessments with buildings	14014	638	359	2659	306	22	17998
Number of assessments without buildings	1394	22	41	631	28	0	2116
Total Net Annual Value	\$ 262,394,350	\$ 18,411,450	\$ 36,432,000	\$ 155,354,800	\$ 7,468,450	\$ 612,900	\$ 480,673,950
Total Site Value	\$ 2,499,898,000	\$ 108,234,000	\$ 86,917,000	\$ 2,472,394,000	\$ 74,051,000	\$ 6,066,000	\$ 5,247,560,000
Total Capital Improved Value	\$ 5,244,062,000	\$ 267,132,000	\$ 403,436,000	\$ 3,107,096,000	\$ 114,913,000	\$ 8,953,000	\$ 9,145,592,000

Summary of previous valuation details as amended to the end of the rating year immediately preceding the current valuation

	Residential	Commercial	Industrial	Rural	Non-Rateable leviable	Other	Total
Number of assessments with buildings	14014	638	359	2659	306	22	17998
Number of assessments without buildings	1394	22	41	631	28	0	2116
Total Net Annual Value	\$ 239,024,600	\$ 18,193,800	\$ 35,832,900	\$ 142,949,700	\$ 7,064,950	\$ 597,700	\$ 443,663,650
Total Site Value	\$ 2,254,447,000	\$ 102,132,000	\$ 82,376,500	\$ 2,261,675,000	\$ 69,047,000	\$ 5,640,000	\$ 4,775,317,500
Total Capital Improved Value	\$ 4,776,597,000	\$ 256,539,000	\$ 395,928,000	\$ 2,858,994,000	\$ 108,892,000	\$ 8,483,000	\$ 8,405,433,000

- List and comment on the percentage change between this valuation and the previous valuation for each of the following classifications:

Residential Property

An overall gain of 9.8 per cent was posted across all residential Australian Valuation Property Classification Code categories.

Higher increases in value are noted in townships towards the western end of the Shire with a closer proximity to the Melbourne urban fringe. Value movement tends to stagnate as the distance to Melbourne increases. Some townships such as Toora are an exception and reflect higher percentage value increases coming off a low base. Toora stabilised and increased from a decrease of 8.2 per cent last revaluation. Korumburra remained a strong performer with an increase of 15.5 per cent. This is also the case for the villages surrounding the Korumburra centre.

Residential units reflect a more modest increase than the balance of residential properties, coming off a relatively high value base. Increases vary with the more mature unit market of Leongatha increasing by 1.2 per cent, Foster increasing by 1.9 per cent and Korumburra posted a positive gain of 3.9 per cent.

Commercial Property

The site value of commercial property reflects a modest increase in several areas coming off a low value base. Overall the improved value (land and buildings) of commercial property in the shire increased by 4.1 per cent. This category includes large national traders through to small owner occupied offices. The largest commercial market of Leongatha increased by only 0.1 per cent, the Korumburra commercial property values increased by 12.6 per cent and Foster increased by 5.8 per cent. Demand for commercial property with secure leases remains strong, however high vacancy rates in some precincts has put downward pressure on rental returns. The increase in residential development in the western end of the shire in recent years appears to be flowing through to putting upward pressure on rents and commercial values in those areas.

Industrial Property

The value of Industrial property increased by 1.9 per cent. This is skewed slightly downward by specialised industrial properties such as wind farms and quarries which are depreciating assets due to obsolescence, reducing resources and limited permitted life spans.

The non-specialized industrial market reflects a minimal positive increase in Leongatha while Korumburra reflects an increase of 10 per cent. Demand for both vacant and improved industrial property in these areas remains consistent and again a reflection of increased activity in the area.

Rural Property

The demand for larger high-quality dairy properties remains strong despite the dry conditions and volatile farm gate prices. Demand for premium undulating grazing land has remained steady. Steeper, more remote land has experienced increased demand over the previous period with some good increases noted in more desirable and better located properties.

The majority of properties under 50ha with existing dwellings have increased in value by varying degrees. The residential content of these properties generally reflects a higher value gain the closer in proximity they are to the urban centres of Melbourne and the Latrobe Valley. These properties have skewed the overall statistical increase of the rural category upwards to an overall increase of 8.7 per cent.

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The well-established farming districts have experienced an increase in CIV levels since the 2018 revaluation. The premium rural areas of Leongatha and Korumburra have remained steady with increases of 9.2 per cent and 10.7 per cent respectively. The average increase for properties over 50 ha is 8.3 per cent.

- Specify the impact of any amendments to planning schemes, local laws, etc. on the valuation.

The planning schemes and local laws have been taken into consideration in determining the current valuation.

- Comment on development in the area of the rating authority, recent trends, geographical, social and other factors influencing general levels of valuation on properties in the area of the rating authority:

Residential development continues in major centres, with higher demand for residences in closest proximity to the urban fringes of Melbourne and the Latrobe Valley. Commercial development often follows an increase in residential populations. Strip shopping continues to dominate the retail precincts and the demand for retail space in the largest retail centre of Leongatha remains low with higher vacancy rates than have prevailed historically.

Signed

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Name and Title

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Date

23 May 2019