

## 7.8 Final Outcomes of 2021 General Valuation

### Abstract

This report provides detailed information in relation to the 2021 general valuation of all rateable property and recommends a Council resolution to receive the 1 January 2021 General Valuation in accordance with section 7AF of the *Valuation of Land Act 1960*.

The overall movement in property valuations is as follows:

	Site Value	Capital Improved Value	Net Annual Value
<b>2020 Valuations</b>	\$86,975,664,100	\$117,725,039,500	\$5,952,488,525
<b>2021 Valuations</b>	\$89,614,557,500	\$120,630,088,000	\$6,097,147,841
<b>Change</b>	\$2,638,893,400	\$2,905,048,500	\$144,659,316
<b>% Difference</b>	3.03%	2.47%	2.43%

The level of value date is 1 January 2021 and the new valuation came into effect from 1 July 2021 and is being used for apportioning rates for the 2021-22 financial year.

The general valuation impacts the distribution of rating liability across the municipality. It does not provide Council with any additional revenue. The distribution of rates is affected each general valuation by the movement in the various property classes. The important point from an equity consideration is that all properties must be valued at a common date (i.e. 1 January 2021), so that all are affected by the same market. Large shifts in an individual property's rate liability only occurs when there are large movements either in the value of a property category (e.g. residential, office, shops, industrial) or the value of certain locations, which are outside the general movements in value across all categories or locations.

The process consists of 4 stages and all stages were completed by the Valuer General Victoria (VGV). The final certification, commonly known as "*The Generally True and Correct Certificate under section 7AF of the Valuation of Land Act 1960 (VLA)*", has been received from VGV. See **Attachment 2** for the declaration of the Minister for Planning.

### Officers' recommendation

That Council resolve to receive the 1 January 2021 General Valuation effective from 1 July 2021 in accordance with section 7AF of *Valuation of Land Act 1960*.

**Responsible director: Phillip Storer, Chief Executive Officer**

## 1. Purpose

The purpose of this report is to advise Council of the final outcomes of the 2021 general valuation, undertaken by the Valuer-General Victoria (VGV).

## 2. Policy implications and relevance to community plan and council plan

This report is consistent with the Council Plan 2017-21, in particular strategic objective 7 regarding Civic Leadership and Governance, to *“Ensure that ethical financial and socially responsible decision making reflects community needs and is based on principles of accountability, transparency, responsiveness and consultation.*

## 3. Background

The level of value date is 1 January 2021 and the new valuation will come into effect from 1 July 2021 and is being used for apportioning rates for the 2021-22 financial year.

The process consists of 4 stages and all stages were completed by the VGV. The VGV is the valuation authority and undertakes and provides the valuations to Council for rating purposes. The final certification, commonly known as *“The Generally True and Correct Certificate under section 7AF of the Valuation of Land Act 1960 (VLA)”*, has been received from VGV.

Section 6 of the VLA requires three (3) valuations be returned for each property:

1. Capital Improved Value (CIV);
2. Site Value (SV); and
3. Net Annual Value (NAV).

The VLA requires that all properties be valued on the basis of “highest and best use”. This requires all properties to be assessed on the basis of potential use and not necessarily actual use. The concept applies to both site value and capital improved value. Council’s rates are struck on the basis of the CIV valuations while the site value is used by the State Revenue Office (SRO) for the levying of land tax assessments.

## 4. Outline of key issues/options

In the year since the return of the 2020 general valuation, the overall movement in property valuations is as follows:

	Site Value	Capital Improved Value	Net Annual Value
<b>2020 Valuations</b>	\$86,975,664,100	\$117,725,039,500	\$5,952,488,525
<b>2021 Valuations</b>	\$89,614,557,500	\$120,630,088,000	\$6,097,147,841
<b>Change</b>	\$2,638,893,400	\$2,905,048,500	\$144,659,316
<b>% Difference</b>	3.03%	2.47%	2.43%

Further commentary concerning the valuation outcomes and market influences has been provided by the VGV valuer and is provided in **Attachment 1**.

## **5. Consultation/communication**

The 2021 general valuation was conducted by the VGV in accordance with Valuation Best Practice 2021 (VBP).

The 2021-22 valuation and rate notice contains an explanation of the valuation process and also advises the ratepayer of the process to be followed should they wish to query the valuation. This is consistent with the approach undertaken in previous years. Under the VLA ratepayers have up to two months after the valuation and rate notices have been issued to formally object to their valuation.

## **6. Financial and resource implications**

The general valuation will impact the distribution of rating liability across the municipality. It does not provide Council with any additional revenue.

The distribution of rates is affected each general valuation by the movement in the various property classes. The important point from an equity consideration is that all properties must be valued at a common date (i.e. 1 January 2021), so that all are affected by the same market. Large shifts in an individual property's rate liability only occurs when there are large movements either in the value of a property category (e.g. residential, office, shops, industrial) or the value of certain locations, which are outside the general movements in value across all categories or locations.

## **7. Governance issues**

Officers involved in the preparation of this report have no conflict of interest.

The list of prescribed human rights contained in the Victorian Charter of Human Rights and Responsibilities has been reviewed in accordance with Council's Human Rights Compatibility Assessment Tool and it is considered that the proposed actions contained in this report represent no breaches of, or infringements upon, those prescribed rights.

## **8. Social and environmental issues**

The return of the general valuation ensures that rates are distributed in an equitable basis across the municipality.

**Manager:** Callista Clarke, Acting Chief Financial Officer

**Report officer:** John Lorkin, Coordinator Revenue and Property Services

Attachment 1

**Matheson Stephen Valuations**

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 Heidelberg VIC 3084  
 Telephone (03) 9455 2077  
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15 June 2021

The 2021 General Revaluation for the City of Boroondara has been certified by the Valuer General to be generally true and correct. The 2021 General Revaluation was undertaken by Matheson Stephen Valuations at the direction of the Valuer General Victoria as the Valuation Authority. All properties within the City of Boroondara have been revalued as at 1 January 2021 and is therefore based on market conditions at, and immediately before, that date. This report provides a general overview of the 2021 General Revaluation.

We provide a summary the findings of the 2021 Revaluation. The table below details the total value changes for rateable properties within the Boroondara Municipality.

	2020	2021	% Change
<b>Site Value (SV)</b>	\$86,975,664,100	\$89,614,557,500	3.03%
<b>Capital Improved Value (CIV)</b>	\$117,725,039,500	\$120,630,088,000	2.47%
<b>Net Annual Value (NAV)</b>	\$5,952,488,525	\$6,097,147,841	2.43%

**2021 General Revaluation – City of Boroondara - Residential**

The 2021 Revaluation covers the period of 1 January 2020 to 1 January 2021 during this time the property market experienced significant uncertainty and transformation in 2020. Growth in the second half of 2020 continued trending upwards with clearance rates at auctions growing and shortage of available stock the main attributing factors.

The overall Capital Improved Value (CIV) within the City of Boroondara has increased 2.70% resulting in a median CIV increase from \$1,380,000 to \$1,450,000. Dwellings during this time, increased by 2.76% (overall) as compared to units which increased by 2.28%.

The suburbs depicting the largest Capital Improved Value change include Ashburton (5.97%), Glen Iris (5.40%) and Kew (5.40%). Whilst suburbs depicting the smallest Capital Improved Value change included Surrey Hills (-1.31%), Hawthorn (0.20%), Hawthorn East (0.29%) and Camberwell (0.36%).

Attachment 1

**2021 General Revaluation - City of Boroondara - Commercial**

There are approximately 5,900 on-residential/commercial properties within the City of Boroondara. The overall Capital Improved value for non-residential/commercial property within the City of Boroondara has decreased by -0.80% as compared to site values which has resulted in an overall increase of 3.03%. The reduction in Capital Improved Value is mainly attributable to the reduction in rents being achieved (the total Net Annual Value decreased by 0.84%).

The commercial rental market continued to be impacted by changes due to COVID-19, the trading restrictions set by the State Government, consumer behaviour and varied consumer confidence. Whilst demand for quality retail assets remain strong, particularly for well-located properties which have long term leases and strong lease covenants.

Kind Regards

**MATHESON STEPHEN VALUATIONS,**

A handwritten signature in blue ink, appearing to read 'Briony N. Stephen'.

**Briony N. Stephen, A.A.P.I**  
**Certified Practising Valuer**

A handwritten signature in blue ink, appearing to read 'Shelly Wijaya Painsi'.

**Shelly Wijaya Painsi, A.A.P.I**  
**Certified Practising Valuer**



Hon Richard Wynne MP

Minister for Planning

8 Nicholson Street  
East Melbourne, Victoria 3002

Attachment 2

**Declaration of the Minister for Planning  
under section 7AF of *Valuation of Land Act 1960***

In accordance with section 7AD of the *Valuation of Land Act 1960*, the Valuer-General has certified that a general valuation in the following municipalities returned by the Valuer-General for the year 2021, is generally true and correct with respect to each of the bases of value assessed, namely; net annual value, capital improved value and site value.

- |                                 |                                 |
|---------------------------------|---------------------------------|
| 1. Shire of Alpine              | 33. City of Kingston            |
| 2. Rural City of Ararat         | 34. City of Knox                |
| 3. City of Ballarat             | 35. City of Latrobe             |
| 4. City of Banyule              | 36. Shire of Loddon             |
| 5. Shire of Bass Coast          | 37. Shire of Macedon Ranges     |
| 6. Shire of Baw Baw             | 38. City of Manningham          |
| 7. City of Bayside              | 39. Shire of Mansfield          |
| 8. Rural City of Benalla        | 40. City of Maribyrnong         |
| 9. City of Greater Bendigo      | 41. City of Maroondah           |
| 10. City of Boroondara          | 42. City of Melbourne           |
| 11. City of Brimbank            | 43. City of Melton              |
| 12. Shire of Buloke             | 44. Shire of Mitchell           |
| 13. Shire of Campaspe           | 45. Shire of Moira              |
| 14. Shire of Cardinia           | 46. City of Monash              |
| 15. City of Casey               | 47. City of Moonee Valley       |
| 16. Shire of Central Goldfields | 48. Shire of Moorabool          |
| 17. Shire of Colac Otway        | 49. City of Moreland            |
| 18. Shire of Corangamite        | 50. Shire of Mount Alexander    |
| 19. City of Greater Dandenong   | 51. Shire of Moyne              |
| 20. City of Darebin             | 52. Shire of Murrindindi        |
| 21. Shire of East Gippsland     | 53. Shire of Nillumbik          |
| 22. City of Frankston           | 54. Shire of Northern Grampians |
| 23. Shire of Gannawarra         | 55. City of Port Phillip        |
| 24. City of Greater Geelong     | 56. Shire of Pyrenees           |
| 25. City of Glen Eira           | 57. Borough of Queenscliffe     |
| 26. Shire of Glenelg            | 58. City of Greater Shepparton  |
| 27. Shire of Golden Plains      | 59. Shire of Southern Grampians |
| 28. Shire of Hepburn            | 60. City of Stonnington         |
| 29. Shire of Hindmarsh          | 61. Shire of Strathbogie        |
| 30. City of Hobsons Bay         | 62. Shire of Surf Coast         |
| 31. Rural City of Horsham       | 63. Rural City of Swan Hill     |
| 32. Shire of Indigo             | 64. Shire of Towong             |



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Attachment 2

- |                              |                           |
|------------------------------|---------------------------|
| 65. Rural City of Wangaratta | 71. City of Wodonga       |
| 66. City of Warrnambool      | 72. City of Wyndham       |
| 67. Shire of Wellington      | 73. City of Yarra         |
| 68. Shire of West Wimmera    | 74. Shire of Yarra Ranges |
| 69. City of Whitehorse       | 75. Shire of Yarriambiack |
| 70. City of Whittlesea       |                           |

I declare pursuant to section 7AF(1) of the *Valuation of Land Act 1960*, that the general valuations for the whole of the municipality listed is generally true and correct with respect to each of the bases of value assessed.

Pursuant to section 15(4) of the *Valuation of Land Act 1960* a notice of valuation must be given by the municipality as rating authority on or before 30 September in the year in which the valuation is made.



**HON RICHARD WYNNE MP**  
**Minister for Planning**

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