

7.6 Final Outcomes of 2022 General Valuation

Executive Summary

Purpose

The purpose of this report is to provide detailed information in relation to the 2022 general valuation of all rateable property and recommends a Council resolution to receive the 1 January 2022 General Valuation in accordance with section 7AF of the *Valuation of Land Act 1960*.

Background

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. All properties are valued using a common date 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 level of value date is 1 January 2022 and the new valuation came into effect from 1 July 2022 and is being used for apportioning rates for the 2022-23 financial year.

The overall movement in property valuations for the 2022/23 financial year in comparison to the 2021/22 financial year is as follows:

Year	Total Site Value	% Change	Total Capital Improved Value	% Change	Total Net Annual Value	% Change
2021	\$89,646,257,500	13.73%	\$121,756,738,000	10.34%	\$6,154,281,091	10.24%
2022	\$101,956,884,500		\$134,343,120,000		\$6,784,555,400	

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 1** for the declaration of the Minister for Planning.

Key Issues

In the year since the return of the 2021 general valuation, the overall movement in property valuations is approximately 10 per cent.

Officers' recommendation

That Council resolve to receive the 1 January 2022 General Valuation effective from 1 July 2022 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 2022 general valuation, undertaken by the Valuer-General Victoria (VGV).

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

This Policy is consistent with the Boroondara Community Plan 2021-31(BCP) (incorporating the 10-year Community Vision, Council Plan 2021–25 and Municipal Public Health and Wellbeing Plan 2021–25).

In particular strategy 7.1 *“Decision-making is transparent and accountable through open governance processes with timely communication and reporting”*. It also supports Strategic Objective 7 of the BCP, to *“Ensure decisions are financially and socially responsible through transparent and ethical processes”*.

3. Background

The level of value date is 1 January 2022 and the new valuation has come into effect from 1 July 2022 and is being used for apportioning rates for the 2022-23 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 2021 general valuation, the overall movement in property valuations is as follows:

Year	Total Site Value	% Change	Total Capital Improved Value	% Change	Total Net Annual Value	% Change
2021	\$89,646,257,500	13.73%	\$121,756,738,000	10.34%	\$6,154,281,091	10.24%
2022	\$101,956,884,500		\$134,343,120,000		\$6,784,555,400	

Further commentary concerning the valuation outcomes and market influences has been provided by the VGV valuer and is provided in **Attachment 2**.

5. Consultation/communication

The 2022 general valuation was conducted by the VGV in accordance with Valuation Best Practice 2022 (VBP).

The 2022-23 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 2022), 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 general or material 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 present 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: Amy Montalti, Chief Financial Officer

Report officer: Rebecca Dewar, Acting Coordinator Revenue and Property Services



Hon Richard Wynne MP

Minister for Planning

8 Nicholson Street
East Melbourne, Victoria 3002

**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 2022, 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.

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



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Attachment 1

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|------------------------------|---------------------------|
| 61. Shire of Strathbogie | 69. City of Whitehorse |
| 62. Shire of Surf Coast | 70. City of Whittlesea |
| 63. Rural City of Swan Hill | 71. City of Wodonga |
| 64. Shire of Towong | 72. City of Wyndham |
| 65. Rural City of Wangaratta | 73. City of Yarra |
| 66. City of Warrnambool | 74. Shire of Yarra Ranges |
| 67. Shire of Wellington | 75. Shire of Yarriambiack |
| 68. Shire of West Wimmera | |

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

24/6/22



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Attachment 2

**Matheson Stephen Valuations**

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25 July 2022

The 2022 General Revaluation for the City of Boroondara has been certified by the Valuer General to be generally true and correct. The 2022 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 2022 and is therefore based on market conditions at, and immediately before, that date. This report provides a general overview of the 2022 General Revaluation.

We provide a summary the findings of the 2022 Revaluation. The table below details the total value changes for rateable properties within the Boroondara Municipality.

	2021	2022	% Change
Site Value (SV)	\$ 89,646,257,500	\$101,956,884,500	13.73%
Capital Improved Value (CIV)	\$121,756,738,000	\$134,343,120,000	10.34%
Net Annual Value (NAV)	\$ 6,154,281,091	\$ 6,784,555,400	10.24%

2022 General Revaluation – City of Boroondara - Residential

The 2022 Revaluation covers the period of 1 January 2021 to 1 January 2022 during this time the property market experienced signification uncertainty and transformation in 2021. The global pandemic has catalysed remarkable shifts in the Victorian housing market, including the City of Boroondara.

The overall Capital Improved Value (CIV) within the City of Boroondara has increased 10.34% resulting in a median CIV increase from \$1,400,000 to \$1,600,000. Dwellings during this time, increased by 12.14% (overall) as compared to units which increased by 5.31%.

The suburbs depicting the largest Capital Improved Value change include Camberwell (13.93%), Balwyn North (13.61%) and Surrey Hills (13.11%). Whilst suburbs depicting the lowest Capital Improved Value change included Deepdene (6.26%), Canterbury (7.05%) and Balwyn (7.08%).



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Attachment 2

**2022 General Revaluation - City of Boroondara - Commercial**

There are approximately 5,951 on-residential/commercial properties within the City of Boroondara. The overall Site Value for non-residential/commercial property within the City of Boroondara has increased by 3.99% and Capital Improved Value by 3.57%.

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 Paine'.

Shelly Wijaya Paine, A.A.P.I
Certified Practising Valuer