

Griffith LGA

Final Report 2015

Date: 16th November 2015

EXECUTIVE SUMMARY

SHIRE OVERVIEW

Griffith Shire Area

The Griffith Shire is located in the Riverina region of New South Wales, approximately 570 kilometres west of Sydney. Griffith Shire comprises a land area of approximately 1,640 square kilometres with a population of approximately 26,000. The land predominantly includes residential, commercial, industrial & rural land types. The Shire is adjoined by four other shires: Carrathool to the north and west, Narrandera and Leeton to the east and Murrumbidgee to the south.

The Griffith Shire is a highly regarded rural locality due to its reasonably temperate climate, soil quality, and its reasonably reliable rainfall. Griffith Shire is within the Murrumbidgee Irrigation Area (MIA) and its comprehensive irrigation infrastructure provides a major economic benefit to the region.

Number of properties valued this year and the total land value in dollars

The Griffith Shire comprises residential, rural, commercial, industrial, infrastructure, environmental, public recreation and waterway zones.

10,732 properties were valued at the Base Date of 1 July 2015, and valuations are reflective of the property market at that time. Previous Notices of Valuation were issued to owners for the Base Date of 1 July 2013.

Valuation changes in the Shire and percentage changes between the Council Valuation years of 1 July 2013, the last Land Tax Valuation year of 1 July 2014 and the current land tax year of 2015 are as follows:

Properties Valued and Total Land Value							
Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2013)	% Change
Commercial	B1-B7	677	\$198,764,280	\$212,547,730	-6.5%	\$213,213,330	-6.8%
Residential	(R1- R5, RU5)	7,588	\$702,538,220	\$644,122,090	9.1%	\$675,135,050	2.3%
Rural	(RU1 RU3, RU4,RU6,RU2)	1977	\$419,756,560	\$402,944,300	4.17%	\$402,323,960	4.3%
Industrial	(IN1, IN3)	257	\$60,920,780	\$66,772,050	-8.6%	\$66,727,740	-8.7%
Infrastructure	(,SP2, SP3)	52	\$6,342,600	\$6,698,800	-5.32%	\$6,703,800	-5.4 %
Environmental	(E2, E3, E4,W2)	54	\$8,021,210	\$8,010,410	0.02%	\$7,486,810	7.1%
Public Recreation	(RE1, RE2)	145	\$22,948,850	\$22,982,850	-0.15%	\$23,481,850	-2.3%
Total		10,732	\$1,419,292,500	1,364,088,230	4.05%	\$1,395,072,540	1.7 %

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Griffith Shire is governed by the Griffith Local Environmental Plan 2014 (LEP) which was gazetted on the 28th March 2014. There have been no significant amendments to the LEP since the previous valuation. The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

QV Australia has undertaken significant analysis of the Griffith district property market to provide an accurate and reliable basis of valuation. 196 sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the grading across components. Analysed sales reports are provided to Land and Property Information on a consistent basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. QV Australia undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. No market movement was allowed in Griffith LGA for the 2015 valuing year.

SIGNIFICANT ISSUES AND DEVELOPMENTS

There have not been any significant developments or applications for development outside of those that are permissible under the current zoning and therefore no special consideration is required.

SIGNIFICANT VALUE CHANGES

Summary of Valuation Changes to Residential Land

Changes since previous General Valuation (2013)

Properties have increased on average 2.3% since the 2013 valuations. In the 2013 to 2014 year, land values decreased slightly in Griffith town and Lake Wyangan village by up to 8% while the other villages remained static. In the past year Griffith town and most villages saw some increase in values.

Changes since previous Valuation Year (2014)

Sale volumes have increased in the last twelve months with residential values increasing overall 9.1 % over the past year. Market movement was strongest in East Griffith in the suburb of Collina where a tightening in supply of vacant land saw land values increase 18.97%. In the small villages of Lake Wyangan, Tharbogang and Nericon, the market was static.

Summary of Valuation Changes to Rural Land

Changes since previous General Valuation (2013)

The Griffith LGA is a highly regarded rural district due to its temperate climate, soil quality, a well integrated irrigation scheme and good transport infrastructure. The rice, citrus and wine industries are the predominant land uses of the farming land and they are heavily reliant on irrigation water. The economy of Griffith is based to a large extent on irrigated agriculture. In the 2013 to 2014 year the rural market was generally static while the 2014 to 2015 year saw a slight increase. Overall the rural land values in the Griffith LGA have increased 4.3% over the past two years.

Changes since previous Valuation Year (2014)

Overall the rural land values in the Griffith LGA have increased 4.17% due mainly to a slight increase in the smaller sized blocks, being the horticulture and lifestyle type properties. The larger sized blocks have held their values.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2013)

The Griffith City LGA has a strong business centre. The market overall decreased slightly overall, partly due to the influence of a number of “mortgagee in possession” sales over the past 18 months. The overall decrease was – 6.8% since July 2013.

Changes since previous Valuation Year (2014)

The Griffith City LGA has a strong business centre and 24 commercial sales were analysed over the past year. Sales included tenant purchases, vacant possession and vacant land. The market overall decreased slightly overall due to the influence of a number of “mortgagee in possession” sales over the past 18 months. The overall decrease was – 6.5% in the past twelve months.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2013)

Griffith City has a large industrial precinct which borders onto the business areas of the City and spreads south along Mackay Street and Bridge Road towards the village of Yoogali. Land values have declined slightly over the past year on a low sales volume (4 in total). The overall decrease was -8.7% since July 2013.

Changes since previous Valuation Year (2014)

Griffith City has a large industrial precinct which borders onto the business areas of the City and spreads south along Mackay Street and Bridge Road towards the village of Yoogali. Land values have declined slightly over the past year on a low sales volume (4 in total). The overall decrease was -8.6%.

CONTENTS

Executive Summary	2
Contents	6
Disclaimer – Purpose of this Report.....	7
LGA Overview.....	8
State & Local Government Legislation for LGA.....	10
Market Overview & Sales of Particular Interest.....	13
Significant Issues and Developments	16
Significant Value Changes.....	16
Overview of the Quality Assurance Process.....	17
Author.....	17

DISCLAIMER – PURPOSE OF THIS REPORT

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Griffith LGA. The report has been produced on behalf of the Valuer General.

The land values have been specifically made for rating and taxing purposes. Land values produced as part of this process should not be used for any other purpose without the specific agreement of the Valuer General.

Land values must have regard to specific requirements and assumptions in rating and taxing legislation. Consequently these valuations may vary from market levels.

The land values have been determined using a methodology prescribed by the Rating and Taxing Valuation Procedures Manual. The Manual allows mass valuation methodologies that involve assessing large numbers of properties as a group to be utilised where appropriate. Mass valuation methodologies are by their nature likely to be less accurate than individually assessed valuations, however are utilised worldwide for rating and taxing purposes to deliver valuations within an acceptable market range.

Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

More information on the valuation process is available from the Land and Property Information website at www.lpi.nsw.gov.au/valuation

LGA OVERVIEW

LOCATION OF THE DISTRICT

The Griffith Shire is located in the Riverina region of New South Wales, approximately 570 kilometres west of Sydney. Griffith Shire comprises a land area of approximately 1,640 square kilometres with a population of approximately 26,000. The land predominantly includes residential, commercial, industrial & rural land types. The Shire is adjoined by four other shires: Carrathool to the north and west, Narrandera and Leeton to the east and Murrumbidgee to the south.

PRINCIPAL TOWNS

Griffith

Griffith is the principal town in the Griffith LGA, with a population of about 18,000. It is located approximately 190 kilometres to the north-west of Wagga Wagga. The Primary Retail Centre is located along Banna Avenue. Services including supermarkets, cafés and retail shops are provided here. The town also has two large shopping malls, and two homemaker centres, professional suites, offices and government administration. It also provides the services of an airport with direct flights to Sydney. Griffith is particularly popular for its gourmet culture, being well known for the fresh produce of the Murrumbidgee Irrigation Area, and its notable wine production. Other features of the town include five galleries and public art centres, Griffith War Memorial Museum and Griffith Pioneer Park Museum.

Hanwood

Hanwood is a village of around 1,500 people, located approximately 5 kilometres south of Griffith. The village is set in a well developed horticulture area with wine grapes and citrus the main crops. McWilliams Winery is close to the village as well Baiada's poultry processing factory. Hanwood provides educational services through the local public school, offering classes for students from kindergarten to year six. Recreational activities include a service club and a branch of the Country Women's Association. The village also features a local store, a service station and a sports club.

Yoogali

Yoogali is a village located approximately 4 kilometres east of Griffith, with a population of around 1,000. It has several shops including a café and a large club. Yoogali offers education for primary level students through Yoogali Public School and St Mary's Primary School. Yoogali is a village suburb of Griffith.

Yenda

Yenda is a large village approximately 16 kilometres north-east of Griffith with a population of around 1,500. Close to the village is Casella's Winery one of the largest wine producers in Australia and a significant employer in the area. The village has a supermarket, hotel, service station and a rural merchandise outlet. The town has two schools for students between kindergarten and year six, Yenda Public School and St Therese's School. The town also features a Rotary Club and a Digger's Club with attached restaurant.

MAIN INDUSTRIES

The wine industry is a significant employer in the Griffith LGA with 5 major wineries including Cassella, De Bortoli and McWilliams. The poultry industry is well established and continues to expand with large broiler farms within the LGA and close adjoining shires as well as a major processing plant at Hanwood.

SIGNIFICANT RETAIL CENTRES

Griffith town provides the main retail centre for the Griffith Shire, with the majority of its shopping located along Banna Avenue. It features several commercial complexes, and major chain stores. This includes a number of major supermarkets, Big W, The Reject Shop, Harvey Norman, Target, Bunnings Warehouse and major fast food outlets. Independent stores also thrive in the area, catering to the boutique tastes of the area's market.

Two mall shopping centres are established apart from the main retail area of Banna Avenue with several major retail anchors including Myer, Target, Kmart, Big W, Best & Less, Lincraft, Dick Smith's and JB Hifi. Major supermarkets are also present, notably two Woolworths and Coles. An Aldi supermarket is proposed. Several other large commercial and bulky goods complexes are also present in the wider Central Business District. Other suburban shopping centres include North Griffith.

TYPE OF RESIDENTIAL DEVELOPMENT

Griffith town contains the majority of residential development within the Griffith LGA. A smaller amount of residential development is located within the surrounding villages.

The Griffith Council region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Griffith town and the villages, followed by a significant number of dwellings located in rural areas, with good access, on lifestyle properties, horticulture blocks and farms. Griffith town has a good mix of small residential unit developments, apartments and townhouse properties located close to the CBD. Approximately 75% of properties in the region are owner occupied and 25% are rented.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Griffith Local Environmental Plan 2014 gazetted 21st March 2014. There have been no significant amendments to the LEP since the previous valuation.

The Griffith Shire is governed by the Griffith Local Environmental Plan 2014 (LEP). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

The Plan aims to make local environmental planning provisions for land in the Griffith Shire in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

The particular aims of this Plan are as follows:

- (a) to prevent unnecessary urban sprawl by promoting business, industrial, rural and residential uses within and adjacent to existing precincts related to those uses,
- (b) to minimise land use conflict in general by creating areas of transition between different and potentially conflicting land uses,
- (c) to provide a variety of development options to meet the needs of the community with regard to housing, employment and services,
- (d) to manage and protect areas of environmental significance,
- (e) to recognise the historical development of the area and to preserve heritage items associated with it.

The plan contains the following zones:

Land use zones

The land use zones under this Plan are as follows:

Rural Zones

- RU1 Primary Production
- RU2 Rural Landscape
- RU3 Forestry
- RU4 Primary Production Small Lots
- RU5 Village
- RU6 Transition

Residential Zones

- R1 General Residential
- R5 Large Lot Residential

Business Zones

B1 Neighbourhood Centre

B2 Local Centre

B4 Mixed Use

B6 Enterprise Corridor

B7 Business Park

Industrial Zones

IN1 General Industrial

IN3 Heavy Industrial

Special Purpose Zones

SP2 Infrastructure

SP3 Tourist

Recreation Zones

RE1 Public Recreation

RE2 Private Recreation

Environment Protection Zones

E1 National Parks and Nature Reserves

E2 Environmental Conservation

E3 Environmental Management

E4 Environmental Living

Waterway Zones

W2 Recreational Waterways

Griffith Council has development controls including the Griffith Development Control Plan 2013 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	500-700sm (R1) 700sm (RU5)
Rural/Forestry	500ha (RU1) 5 ha (RU4) 200ha, 400ha (E1) 400ha (E2) 2ha (E4)
Industrial	Undefined (IN1, IN2)

MURRAY-DARLING BASIN PLAN.

In October 2010 a draft water plan for the Murray – Darling basin was released to address the issue of Environmental flows in the river catchments. The plan is to significantly increase environmental flows by cuts to existing water allocations (surface water) as well as water savings from infrastructure investment. The reduction in water available for irrigation will be in the order of 19%, and is related to the long-run average water use for the entire basin. The headline figure is 26%, and water savings through infrastructure investments is expected to contribute about 7%. The draft plan also covers ground water usage, and proposes to increase the limits on groundwater. Bore water extraction (groundwater) provides a small contribution to irrigated agriculture in Griffith LGA and under the current proposals allocations will not be reduced.

In May 2012 a report on the socio-economic impacts of the plan were released. The report found that the overall impact on the basin economy is likely to be modest, at less than 1% per annum. However some towns in the basin may face more significant adjustment.

The discussions on the plan are ongoing with there being a senate inquiry into it and it has had a lot of media time.

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

Griffith town contains the majority of residential development within Griffith LGA. A smaller amount of residential development is located within the surrounding villages.

The Griffith Council region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Griffith town and the villages, followed by a significant number of dwellings located in rural areas, with good access, on lifestyle properties, horticulture blocks and farms. Griffith town also has a good mix of small residential unit developments, apartments and townhouse properties located close to the CBD. Approximately 80% of properties in the region are owner occupied and 20% are rented.

Griffith has full utility services availability including a reticulated town water supply, reticulated sewerage and telecommunication services. All the villages within the LGA also have reticulated town water supply, reticulated sewerage and telecommunication services. Griffith Shire Council also has an extensive range of Government services including two State High Schools (Griffith High School and Wade High School) and nine State Primary Schools. Emergency services include Police, NSW Fire Brigade, Rural Fire Service and Ambulance, one Hospital (Griffith Base Hospital), Council Chambers and administrative offices for various government agencies.

Additional community based facilities available within the shire include various denominational churches, library, private schools, child care centres, aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis courts and a golf course.

Sales volumes have increased slightly in the last twelve months with residential land values increasing strongly in the better quality areas over the past year. At Collina in east Griffith there is now a land shortage as low prices in recent years has failed to stimulate new subdivision. There is no shortage of englobo land for development in east Griffith; however current development costs leave no room for developer profit at current sale prices. We saw a marginal increase in total reliable, market sales volume for residential property in the Shire. This level of sales activity has coincided with a steady demand for residential property across the town. Generally, the slight increase in activity occurred in the established parts of Griffith town. Griffith residential values are supported by employment from major employers in the wine, horticulture and poultry. The public sector and the City are also supported by the surrounding rural communities for which Griffith is the regional service centre.

Recent residential development in the Shire has largely been focused in Collina, a developing housing estate at east Griffith. A significant number of vacant land sales have been house & land packages.

VILLAGES

The larger villages Hanwood, Yoogali and Yenda have increased slightly over the past year, with the village of Beelbangera having a slight to moderate increase due to its location close to the suburb of Collina at East Griffith. In the smaller villages of Lake Wyangan, Tharbogang and Nericon, values have remained stable.

COMMERCIAL

Griffith town provides the main retail centre for the Griffith Shire, with the major part of its shopping located along Banna Avenue. It also features several commercial complexes, and major chain stores. This includes a number of major supermarkets, Big W, The Reject Shop, Harvey Norman, Target, Bunnings Warehouse and major fast food outlets. Two mall shopping centres are established apart from the main retail area of Banna Avenue with several major retail anchors including Myer, Target, Kmart, Big W, Best & Less, Lincraft, Dick Smith's and JB Hifi. Major supermarkets are also present, notably two Woolworths and Coles. An Aldi supermarket is proposed. Several other large commercial and bulky goods complexes are also present in the wider Central Business District. Other suburban shopping centres include North Griffith.

The market overall decreased slightly, partly due to the influence of a number of "mortgagee in possession" sales over the past 18 months.

The main villages have basic suburban type shopping facilities only.

INDUSTRIAL

Griffith City has a large industrial precinct which borders onto the business areas of the City and spreads south along Mackay Street and Bridge Road towards the village of Yoogali. These properties predominantly service the town and surrounding rural properties. Land values have declined slightly over the past year on a low sales volume.

RURAL

The Griffith LGA is a highly regarded rural district due to its temperate climate, soil quality, a well integrated irrigation scheme (MAI) and good transport infrastructure. The rice, citrus and wine industries are the predominant land uses of the farming land and they are heavily reliant on irrigation water. The economy of Griffith is based to a large extent on irrigated agriculture.

Overall the rural land values in the Griffith LGA have increased 4.17% over the past year due mainly to a slight increase in the smaller sized blocks, being the horticulture and lifestyle type properties. The larger sized blocks have held their values.

RURAL LOCATIONS WITHIN THE LGA

Land values vary throughout the Shire, depending on land form, location, access and soil types. The following are general descriptions of some localities within the Griffith Shire. Within all areas there are lifestyle properties with most being handily situated to Griffith town.

Irrigation Farms: Benerembah and Widgelli localities.

The principal rice growing areas of the Griffith LGA lie to the south of Griffith town, with most having good access from the Kidman Way. Properties are all irrigation farms with water supplied from the MIA through a system of channels. The main crops are cotton and rice, with some cereal grains and summer crops. Vegetation is generally cleared apart from low swampy areas and some shelter belts. Timber species include Belah, Wilga and Boree. Topography is level riverine plain country. Soils are mainly deep self mulching grey, red and brown clays with isolated sandy rises and clay depressions subject to inundation.

Horticulture blocks: Hanwood and Yoogali

Located to the south and southeast of Griffith the area is a significant producer of wine grapes and citrus and has good access from the Kidman Way, Irrigation Way and Burley Griffin Way. Topography is level and the blocks are small irrigation farms with channel water supplied. Soils are mainly red and brown clay loams to sandy loams. Lands are drained by clay pipe tile drainage, particularly where citrus is grown.

Horticulture blocks: Yenda

Located around the town of Yenda 15km to the east of Griffith, the area is well accessed by the Burley Griffin Way and the Leeton Road. Blocks are mostly planted to wine grapes with Casella's Winery located close to Yenda. Rice is grown to the north in the Myall Park area. Topography is level and the blocks are small irrigation farms with channel water supplied. Soils are mainly red and brown clay loams with heavier grey clays to the north.

Horticulture Blocks: Lake Wyangan & Tharbogang

Located to the north and northwest of Griffith and accessed by the Kidman Way and Wyangan Avenue/Boorga Road. Citrus and wine grapes are the main plantings with some almonds and vegetable growing. Blocks are small to medium size irrigation farms with channel water supplied. Topography is level to gently sloping with red loams soils and areas of red brown clays.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have been no significant development applications over the last 12 months. Most of the approved Development Applications are for developments permissible within the current zoning and therefore no special consideration is required.

SIGNIFICANT DEVELOPMENTS – FROM CURRENT LOCAL VALUATION

There have been no significant development applications over the last 12 months. Most of the approved Development Applications are for developments permissible within the current zoning and therefore no special consideration is required.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have not been any significant value changes from the prior to current Annual Valuation. As mentioned earlier East Griffith residential increased 18.97% for the year compared to other residential areas in Griffith town that increased at between 5 to 10%.

SIGNIFICANT VALUE CHANGES – FROM CURRENT LOCAL VALUATION

There have not been any significant value changes from the prior to current Local Valuation.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of QV Australia and outlines that the Verification process and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and lists of high value and high risk properties is also provided in the Valuation Analysis Report. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value bases have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or reascertainment process were individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 6.6.2. Worksheets have been maintained on all properties where calculations are required. We have also ensured that adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

AUTHOR

Report Prepared by:

A handwritten signature in black ink, appearing to read 'K Williams'.

Keith Williams
AAPI CPV
Contract Services Manager
16th November 2015