



Griffith Local Government Area

Final Report 2017

2nd November 2017

Rating and Taxing Contractor: QV

Version: 1

1 Executive summary

LGA overview

There was a strong increase in land values in the Griffith local government area between 2016 and 2017. The increase in land values was not consistent across all market segments, with residential and commercial having a moderate increase, industrial steady, and rural lands having a very strong increase.

The upward trend in land values was largely driven by the rural sector with continued strong returns for livestock and most grains in the area, along with good seasonal rainfall.

Residential

There was an overall moderate increase for residential land values in the Griffith local government area. The increase is mostly attributable to a shortage of supply of vacant land. The increase in land values was not consistent across all residential areas, with Griffith west remaining relatively steady due to lack of demand. The Village of Yoogali had a moderate decrease with a drop in demand.

Commercial

Commercial land values have had an overall moderate increase with good demand in the primary locations. This increase in land values was attributable to increases in the Local Centre, and Mixed Use zones, which are adjacent to and include the Banna Ave retail strip. Fringe commercial in the Enterprise Corridor and Business Park zones were steady.

Industrial

Industrial land values have remained steady with sufficient supply to meet demand.

Rural

Rural land values across the local government area generally showed a very strong increase over the past year. Most of the increase was in the larger irrigation farms, used for cotton and rice growing. Horticulture blocks and small irrigation blocks showed a moderate increase. Land zoned RU2 Rural Landscape showed a moderate increase and is not influenced by factors affecting horticulture and larger irrigation farms, being essentially lifestyle blocks.



Valuation changes in the local government area and percentage changes between the prior Council and Land Tax valuation year of 1 July 2016 and the current values at 1 July 2017 are as follows:

Properties Valued and Total Land Value						
Zone	Number Of Properties	2017 Total Land Value	Prior Annual Valuation (2016)	Change	Prior Local Government Valuation (2016)	Change
Residential	7,584	\$ 901,915,480	\$ 833,168,080	8%	\$ 833,168,080	8%
Rural	1,981	\$ 598,549,550	\$ 462,091,520	30%	\$ 462,091,520	30%
Commercial	675	\$ 229,964,140	\$ 207,912,490	11%	\$ 207,912,490	11%
Industrial	255	\$ 64,947,100	\$ 64,351,500	1%	\$ 64,351,500	1%
Infrastructure	54	\$ 6,443,270	\$ 6,385,100	1%	\$ 6,385,100	1%
Environmental	55	\$ 11,029,953	\$ 9,197,110	20%	\$ 9,197,110	20%
Public Recreation	142	\$ 29,634,826	\$ 26,084,337	14%	\$ 26,084,337	14%
Total	10,746	\$ 1,842,484,319	\$ 1,609,190,137	14%	\$ 1,609,190,137	14%



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2 Disclaimer

This report has been prepared on behalf of the Valuer General. The purpose of this report is to provide an overview of the valuation program for the 1 July 2017 valuation in the local government area of Griffith.

To make a land valuation, regard must be had to the requirements and assumptions set out in rating and taxing legislation, such as the Valuation of Land Act 1916 (NSW). Land values are also determined by the rules set out in the "Rating and Taxing Valuation Procedures Manual". The manual permits large numbers of properties to be assessed using mass valuation methodologies.

Although mass valuation methodologies may be less accurate than individually assessed land valuations, they are routinely used across the globe to deliver land valuations for rating and taxing purposes that are within an acceptable range of variation. Consequently, land valuations from the Valuer General may vary from an individually assessed market valuation for a parcel of land. All land valuations are, however, subject to a risk based verification process which ensures each parcel of land is individually reviewed periodically.

Whilst the content of this report has been prepared with all due care and skill, the Valuer General does not warrant that it is complete or free from error. During the valuation process, information is compiled from third party sources, such as information relating to town planning, land use, zoning and other market related information. The Valuer General is not responsible for, and makes no warranty in relation to, the accuracy, currency, reliability or completeness of that information. Readers are directed to contact the source of the information.

The land values made in accordance with the valuation program have been made for rating and taxing purposes only, therefore, the land values should not be used for any other purpose. No reliance should be made on the contents of this report. To the extent permitted by law, the Valuer General disclaims all liability to any person(s) who relies on, or uses, any information contained in this report.

More information on the valuation process is available from the Valuer General's website at www.valuergeneral.nsw.gov.au/land_values.

3 LGA Overview

3.1 Location of the district

The Griffith local government area is located in the Riverina region of New South Wales, approximately 570 kilometres west of Sydney. It comprises a land area of approximately 1,640 square kilometres with a population of approximately 26,000. The predominant land uses are residential, commercial, industrial and agriculture/horticultural. Griffith is adjoined by four other local government areas: Carrathool to the north and west, Narrandera and Leeton to the east and Murrumbidgee to the south.

3.2 Principal towns

Griffith

Griffith is the principal town, 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 include banks, cafés, hotels, restaurants and retail shops. Griffith Memorial Park runs along the north side of Banna Avenue in the centre of the retail strip. The town also has two large shopping malls, and two homemaker centres, professional suites, offices and government administrations. An airport provides 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 include five galleries and public art centre, Griffith War Memorial Museum and Griffith Pioneer Park Museum.

Hanwood

Hanwood is a village of around 1,500 people, located approximately five 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 Baidas 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. Yenda has two schools for students between kindergarten and year six, Yenda Public School and St Therese's School. The village also features a Rotary Club and a Digger's Club with attached restaurant.

3.3 Main industries

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

3.4 Significant retail centres

Griffith City provides the main retail centre for the 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 away from the main retail area of Banna Avenue with several major retail anchors including Myer, Target, Kmart, Big W, Best & Less, Lincraft, and JB Hifi. Major supermarkets are also present, notably two Woolworths stores and Coles. An Aldi supermarket is nearing completion. Several other large commercial and bulky goods complexes are also present in the wider Central Business District. Other suburban shopping centres include North Griffith.

3.5 Type of residential development

The City of Griffith contains the majority of residential development within the shire. A smaller amount of residential development is located within the surrounding villages.

The Griffith local government area has several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Griffith and the surrounding villages, followed by a significant number of dwellings located in rural areas, with good access, on lifestyle properties, horticulture blocks and farms. Griffith 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.

4 State and local government legislation for LGA

Griffith Local Environmental Plan 2014 (LEP) was gazetted 21st March 2014. There have been no significant amendments to the LEP since the previous valuation. The LEP is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

The LEP 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.

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	500m ² - 700m ²
Village	700m ²
Primary Production	500ha
Rural Small Holdings	5 ha
Environmental Conservation	200ha, 400ha
Environmental Management	400ha
Environmental Living	2ha
Industrial	By council consent

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 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, including a senate inquiry, and significant media coverage.

5 Market overview and sales of particular interest

5.1 Residential

The City of Griffith contains the majority of residential development within the shire. A smaller amount of residential development is located within the surrounding villages.

The majority of residential properties in the region are single residential dwellings located in Griffith and the surrounding villages, followed by a significant number of dwellings located in rural areas, with good access, on lifestyle properties, horticulture blocks and farms. Griffith 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 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 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 overall residential land values increasing moderately over the past year. However the increase was due principally due to the strong increase in the better neighborhoods of North Griffith particularly around the Griffith Hospital. At Collina in east Griffith, values have remained static after strong increase in the previous year. There is now a land shortage across Griffith as low prices in past years failed to stimulate new subdivision. There is no shortage of englobo land for development in east Griffith; however current development costs had left no room for developer profit until the recent surge in land prices. Over the past 18 months, Council has approved three residential subdivisions totaling 270 lots at Collina and West Griffith. Griffith residential values are supported by employment with major employers in the wine, horticulture and poultry industries and the public sector. The city is also supported by the surrounding farming 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.

Overall the villages have had a moderate increase over the past year of 4.5%. The villages of Bilbul, Beelbanger, Hanwood, Lake Wyangan and Nericon had moderate to strong increases, with Tharbogang steady and Yoogali a moderate decrease.

5.2 Commercial

Griffith City provides the main commercial centre with the majority of the retail precinct located along Banna Avenue. There are also several retail complexes, and major chain stores. These include Coles & Woolworths 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 has recently opened in the City. 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 main villages have basic suburban type shopping facilities only.

Sale volume surged dramatically over the past twelve months with 30 sales. Strong investor demand has resulted in continued inquiry for commercial property. Commercial land values have had an overall moderate increase with good demand in the primary locations. This increase in land values was attributable to increases in the central and mixed use precincts, which are adjacent to and include the Banna Ave retail strip. Renewed confidence in the business sector and the strengthening housing market are the main factors. Fringe commercial precincts were steady with demand focused in the prime areas.

5.3 Industrial

Griffith city has a large industrial precinct which borders onto the business areas and spreads south along Mackay Street and Bridge Road towards the village of Yoogali. The predominantly owner occupied industrial businesses service the City and surrounding rural areas. In addition there are five large Wineries within 10 kilometres of Griffith and/or Yenda.

Industrial land values have remained steady with sufficient supply to meet demand. The overall change was less than 1%.

5.4 Rural Locations within the LGA

Griffith is a highly regarded rural district due to its temperate climate, soil quality, a well-integrated irrigation scheme under the incorporation of the Murrumbidgee Irrigation Area (MIA) and good transport infrastructure. The rice, citrus and wine industries are the predominant users 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 rural land values have had a very strong increase of nearly 30% in the past year. The increase was principally due to the significant market movement for large irrigation holdings used principally for cotton and rice growing. The cotton industry continues to expand throughout the region with cotton prices surging over the past 18 months. The land values



in this sector saw a very strong increase of 44%. Land values in horticulture and small irrigation farms also saw strong increases of 16%.

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.

Irrigation Farms: Benerembah and Widgelli localities.

The principal rice growing areas of the Griffith Local government area lie to the south and west of Griffith, 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 Riverina 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

The area located to the south and southeast of Griffith 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 village of Yenda 15 kilometres to the east of Griffith, the area is well accessed by the Burley Griffin Way and 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.

6 Significant Issues and Developments

6.1 Significant Developments – From Prior to Current Annual Valuation

Below is a summary of significant approved development applications and also significant developments completed throughout the year. Some of these Development Applications are for developments permissible within the current zoning and therefore no special consideration was required, others have had special consideration. New developments in discussion or underway include:

- Willandra Gardens 74 lot residential subdivision in West Griffith approved in May 2016 is now almost complete. It is reported that most of the blocks are already forward sold to builders.
- Completion of a \$25 million Almond processing plant near Hanwood in June 2017 is a boost to the local Almond industry, with over 1.8 million trees now planted throughout the region.



7 Significant value changes

7.1 Significant value changes – from prior to current annual valuation

There have been significant value changes from the prior to current Annual Valuation. The upward trend in land values is largely driven by the rural sector with continued strong returns for livestock and most grains in the area, along with good seasonal rainfall.

Land values of certain properties have over increased and decreased at differing rates including:

- Rural lands - strong to very strong increase.
- Land designated for Tourism purposes – very strong increase.



8 Overview of the quality assurance process

Property NSW 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 7.1.1 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.



9 Author

Report Prepared by:

A handwritten signature in black ink, appearing to read 'Elizabeth Venz'. The signature is written in a cursive, flowing style.

Elizabeth Venz
AAPI CPV
Contract Manager
2nd November 2017