



Office of the
Valuer-General

Year in Review

2022



The Office of the Valuer-General acknowledge and respect the Traditional Custodians of South Australia and their deep connection to the lands and waters. We acknowledge that their cultural and heritage beliefs, languages and laws are of ongoing importance. We pay our respects to their ancestors and to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples.

FRONT COVER

Credit: South Australian Tourism Commission
Photographer: Isaac Forman
Stamford Hill Monument, Eyre Peninsula

Credit/Photographer: Michael Waterhouse
Riverbank Precinct, Adelaide

Credit: R.M.Williams
Photographer: George Antoni
Flinders Ranges, Flinders Ranges & Outback

Year in Review



Welcome to the 2022 Year in Review.

I imagine the first question that comes to mind for most people at this time is, what does “everything” mean for the value of my property(s)?

It is a very fair question.

We have seen no less than ten (as at March 2023) interest rate rises and incredibly high levels of inflation. We have had a change in Government at a State and Federal level which brings with it changes in policy. Internationally, our global population exceeded 8 billion and we said farewell to Her Majesty, Queen Elizabeth II and Shane Warne. We have seen the horror of war, natural disasters and COVID-19 remains as a constant.

But there is good news to be had here at home and further abroad. South Australia leads the way in use of renewable energy and we also reduced our reliance on single use plastics. Ash Barty became the first Australian in 44 years to win an Australian Open singles title and the Socceroos had their most successful World Cup.

Despite the good news however, it is no surprise that many have a very natural sense of unease as a result of all of these influences.

Our South Australian property market through 2022 and as at 1 January 2023 (which will guide the values for 2023-2024 financial year) remained buoyant in the face of all of these pressures and featured prominently in the news.

I and the team here at OVG are mindful of the pressures so many are feeling at this time. It is the greatest challenge we face as people and professionals to ensure that we remain objective in setting values.

But what is clear to us is our purpose.

Because, if we ensure the integrity and accuracy of the valuations that guide the rating and taxing authorities policies, we are doing our part towards a fair and equitable system.

We will continue to build our resources to help understanding of the process of valuations for rating and taxing purposes. We have liaised with Government agencies to ensure we can refer people for assistance where needed. Our website continues to grow with useful fact sheets, videos and guides to assist people.

So whilst we can not change values only to achieve a certain rating or taxing outcome, we are sympathetic and ready to assist where we can with the much appreciated assistance of service staff within Land Services SA.

Wishing you all good health and happiness for the remainder of 2023.

Katherine Bartolo
Valuer-General
of South Australia



Credit/Photographer: Michael Waterhouse
Festival Plaza, Adelaide

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1. About us



Credit: Tourism Australia
Photographer: Morgan Sette
Flamboyance Tours, Adelaide



About us

The Valuer-General is responsible for the administration of the *Valuation of Land Act 1971* and is accountable to Parliament. The Office of the Valuer-General sits within the Department for Trade and Investment. The Minister for Trade and Investment is the responsible Minister for any issues arising under the Act.

The associated Regulations are the *Valuation of Land Regulations 2020*.

The role of the Valuer-General is to provide fair and equitable valuations for properties in South Australia – in accordance with the Act, to deliver service excellence and maintain accountability and ownership over the valuation roll.

The Office of the Valuer-General assists the Valuer-General in providing regulatory oversight and management of the various services undertaken by the Service Provider (Land Services SA). Thus, ensuring the integrity of the valuation roll, service delivery and the independence of the Valuer-General.

2022 highlights

\$651.2b

total State Capital Value
for the 2023-2024
General Valuation

\$402.1b

total State Site Value
for the 2023-2024
General Valuation

13,129

parcels created

15.96%

Capital Value change from
2022-2023 to 2023-2024

23.93%

Site Value change from
2022-2023 to 2023-2024

\$121.0m

highest sale transaction

Statistics were derived on 11 April 2023 from data held in the South Australian Integrated Land Information System (SAILIS).

Our Purpose

To safeguard the interests of South Australians by ensuring the integrity and accuracy of Property Valuations.

Integrity is the cornerstone of all that we do, but what does that mean for you?

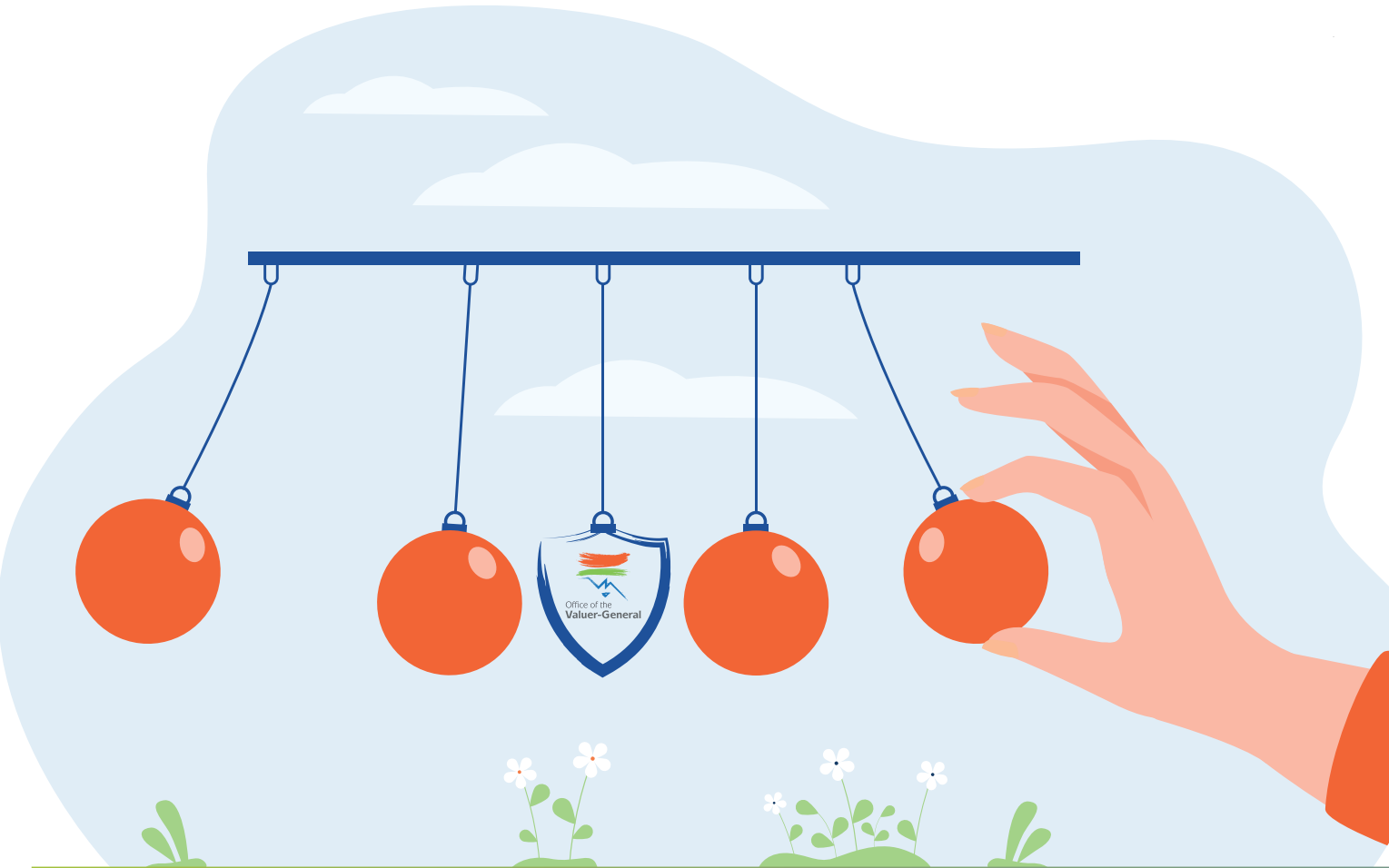
If you're a landowner, tenant, Council or Government, it means that the value of your property is free from influence – ensuring rates and taxes charged by state and local government are collected on a fair and equitable basis.

There are always circumstances that might affect value or change the amount of rates and taxes payable. Along with these changes, many people experience difficulties throughout their personal and professional lives which also places pressure on their finances.

In recent times our market has been markedly impacted in variable ways – some positive and some negative by the global COVID-19 pandemic. There are also geopolitical situations which influence market confidence levels and financial markets along with interest rate movements and cost of living pressures.

More locally, South Australia has experienced periods of stability, rapid growth, and great uncertainty, sometimes concurrently in different property markets. There is also the “business” of life – seemingly always ready to throw a curveball at the most inconvenient of times. If, at each of those instances, the value of a property was shifted to accommodate those circumstances, over time the foundation of fairness and equity would be entirely eroded.

Thus, while the outcomes determined by the Office of the Valuer-General may not always be palatable, they are undertaken – every step of the way – to protect that integrity, and by consequence, every rate and tax payer they impact.



Credit: joeyjoenes
Photographer: Joseph Nes
Sellicks Hill, Fleurieu Peninsula

Our Strategy

It is important to ensure that our community, all of whom are impacted directly or indirectly by our valuations, receive the highest level of service.

The Office of the Valuer-General has a variety of functions which provide a service to the community, customers (rating and taxing authorities) and stakeholders (government agencies and industry bodies). The delivery of excellent service to customers and stakeholders is to ensure the delivery of accurate valuations.

The provision of accurate valuations allows for fairness in collections from the community by our customers.

Transparent operations with our stakeholders ensures accurate outcomes.



The Valuer-General and her team developed a strategic plan in 2019 and undertook a comprehensive review in 2021. In 2022, the team focussed on the key areas and outcomes of the plan to focus on the activities of the Office of the Valuer-General that contribute towards continual improvement.

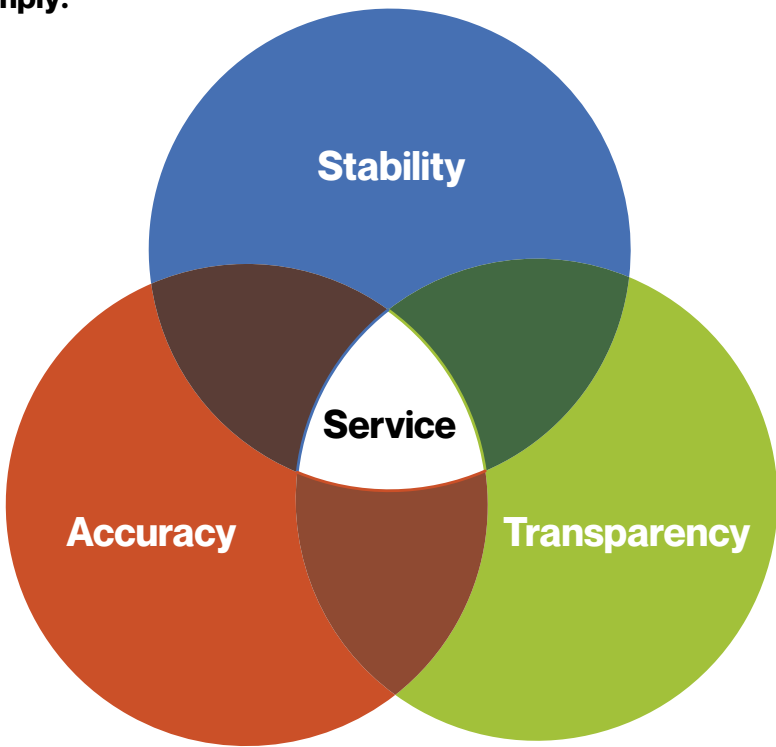
The core foundation of that plan remains the same; incorporating **Accuracy, Transparency** and **Stability** towards providing **Service** to the community. As outlined in Our Purpose, we provide the best possible service by ensuring the valuations are as fair and equitable as possible.

As we move more than 5 years on from commercialisation, we have settled into a more business-as-usual environment and have identified opportunities to streamline and improve consistency in our processes. Those works have been well progressed with the majority being fully adopted as at Q4 of 2022.

Stability can be enhanced by ensuring skills and knowledge are kept up to date and shared amongst a team. This was a key area for attention through 2022 and will be throughout 2023 and has incorporated new Office of the Valuer-General team members to ensure knowledge is retained through any team changes into the future.

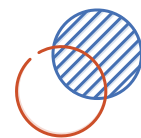
Transparency is critical to ensuring the community, and our customers and stakeholders are best informed. Whilst it is imperative that the valuations remain accurate and free from influence, we recognise that their consequences to land owners, tenants and the relevant authorities are significant and thus, we look forward to improving our information material and engagement.

The strategy is simply:



What we aim to achieve

Our primary objectives are:



Transparency
Improve community confidence in the Office of the Valuer-General by promoting a customer-centric approach to the dissemination and collection of information.



Accuracy
Identify and implement replicable and adaptable programs to ensure quality and accuracy.



Stability
Ensure the retention of corporate knowledge through strategic succession planning and recruitment initiatives - fostering learning and development opportunities and skills mapping.

Land Services SA



Land Services SA was appointed, in October 2017, as the exclusive Service Provider to the South Australian Government for a range of transactional land and property valuation services previously delivered through the State Valuation Office and Lands Titles Office.

As a trusted partner of the State, Land Services SA (LSSA), on behalf of the Valuer-General, undertakes the research and analysis which informs the General Valuation on 1 January each year.

The Valuer-General retains the independent and Statutory ownership of the valuations. In addition, it is the responsibility of the Valuer-General and her Office to ensure that the valuation services delivered by LSSA are to the highest possible standard and align with her valuation policy directives, thus ensuring the integrity and accuracy of the valuations adopted.

LSSA also support the Valuer-General through a range of customer service and communication activities. When property owners contact the Valuer-General using the details provided on the back of their Rating and Taxing notices, they are directed to LSSA Customer Service Team, where their friendly and professional staff address the callers' enquiries and engage with the Office of the Valuer-General as necessary.

Together, the Office of the Valuer-General and LSSA have embarked on a series of initiatives to refine and enhance the experiences of residents, landowners, tenants (community), customers and stakeholders. We continue to invest in data to improve accuracy and confidence of the valuation roll and deliver innovative technical solutions to enhance our customer's experience. Process and literature reviews are being undertaken on an ongoing basis to increase knowledge and visibility.

In partnership with LSSA, the Office of the Valuer-General is committed to promoting a strong and collaborative environment that gives the Valuer-General and consequently, South Australians confidence in the valuation services delivered.



2. What we do



Credit/ Photographer: Iain Bond
Winter Reds, Adelaide Hills

What we do

The functions of the Office of the Valuer-General are to support the Valuer-General with her Statutory roles and responsibilities – which in turn provides service to our whole community.

The organisational structure is comprised of four teams with distinct purposes. The collaborative nature of those teams allows for valuation, legal and administrative expertise to be shared to provide high quality services to our community.

The Office of the Valuer-General's team members are dedicated to performing above and beyond to deliver the best possible service to the community, their customers and stakeholders.



**Valuer-General
Services**



Statutory



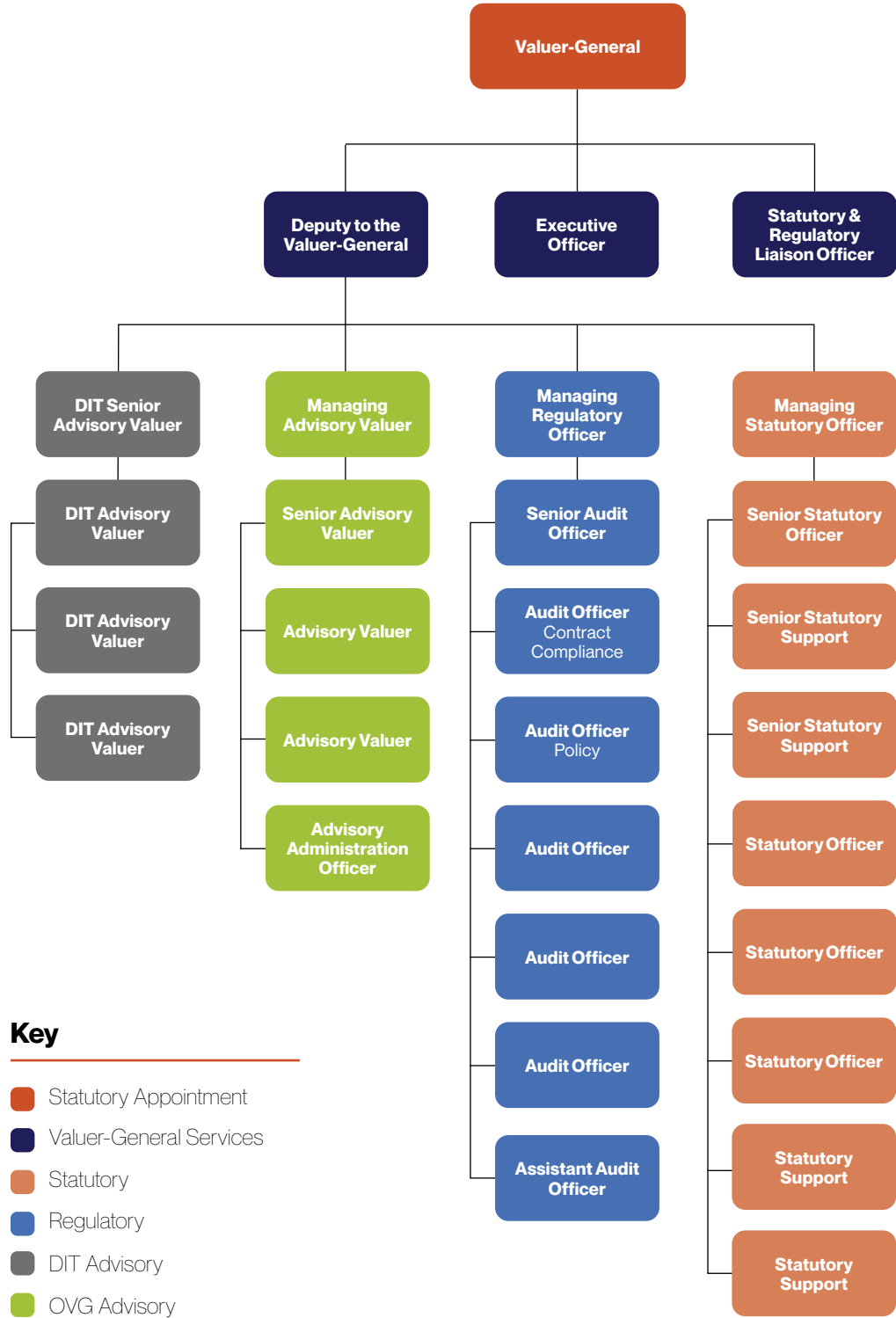
Regulatory



Advisory

Organisational Structure

Team Descriptions



Valuer-General Services

The Valuer-General Services team provides high level strategic and operational support and has a key focus on consumers of our business. The team consists of the Valuer-General, Deputy to the Valuer-General and two senior support officers; the Executive Officer and Statutory and Regulatory Liaison Officer.



Deputy to the Valuer-General

Anthony (Tony) Smit has been with the Office of the Valuer-General – under its different guises – since the mid 2000’s and has extensive experience in the management of valuation operations. Tony has broad exposure to all facets of the organisation, different property types and valuation methodologies and geographic regions of our State, including experience in valuation work outside the public sector. He has been instrumental in supporting the development of expertise essential to this Office. His tenure and passion have fostered the accrual of extensive knowledge around case law, precedent and policy development. Tony is well known among our customers and stakeholders for his extensive knowledge, a willingness to help and commitment to integrity.

Senior Support Officers

The Executive Officer provides executive administration and business management support functions to assist the Office of the Valuer-General in meeting their statutory, regulatory, strategic and operational responsibilities, and ensures timely reporting, responses and submissions are provided to departmental Executives, relevant Minister(s), Parliament and Cabinet as necessary.

The Statutory and Regulatory Liaison Officer is a primary contact to the Valuer-General’s statutory clients with a focus to deliver accurate, informative, and transparent information and communications. The role also has a strong focus on collaborative engagement with our service provider to deliver valuation services to government, our customers, stakeholders and the community.



Statutory

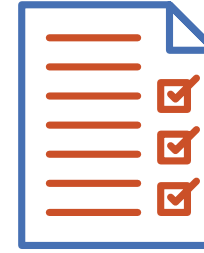
The Statutory team supports the Valuer-General in the pursuit of the objectives of transparency, accuracy and stability. The principles required to maintain the independent, legal and ethical standing of the Office in the eyes of customers (statutory clients), stakeholders and the wider community are of key importance. They are also responsible for ensuring high level customer service delivery and timely and accurate administration of the valuation grievance process.

A number of the staff in this team are qualified professionals, with broad valuation expertise and customer service experience. They support the Valuer-General in providing effective regulatory oversight of LSSA, under the commercial model responsible for delivering valuations required for rating and taxing purposes.

On a daily basis this involves ensuring compliance by LSSA with contractual requirements for the services and recommendations they are expected to deliver, and exercising the Valuer-General's authority inside the grievance processes and other powers provided under legislation. This includes ensuring the data collected from the community by LSSA, using legislative powers, is consistent with undertaking their valuation tasks, are reasonable, treated in a confidential manner and used appropriately.

Legislative compliance is a key part of the team's role, working collaboratively to resolve queries raised by property owners throughout the grievance processes; Objection, Review by Valuer and South Australian Civil and Administrative Tribunal (SACAT).

Whilst the administrative staff members of the team may not be valuers, their valuation knowledge and understanding of the varied areas of our business is invaluable to our community, customers and stakeholders in ensuring processes run smoothly and accurate information or advice is provided in a timely manner to property owners and customers.



Regulatory

The key function of the Regulatory team seeks to ensure accurate, transparent, and reliable valuation data and information through the provision of audit and data activities. Several activities are delivered across the year with the team applying resources to focus on not only driving efficient outcomes but to provide improvements and enhancements where possible.

The Regulatory team works heavily with LSSA through standard operating functions and even more intensely during the phase of delivering the annual General Valuation to ensure valuation work conducted, and the methodology applied by the service provider, is of an acceptable standard to the Valuer-General.

The team has scheduled program reviews and processes that ensures sales evidence utilised within the General Valuation, Objection and Relativity processes are considered appropriate. Combining this with the use of spatial tools and internationally adopted statistical measures, allows our team to employ both accuracy and relativity of assessed and proposed valuations.

Within the team, a dedicated role is responsible for ensuring appropriate Valuation Guideline, Policy and Direction are generated, maintained, and followed by Office of the Valuer-General staff and LSSA. The contracted service level obligations are overseen within this team also. All aspects of the service provider agreement are constantly monitored for compliance and to ensure confidence in the service provider model.

The generation of various statistical information that is published on the Valuer-General's website (www.valuergeneral.sa.gov.au) and DataSA keeps the South Australian Community informed of property market movements through the quarterly sales statistics prepared by the team.

The Regulatory team also assists the Office of the Valuer-General with responding to queries from the public, media, rating and taxing consumers, as well as other interested parties. Further to this, the team provides support to universities, as well as State and Local Government agencies through analysis of requests for data.



Advisory

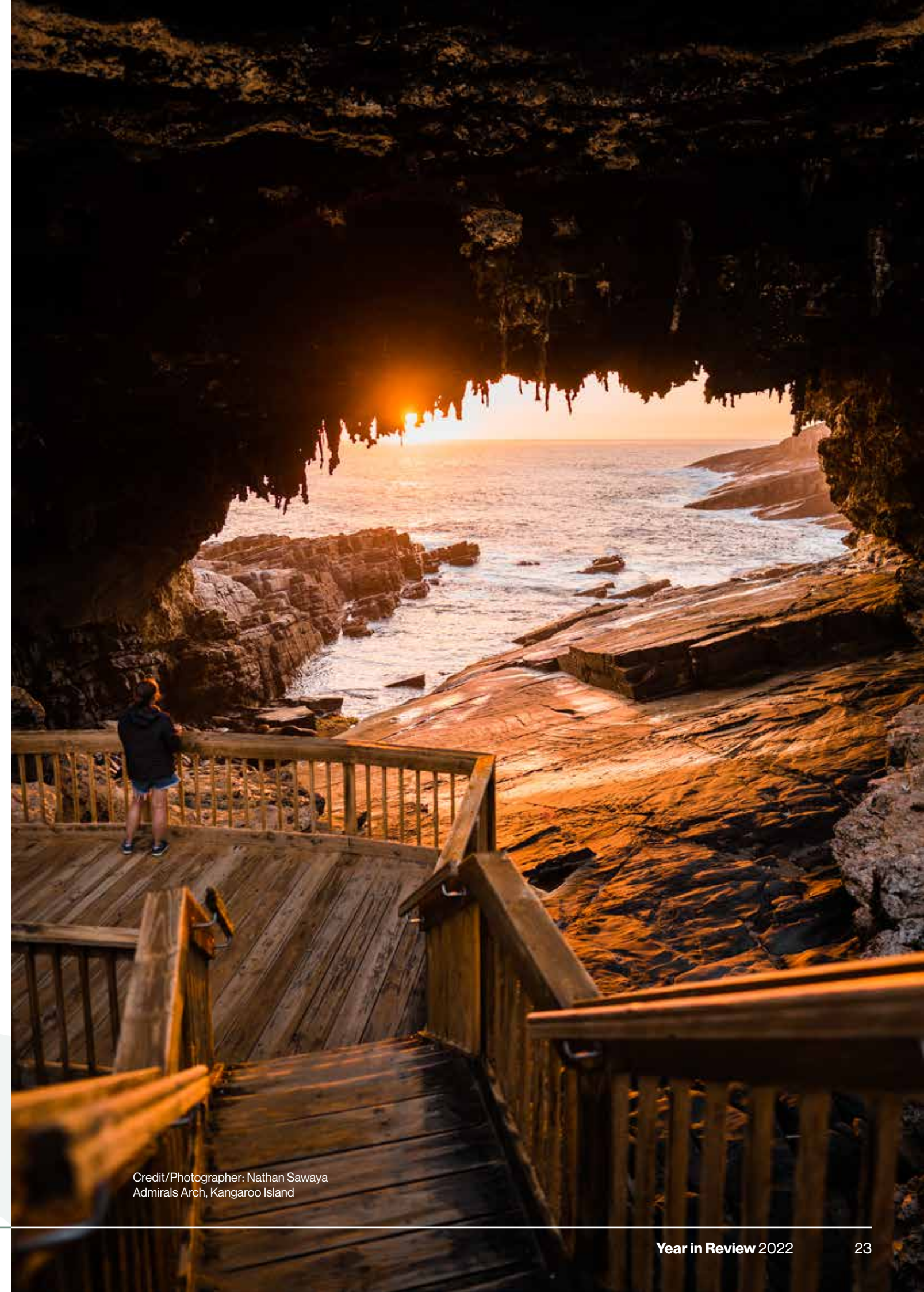
The Advisory team provides valuation advice, consultancy, and services across government. The team also provides an engagement, quality assurance and endorsement service of private industry valuations ensuring government receive the valuation advice they require to the highest standard with Valuer-General endorsement.

There are two Advisory teams within the Office of the Valuer-General structure. The Office of the Valuer-General Advisory team is focused on providing valuation outcomes to government and creating government valuation service opportunities for the private sector. The Department for Infrastructure and Transport (DIT) Advisory team is solely responsible for providing confidential high level valuation services in relation to strategic projects being undertaken by DIT.

The teams consist of qualified valuers, with specialised industry knowledge and experience facilitating an invaluable conduit to the valuation industry and government agencies. The teams' understanding of industry best practice, legislative and governing body practises pertaining to valuation processes and standards ensures that a seamless valuation procurement service is provided to government.

The Office of the Valuer-General and DIT Advisory teams undertake a range of valuation services and functions which are broadly categorised as follows:

- Compulsory acquisition estimates for road, rail, infrastructure, and development projects.
- Provision of specialist technical valuation advice throughout the acquisition process.
- Valuation services for market values, rents and licence fees, financial reporting, fair value, insurance value, easements and unit and lot entitlements.
- Portfolio management delivering asset valuations for financial reporting.
- Crown Lease assessments including SA Housing Authority, education facilities and shack sites.
- Determination of annual rent for Pastoral land leases (every five years) as per the *Pastoral Land Management and Conservation Act 1989 (SA)*.
- Supporting the Valuer-General with periodic independent reviews into the retail and commercial lease prescribed rental threshold as per the *Retail and Commercial Leases Act 1995 (SA)*.
- Provision of annual market rents for each SA Housing Authority owned property.
- Annual insurance and fair value valuations for several government agencies including South Australian Insurance Corporation, Renewal SA, ForestrySA, Department for Environment and Water and DIT.



Credit/Photographer: Nathan Sawaya
Admirals Arch, Kangaroo Island

How

The annual General Valuation is an ongoing, overlapping cycle.

There are approximately 930,000 properties in our state. Each requires a Site Value and Capital Value (including a number of occupancy assessments e.g., an office building with many tenants). This is over 2 million valuations determined by the Valuer-General every year and is constantly growing as our state continues to grow.

If you could physically inspect 10 properties per day, that would be 50 properties per week, or 2,600 per year – which is only 0.28% of all the property in the state!

That would mean 358 valuers working round the clock – which is not only impossible, but not sensible or necessary.

Therefore, mass appraisal is the primary valuation methodology adopted in South Australia and across many parts of the world.

Through the course of the year, Land Services SA collect data, undertake research and analysis with the aid of sales evidence and market reports on behalf of the Valuer-General.

Properties that are similar in nature, possibly due to locality, land size, property type, vintage, size of equivalent main area and use are grouped into sub-market groups.

The research and analysis is utilised to indicate how the market has performed relative to each of those sub-market groups. The result of such analysis is the adoption of an index which is applied to every property within that particular group. There are 2,318 sub-market groups in South Australia and whilst some might have similar indices applied, each and every one is analysed separately.

There were over 45,000 sales transactions in 2022 which were suitable as evidence. Some sales are excluded, for example, when the transfer is in name only for estate purposes. All of this work then feeds into the cycle outlined below.

The **Date of Valuation** is **1 January** each year. It is reflective of how the market has performed in the prior calendar year and the circumstances as at the Date of Valuation. **This Year in Review** relates to the **Calendar Year of 2022** for the Date of Valuation **1 January 2023**.

The Valuer-General may be requested to provide a valuation at a point in time that differs from the Date of Valuation. Where a supplementary valuation is done (see page 63) outside the general valuation process an alternative date may be considered and regard to the facts as at that time will guide the valuation.

To ensure the valuations are as current and accurate as possible, analysis and the application of indices is ongoing - even after the Date of Valuation, as sales that occur may not settle until some months later. The valuations then undergo extensive quality assurance and audit checks by the Office of the Valuer-General. As this is occurring, investigations are also undertaken relating to new improvements such as pergolas or swimming pools, or changes, such as demolition – these are called revisits. As at 21 April 2023, there were approximately 26,500 revisit actions taken but this can be in excess of 40,000 each year.

Audit measures include a series of statistical measures to conform to set parameters. There are International guidelines and long adopted and refined practices that inform those parameters. One such measure is the Median Sales Ratio. This is a measure of where values on the valuation roll compare to recorded sales prices.

As our market is impartial and not always perfect, and occurs over a period of time with seasonal, and other influences, some values may sit above or below sales prices.

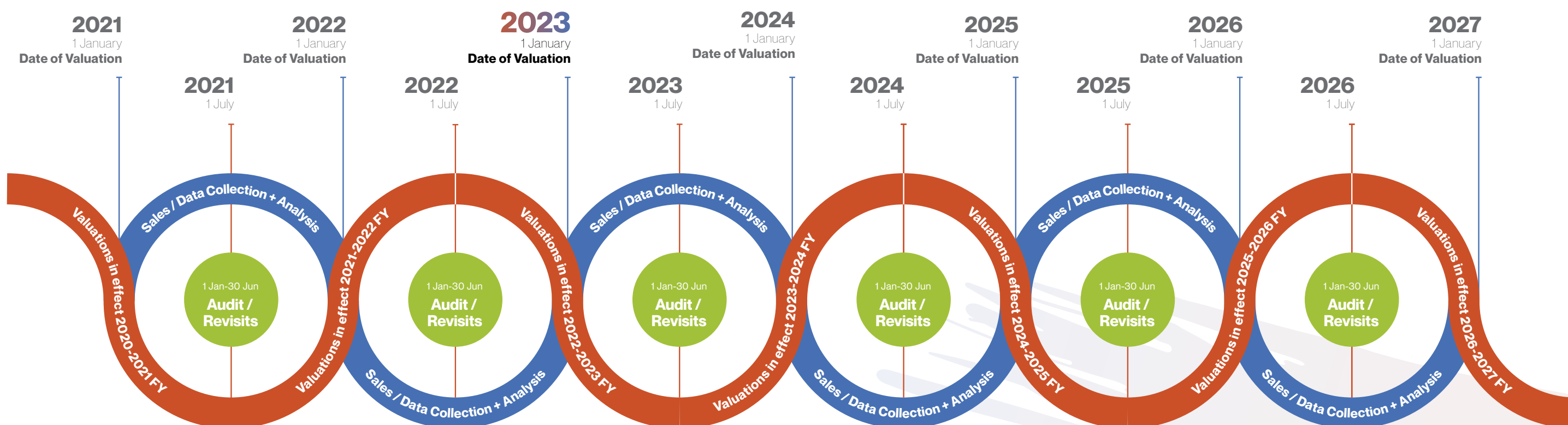
The rating and taxing authorities receive regular updates on the proposed valuations during the period of January to June. These aid in their budget and planning considerations for the next financial year. The Valuer-General declares the Valuation Rolls as complete on the last Thursday in May and they 'come into force' at midnight on 30 June 2023. However, Council can nominate their date of adoption in accordance with their own legislation. The valuations are then in place for the Financial Year.

Whilst quality assurance, audit and revisit activities are being undertaken, work has already commenced in data collection, sales analysis and research in preparation for the next financial year.

The market in Calendar Year 2022, is for the Date of Valuation 1 January 2023 which influences your rates and taxes for the 2023-2024 Financial Year.

It is understandable then that this may lead to some confusion. It can be challenging, particularly when the property market at the date of valuation may not match the circumstances at the date you receive your rating and taxing notices from your Council, SA Water and RevenueSA. The Office of the Valuer-General and Land Services SA are here to help with your enquiries.

Annual General Valuation Cycles



How

Land Use Codes

Every valuation record in the state of South Australia is allocated a Land Use Code (LUC), including those for occupancy valuations and administrative purposes. These LUC's are not part of the Valuation Roll and do not exist in the *Valuation of Land Act 1971*.

Various rating authorities use the Valuer-General's LUC's to assist them in administering their taxing statutes, especially where land use plays a part in determining rates and taxes.

There are over 700 LUC's utilised by the Valuer-General outlined in the Land Use Codes Manual: <https://www.valuergeneral.sa.gov.au/forms-and-fact-sheets/LUC-booklet-2022.PDF>

The valuer will select the LUC that reflects the **predominant use*** of the land.

Land Use Codes are a 4 digit code:

The first digit is the Primary Code, with the other 3 digits used for additional detail.

LUC Primary Codes



0: Open



1: Residential



2: Commercial



3: Industrial



4: Vacant Land



5: Institutions



6: Public Utilities



7: Recreation



8: Mining and Quarrying



9: Primary Production

* This is not necessarily the same as the highest and best use.

Determining LUC – Predominant Use

A range of factors are considered in determining the predominant use of the land, including:

- Economic use of the land
- Comparative extent of the use of land (intensity of use – either the demands on the land or upon the labour to maintain it)
- Activity conducted on the land gives the land the character of being mainly used for that activity
- Predominance of the activity must be of such a degree as to impart that character to the parcel as a whole.

Utilisation of LUC

The Valuer-General's view of land use assists various rating authorities in administering their rating and taxing statutes where land use plays a part in determining this, such as:

- Emergency Services Levy
- Council rates (if used for differential rating)
- Sewerage and Supply charges (commercial) determined by SA Water
- Regional Landscape Levy (if the levy is based on land use).

Valuer-General's LUC additionally plays a role in assisting RevenueSA consider;

- Exemptions to Land Tax
- What is Qualifying Land for Stamp Duty purposes.

Land Use Code Objections

All objections to land use utilised under any taxing statute are considered by the relevant rating authority (or Minister), where the Valuer-General may provide advice upon request to assist them to make their determinations. There are time limitations in place to object to the land use attribution. You should refer to your Notice of Assessment from the relevant statutory authority for full details regarding the objection process.

Highest and Best Use

The Site Value and Capital Value determined by the Valuer-General must be based on the highest and best use of the land that would result in the highest value, which may not necessarily be the actual use of the land. For any property there are a number of possible uses that the land and its improvements can be put to, but as outlined in the International Valuation Standards the highest and best use must be physically possible, financially feasible, legally allowed and result in the highest value. If different from the current (actual) use, the costs to convert an asset to its highest and best use would impact the value.

In looking at what is legally permissible for the land, regard will be had to such matters as the planning controls outlined in the Planning and Design Code under the *Planning, Development and Infrastructure Act 2016*. The consideration that a possible use be financially feasible takes into account whether an alternative use, that is physically possible and legally permissible, will generate sufficient return to justify a change from the existing use having regard to the cost of conversion.

The highest and best use for the land also guides the valuer as to the appropriate valuation methodology to apply and what can be considered comparable sales evidence. In certain cases the Valuer-General may determine notional values under s 22A of the *Valuation of Land Act 1971* that will not have regard to the highest and best use of the land, producing a concessional Site Value and Capital Value instead.

What do we value

The Valuer-General has responsibilities for valuing estates, or interests in land, as part of a General Valuation for rating, taxing and other advisory purposes.

Dealings with land, including sales, means a dealing with an estate or interests in land, and not with the actual land itself.

An estate in land includes buildings, structures and other improvements affixed to it; trees, the soil beneath the surface, as well as the airspace and water over it. This is often referred to as 'real property', as opposed to 'personal chattels' which do not form part of an estate in land.

Personal chattels, such as water licenses, are not included in valuations undertaken by the Valuer-General.

General Valuation

For the General Valuation, it is a general principle that a valuation will be undertaken for each separate, saleable parcel of land that is subject to separate ownership. That said, there are instances where land will be valued conjointly with other land, as part of one single assessment, or for a portion of land that is often associated with a separate physical occupation.

The Valuer-General must produce a valuation for an occupancy of land if the Local Government for the area chooses to rate on this basis in accordance with the *Local Government Act 1999*.

As part of the General Valuation, the Valuer-General is required to determine both a Site Value and Capital Value for each property where they are required for rating and taxing purposes.

Both of these bases of valuation are often referred to as statutory valuations, their definitions are provided by way of legislation, and they both require the unencumbered estate in fee simple in the land to be valued, (also referred to as a freehold interest).

This means the Valuer-General can value land as part of the General Valuation assuming it can be sold, even if the taxpayer cannot sell their interest in the land. Also if the interest in the land is restricted or encumbered in a manner that reduces its values, this can be ignored unless the restrictions are as a consequence of general laws, such as zoning restriction under the *Planning, Development and Infrastructure Act 2016*.



Site Value

In determining a Site Value it must be assumed that certain improvements had not been made, such as buildings, wells, dams and the planting of trees for commercial purposes. Improvements considered to be site works, such as the excavation or leveling of the land, are not hypothetically ignored.



Capital Value

The determination of Capital Value will have regard to buildings, fences, site works and other structures that are affixed to the land. However, there are some exclusions that involve plant and equipment, trees and certain infrastructure used in the connection with the provision of electricity, gas, water and sewage.

What our values are used for

The Site and Capital Values determined by the Valuer-General are required under the *Valuation of Land Act 1971*. These values are used by the State's rating and taxing authorities to determine how their rates and taxes are distributed amongst rate payers.

Capital Values are used to determine:



Most Council Rates



Emergency Services Levy



Water and Sewerage Rates

- **Capital Value** refers to the value of a parcel of land, including the improvements that are fixed to the land. Capital Values are used by SA Water, RevenueSA (for Emergency Services Levy), and the majority of Councils for the purpose of distributing the payment of rates and taxes.

Site Values are used to determine:



Some Regional Council Rates



Land Tax

- **Site Value** refers to the value of a parcel of land excluding most structural improvements but can have regard to site works such as draining, filling, retaining walls, excavating and grading or levelling of land. Site Value is used by RevenueSA (for land tax purposes) and some regional Councils.

Other purposes:

- Setting rental levels for public and community housing
- Determining compensation following the compulsory acquisition of property
- As a guide for property sales and purchases
- Determining the Regional Landscape Levy collected by Local Government



Credit/Photographer: South Australian Tourism Commission/Adam Bruzzone
Cairnamont, Murray River, Lakes & Coorong

River Murray Flood Event

Late 2022 saw an increase in water flows through the River Murray that started impacting houses and properties across the Riverland and Murraylands. The rising levels of the River Murray may be the most recent event of the like in more than half a century and historic to most of us.

The Valuer-General has authority to exercise delegation to amend the value of a property that has been materially diminished by a natural disaster. Unfortunately, we know all too well the effects of disasters, such as bushfires and floods, can have on property owners. Because of this we have processes established for making value adjustments when such events occur.

Through collaboration and engagement with other government departments and Land Services SA, an analysis of geospatial information has been undertaken. Identification of where damage, or loss to property has been experienced is reviewed along with any further supporting information to determine value corrections.

The Valuer-General has made changes to the 2022-2023 financial year values with amendments to valuations being effective from 1 January 2023 (the date of event declared by the Valuer-General) – not for the full financial year. In some instances, rating authorities can apply discretion to adopting valuation changes throughout the year. Many of the councils have established their own rebates, therefore the Valuer-General's amendments will not provide further rates adjustments. However, they will be required to adopt the values that are determined for the 2023-2024 financial year.

3. 2023-2024 General Valuation



Credit/Photographer: Riley M Williams
Lake MacDonnell, Eyre Peninsula



Credit/Photographer: Isaac Forman
Greenhill Wines Cellar Door and Cafe, Adelaide Hills

General Valuation

The *Valuation of Land Act 1971* requires the Valuer-General to make General Valuations of land within the Areas of the State.

‘Areas’ in this context relates to a municipality or district as described in the *Local Government Act 1999*.

It is required that a Valuation Roll be prepared in respect of each Area and as such, there are many Valuation Rolls – though in colloquial terms, they are often referred to as a single Valuation Roll.

The *Valuation of Land Act 1971* requires a General Valuation in each Area at least once in each successive five-year period. In practice, this has been done annually with a Date of Valuation of 1 January. In declaring a General Valuation, all subsequent rights by landowners to, for example, the objection process, is likewise available annually.

The *Valuation of Land Act 1971* defines Site and Capital Values to be the amount the land might reasonably be expected to realise upon sale.

In effect, what would the market be prepared to pay for a particular property – assuming a hypothetical vendor and buyer.

There are nuances contained within the *Valuation of Land Act 1971* and the *Valuation of Land Regulations 2020* that the Valuer-General must have regard for. For example, in the case of Capital Value, trees planted for commercial purposes (i.e. a plantation) are not to be included. In the case of Site Value, it is assumed that buildings and structures are not included, unless those structures are in the nature of site works.

Informed by many examples, historical precedence and case law, the way the General Valuation and other functions performed by the Office of the Valuer-General and the service provider, have developed since the creation of the *Valuation of Land Act 1971*.

As mentioned, this Year in Review relates to the **2022 Calendar Year** for 1 January 2023 Date of Valuation. As such, the values you see upon receipt of your rates and tax notices after 1 July 2023 will be reflective of the market during 2022.

Key Considerations

The 1 January 2023 General Valuation is reflective of micro and macro influences responsible for driving price movements through 2022. Whilst interest rates were increased aggressively and inflationary pressures had an impact, a combination of buyer demand and a low supply of properties, across multiple sectors, has resulted in a generally buoyant market across South Australia during 2022.

Market Influences

Real estate values, like other asset classes, are subject to several factors with supply and demand forces predominant.

Consequently, property valuations are heavily dependent on the level of supply and demand within the market. With higher demand, values generally rise and with an increased supply, values generally fall.

Residential

The Reserve Bank of Australia raised interest rates for 10 consecutive months from May 2022 through to March 2023. Despite this, the Adelaide property market had the highest growth rate of all capital cities for the year and house prices are expected to remain stable. Most metropolitan markets experienced growth in vacant land through 2022. The main causes being low land supply levels after a sustained period of post pandemic market stimulus (e.g. HomeBuilder), population growth and the gentrification of older suburbs.

Values have been variable across metro LGAs. However overall, 2022 market conditions were robust with the metropolitan values resilient against interest rate rises and inflationary pressures. Underpinned by low stock (listing) levels with above average sales volumes, relative affordability, positive net interstate migration, the return of overseas migration, strong rental yields and constrained new housing supply. Increased construction costs and interest rates along with a low availability of trades have resulted in lower dwelling approvals which has further affected the under supply of stock.

Regional residential markets continued to be positively impacted by the legacy effects of the COVID-19 pandemic. This saw a material population shift to regional communities with a 'tree change, sea change' environment and remote working becoming the new norm. The increase in infrastructure investment saw growth in regional areas. These factors caused unprecedented demand for housing.

Lower Capital Value versus Site Value movement reflects the impact of very high demand and low supply conditions for land across metropolitan and regional residential markets. This has disproportionately impacted value growth.

Primary Production

Capital growth experienced in the Peri-urban market sector is a result of increased demand for near-city rural living property – post pandemic 'tree change, sea change' demand and remote working benefits.

Rural value growth has been underpinned by strong commodity prices, high production volumes, a tight supply of rural property and low interest rates for the first half of 2022. Along with favourable weather conditions with higher-than-average rainfalls occurring across most districts coupled with increasing export prices.

South Australia recorded a median price per hectare of \$6,346. Equal with the Northern Territory, this is the strongest growth per hectare in the country for the 2022 calendar year with the South East and Yorke regions largely responsible. Yorke Peninsula in particular has been the source of aggressive competition at farming auctions and is a significant producer of lentils.

Minimal change has been applied to commercial vineyard properties in response to market challenges in that sector. This includes an oversupply of grapes, volatile weather, COVID-19 related supply chain disruptions and freight costs.

Industrial

Demand conditions for industrial land were highly elevated above normal levels throughout 2022, driven primarily by the logistics and transportation sector. Growth has been underpinned by constrained new industrial land supply across Adelaide in conjunction with developers not willing to undertake speculative development. However, a number of projects were still in the planning stage towards the end of 2022 and are unlikely to be offered to the market until the end of 2023. In addition, lower land values, in comparison to the eastern states, has generated increased buyer demand from interstate investors contributing to strong growth across the industrial sector.

Land values for inner city industrial precincts are gentrifying in response to changing occupier requirements with older stock now being redeveloped.

Industrial markets performed strongly across the metropolitan areas of South Australia. This was due to post-pandemic business confidence, above average rental growth due to historically low vacancy rates with supply unable to keep pace with demand and the continued e-commerce shift and supply chain dislocation. This low vacancy rate was a key driver of rental growth over 2022.

Regional markets benefitted from industrial supply and demand conditions usually experienced in metropolitan areas by offering more affordable options, particularly in inner regional areas.

Robust rural market performance also underpinned growth of agri-industrial markets.

Commercial

As seen in the industrial sector, commercial markets performed strongly across the metropolitan and regional areas.

In both areas, Commercial Site and Capital Values have performed well and grew in response to positive State economic and market conditions. The regional population growth and investment has driven both owner occupier and tenant demand conditions. With the lack of quality stock in many regional towns the market has seen increased levels of investment in the upgrade or redevelopment of properties in these locations due to changing market needs and expectations.

Enhanced performance was seen across the metropolitan area underpinned by: increased post-pandemic business confidence, above average rental growth due to sustained tenant demand, constrained supply of quality commercial stock, and strong demand from local and interstate investors and owner occupiers. Capital Value growth was strengthened by increased investment in the upgrade or redevelopment of underperforming assets, fuelled by changing occupier needs and the increasing institutionalisation of some asset classes.

Interstate investors seeking high quality office space continued to have confidence in the Adelaide CBD office market through 2022. This was due to affordability, the yield spread in comparison to eastern states and the lack of stamp duty on commercial transactions. Older stock requiring refurbishment will likely experience reduced demand as new stock is added to the market. There has also been a shift from fringe and suburban tenants moving into the CBD.

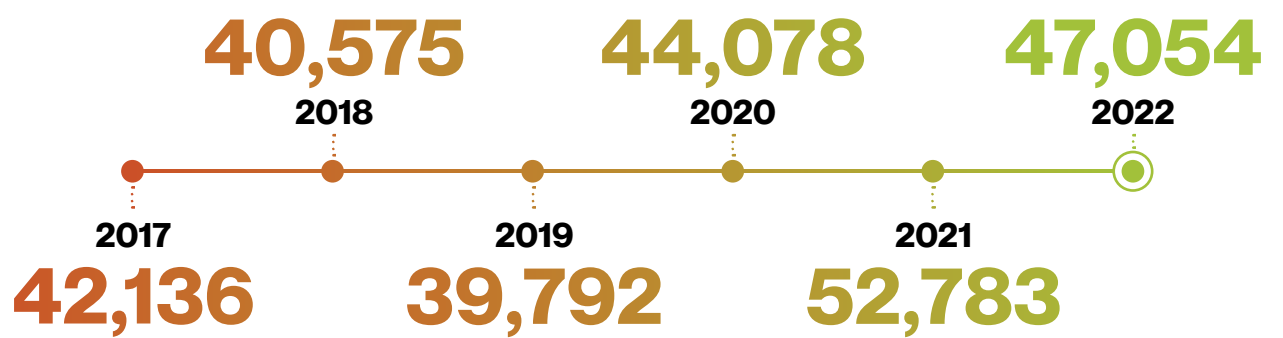
Retail

COVID-19 had a negative impact on the retail environment during 2021, in particular within the CBD due to a decline in workers, tourists and international students. However, with a relaxing of COVID-19 restrictions, office workers returning to the CBD and a general acceptance to live with COVID-19, 2022 saw an improvement in retail conditions. Net rents have remained steady through 2022 with vacancy rates trending down in the CBD and an increase in tenant demand of suburban high street properties with more people working from home. In addition, retailers are now allowed to open from 9am on Sundays thanks to the Shop Trading Hours (Extension of Hours) Amendment Bill passed in October.

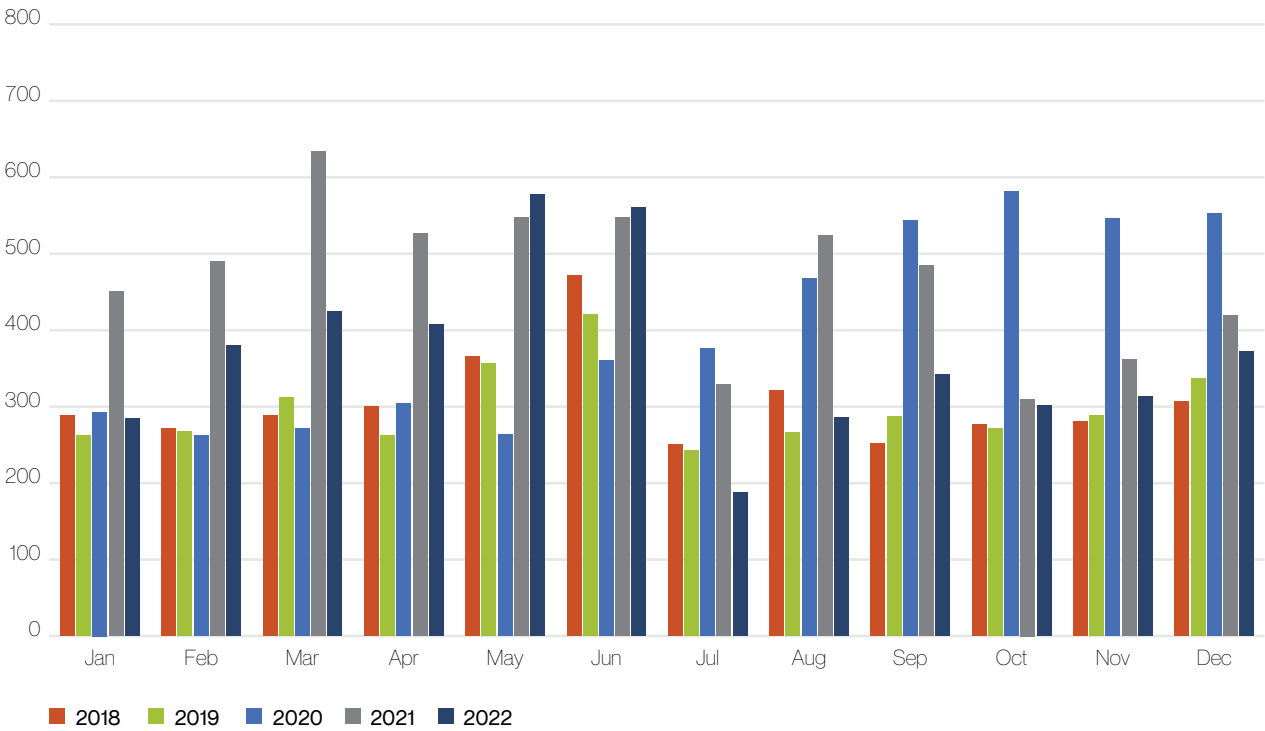
Evidence of improved retail conditions across South Australia in 2022 calendar year is the annual retail turnover increase of 9.5% compared to 3.1% growth in 2021. However, due to the higher inflationary environment and an aggressive increase of interest rates through 2022 by the Reserve Bank of Australia there was a reduction in retail trade of 2.5% for December.

It is anticipated that a decline in discretionary spending will continue as consumers adjust to inflationary pressures and interest rate rises resulting in yields continuing to soften from the back half of 2022 and into 2023. This may have a greater impact on Sub Regional Centres due to their reliance on discretionary spending.

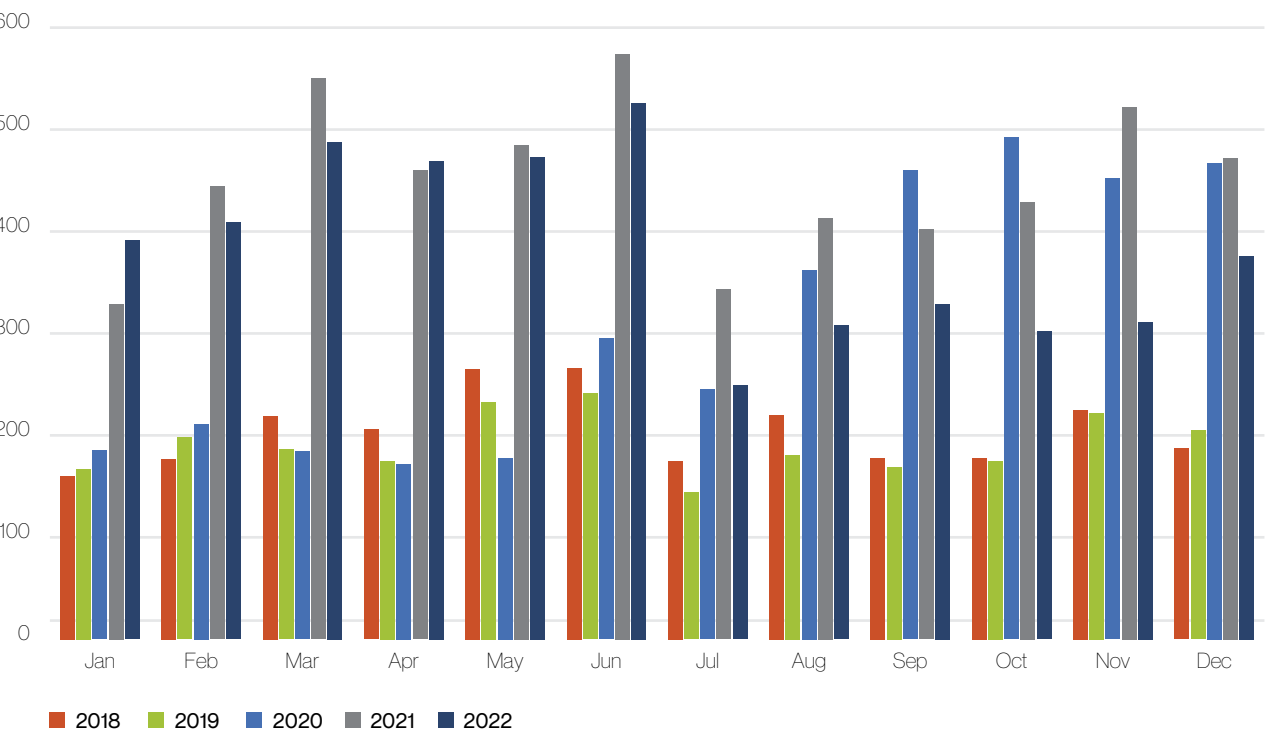
Statewide Sales 2017 – 2022



Transaction Volumes (Vacant Land) - Metropolitan Adelaide



Transaction Volumes (Vacant Land) - Regional South Australia



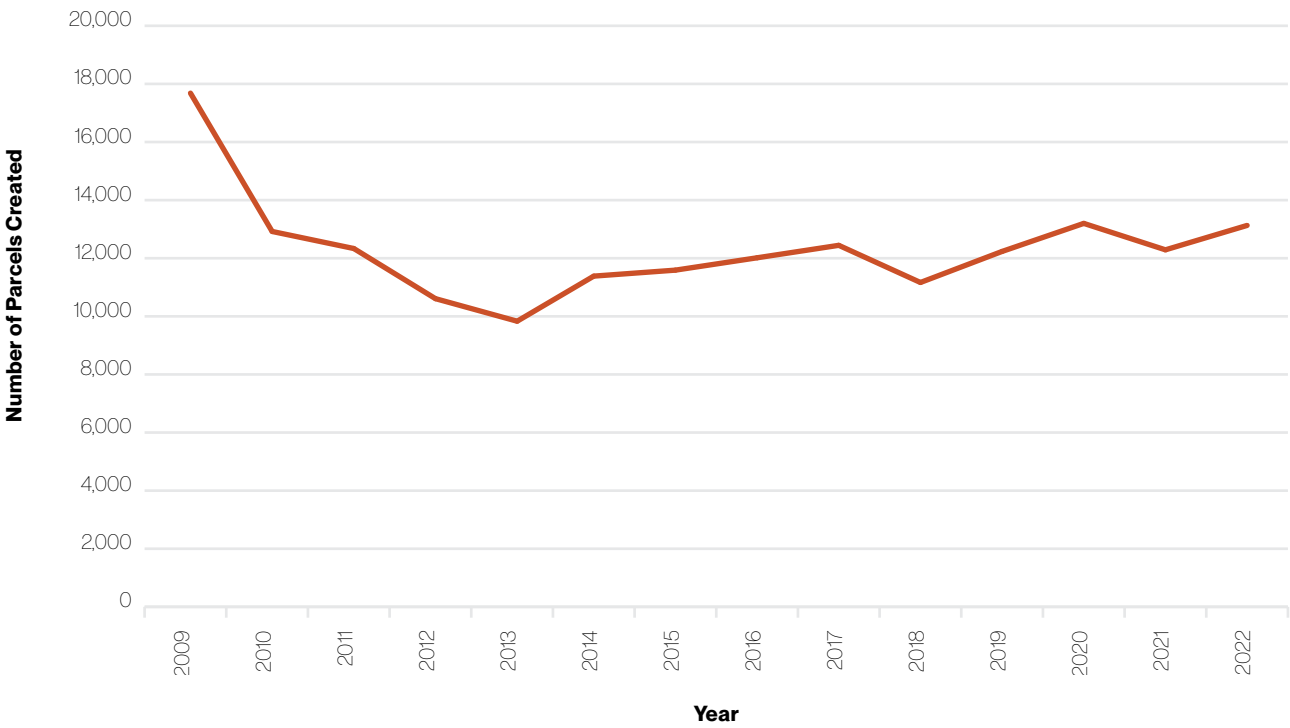
Credit: South Australian Tourism Commission
Photographer: Adam Bruzzone
Malkumba-Coongie Lakes, Wrightsair Scenic Flight,
Flinders Ranges & Outback

State Summary

General Valuation Statewide Valuation Records Summary

Year	Residential	Commercial	Industrial	Vacant	Rural	Other	Total
1998	565,732	23,876	3,646	86,880	28,416	34,842	743,392
1999	572,579	24,019	3,667	86,038	28,594	34,894	749,791
2000	580,122	24,224	3,710	85,366	29,056	35,350	757,828
2001	586,601	24,410	3,678	82,690	31,711	35,661	764,751
2002	594,544	24,630	3,637	82,367	32,785	36,678	774,641
2003	603,084	24,809	3,631	62,710	52,437	37,381	784,052
2004	611,817	24,880	3,625	64,145	52,436	38,073	794,976
2005	620,037	25,094	3,564	65,993	52,436	38,712	805,836
2006	628,728	25,355	3,533	66,812	52,608	39,493	816,529
2007	637,405	25,661	3,510	67,357	52,748	40,129	826,810
2008	646,792	26,156	3,479	68,998	52,809	41,098	839,332
2009	657,561	26,476	3,458	69,969	52,873	41,889	852,226
2010	667,507	26,893	3,412	70,761	52,515	42,603	863,691
2011	676,432	27,098	3,371	70,111	52,479	42,950	872,441
2012	684,812	27,369	3,312	68,417	52,442	43,865	880,217
2013	692,207	27,596	3,274	67,309	52,430	44,196	887,012
2014	699,587	27,740	3,247	66,381	52,526	44,798	894,279
2015	707,772	27,947	3,222	65,738	52,584	45,683	902,946
2016	716,560	28,145	3,188	66,215	52,686	46,387	913,181
2017	723,888	28,354	3,149	66,042	52,786	46,846	921,065
2018	732,064	28,556	3,121	65,452	52,808	47,026	929,027
2019	726,559	24,981	10,819	62,272	52,920	33,271	910,822
2020	728,575	24,988	10,846	65,922	53,033	33,293	916,657
2021	735,706	24,999	10,993	69,144	53,009	21,092	914,943
2022	744,679	24,944	11,126	67,525	52,934	20,737	921,945
2023	753,889	25,032	11,346	66,118	52,939	20,724	930,048

Number of Parcels Created Over Time



Top 10 LGA's for new parcel creation in 2022

LGA	2022	10 Year Average*
Playford	2,202	868
Port Adelaide Enfield	1,275	1,105
Charles Sturt	955	1,153
Onkaparinga	861	941
Mount Barker	805	525
Marion	593	725
Salisbury	440	658
Barunga West	412	33
Campbelltown	398	445
West Torrens	388	392

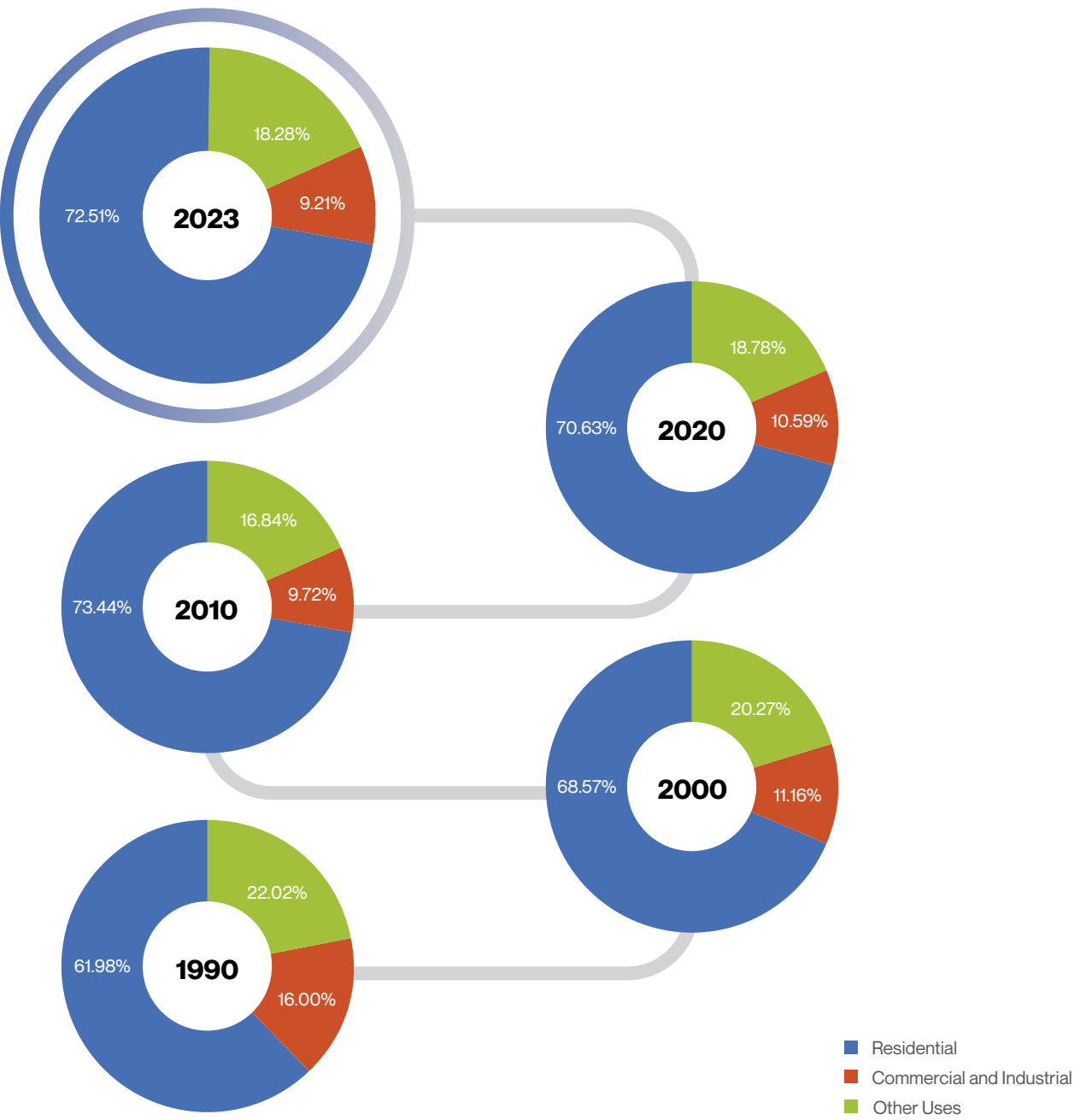
*10 year average 2012-2021

State's Capital Value

For the 2023-2024 General Valuation, the State's total Capital Value exceeded \$651 billion. An increase of \$93 billion on the 2022-2023 General Valuation. Residential property represented the largest portion of the total Capital Value with 72%, a decrease on 2022-2023.

All classifications recorded at least double-digit average Capital Value movement. Gentrification of older residential suburbs and in particular, inner city Commercial and Industrial precincts, along with increased construction costs of materials and labour all contributed to the movement.

Interstate investors are seeking high yielding investments across residential and non-residential markets. South Australia has shown resilience against interest rate rises and bucked the downward trend eastern States have experienced in property values. With attractive yields and low vacancy rates making South Australia's property market an attractive investment medium.



Number of Valuation Records by Capital Value Classification

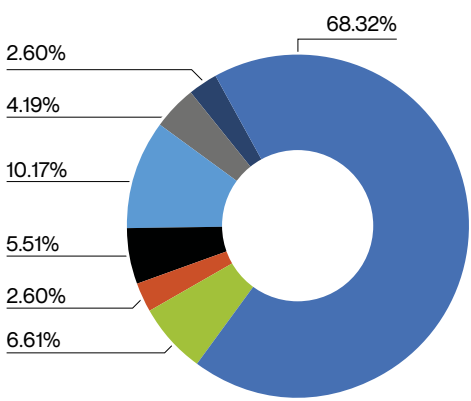
Classification	Count of Valuation Records (as at 1 January 2023)	Count of Valuation Records %
Residential	710,903	76.60%
Commercial	24,244	2.61%
Industrial	11,161	1.20%
Other	20,236	2.18%
Rural	52,934	5.70%
Rural Living	42,622	4.59%
Vacant Land	65,925	7.10%
Total	928,025	100.00%

It is noted that although Vacant Land is not a Capital Value classification, it is included here for completeness.

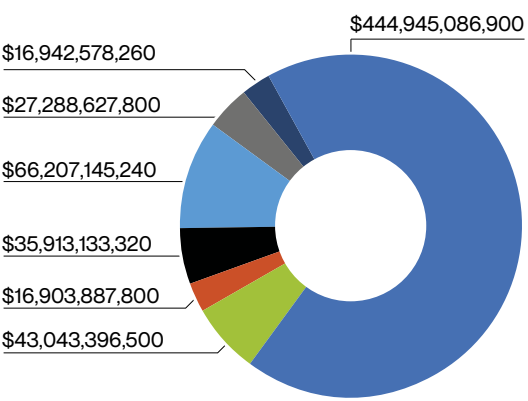
Average Movement by Capital Value Classification

Classification	Average Capital Value Movement
Residential	13.92%
Commercial	15.54%
Industrial	21.01%
Other	13.71%
Rural	28.06%
Rural Living	17.25%
Vacant Land	27.93%

Total Capital Value % as at 1 Jan 2023

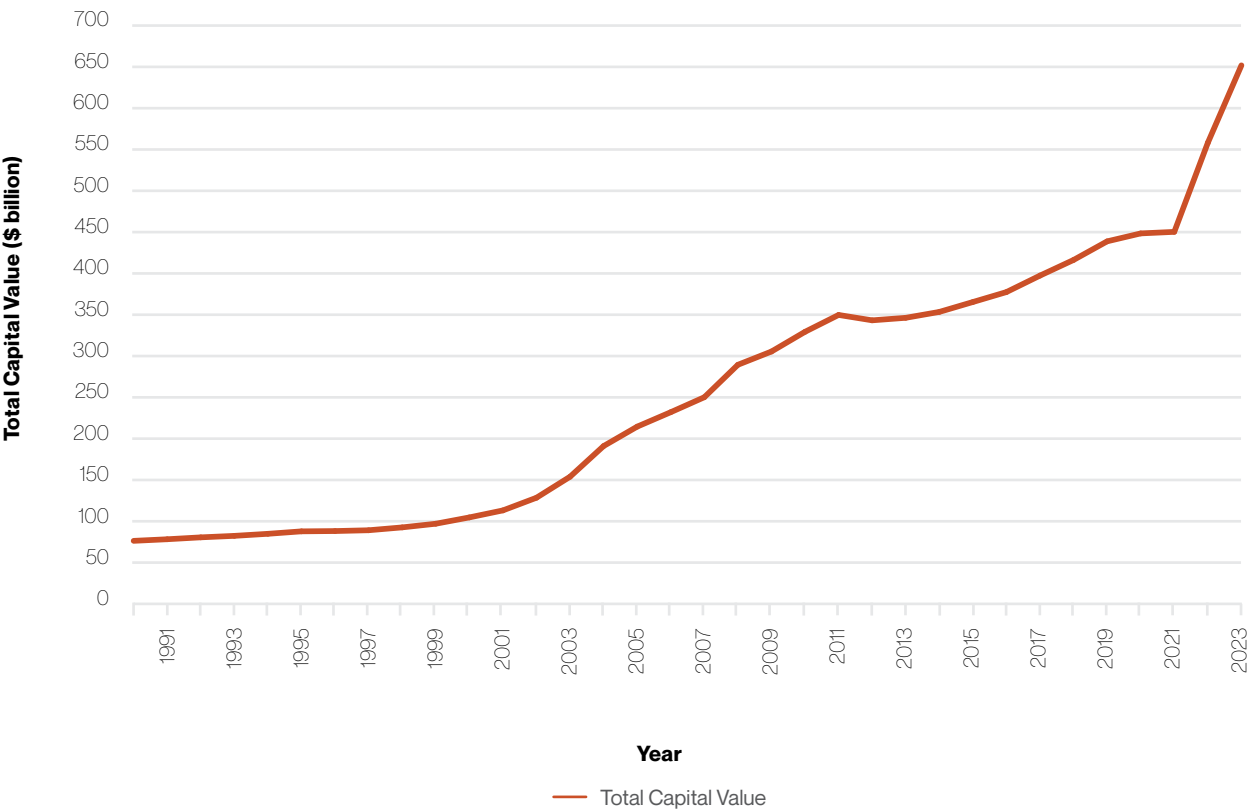


Total Capital Value as at 1 Jan 2023



Residential Commercial Industrial Other Rural Rural Living Vacant Land

Total Capital Value over time



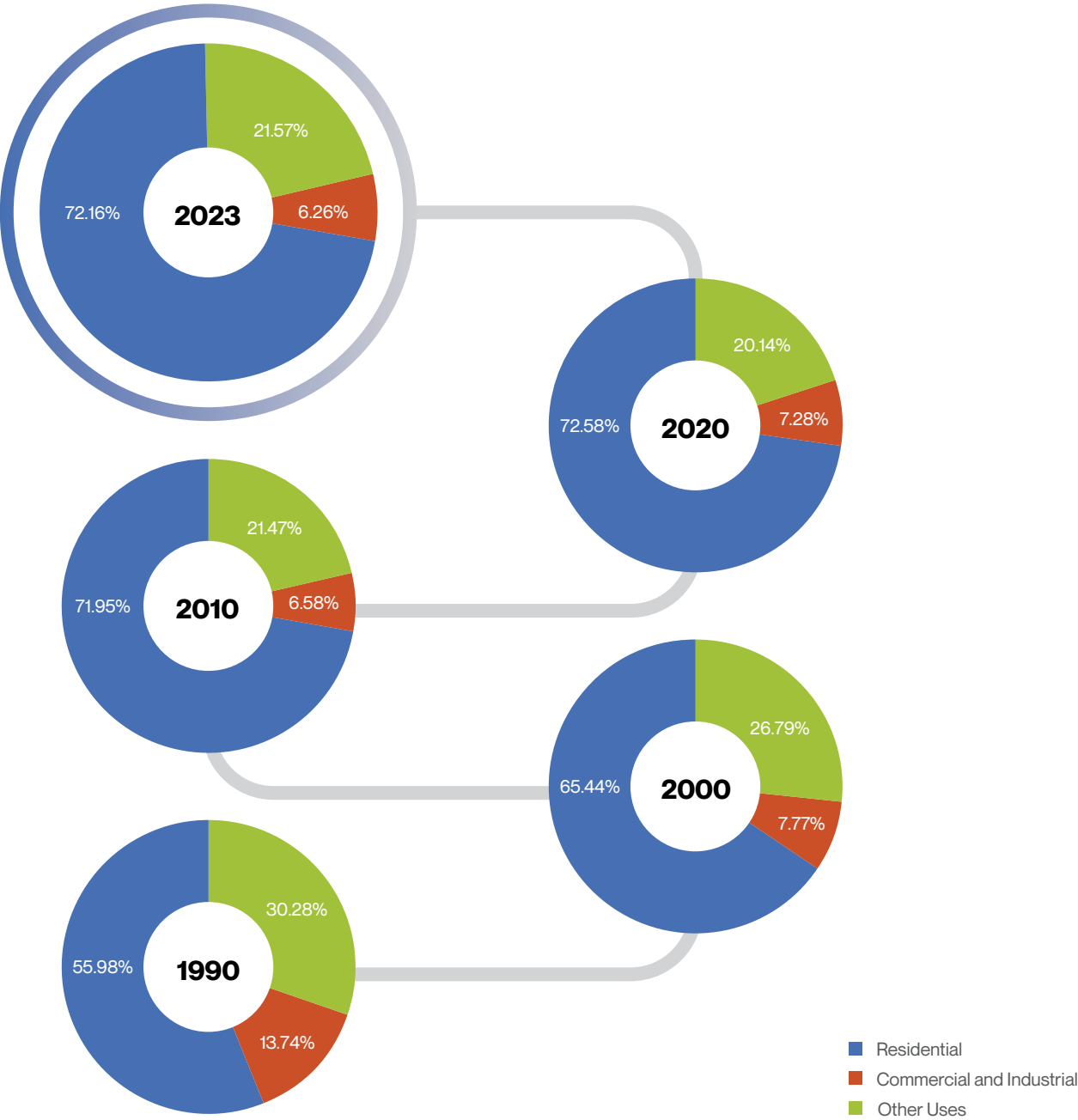
Credit: City of Port Adelaide Enfield
Photographer: SONDR Creative, Flavia Watkins
Hart's Mill, Port Adelaide

State's Site Value

In comparison to 2021 and recent years Site Values across the State rose significantly across all classifications. Industrial properties lead the charge with an increase of 37.2% Statewide. The Industrial Site Value spike was even greater across the metropolitan area recording an average increase of 40.75%. This was generated by demand outstripping supply in this sector, minimal availability of land and interstate investors attracted towards the State's relative affordability compared with eastern States.

During 2022 the Reserve Bank of Australia increased interest rates each month from May 2022 in an attempt to curb high inflation. Despite these increases and inflationary pressures, the residential market remained robust, again underpinned by a lack of stock available to the market.

Higher Site Value increases through 2022, disproportionate to Capital Values, is borne from a lack of land supply and heightened demand.



Number of Valuation Records by Site Value Classification

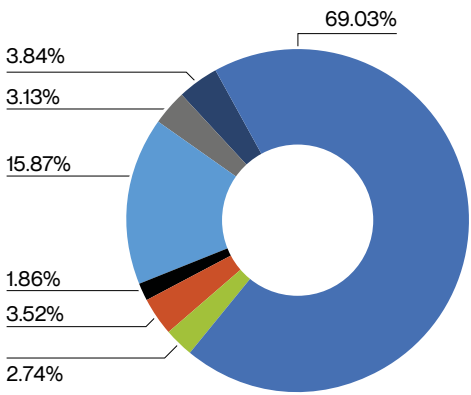
Classification	Count of Valuation Records (as at 1 January 2023)	Count of Valuation Records %
Residential	714,074	76.86%
Commercial	22,950	2.47%
Industrial	19,984	2.15%
Other	18,474	1.99%
Mixed Use	39,531	4.26%
Rural	81,513	8.77%
Rural Living	32,511	3.50%
Total	929,037	100.00%

Average Movement by Site Value Classification

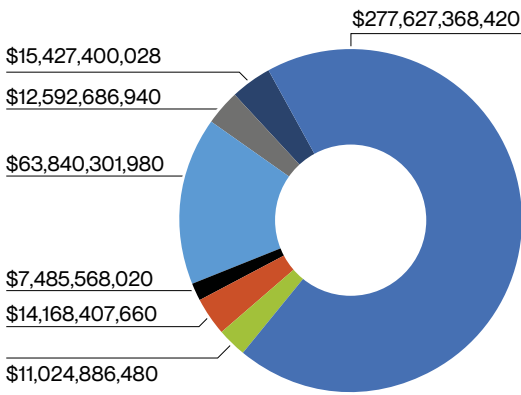
Classification	Average Site Value Movement
Residential	22.16%
Commercial	23.43%
Industrial	37.20%
Other	19.60%
Mixed Use	25.58%
Rural	30.67%
Rural Living	18.80%

Site Value is the value of a parcel of land excluding structural improvements, but including improvements such as draining, filling, retaining walls, excavating, grading or levelling of land, removal of rocks, stone, sand or soil, and the clearing of timber, scrub or other vegetation.

Total Site Value % as at 1 Jan 2023

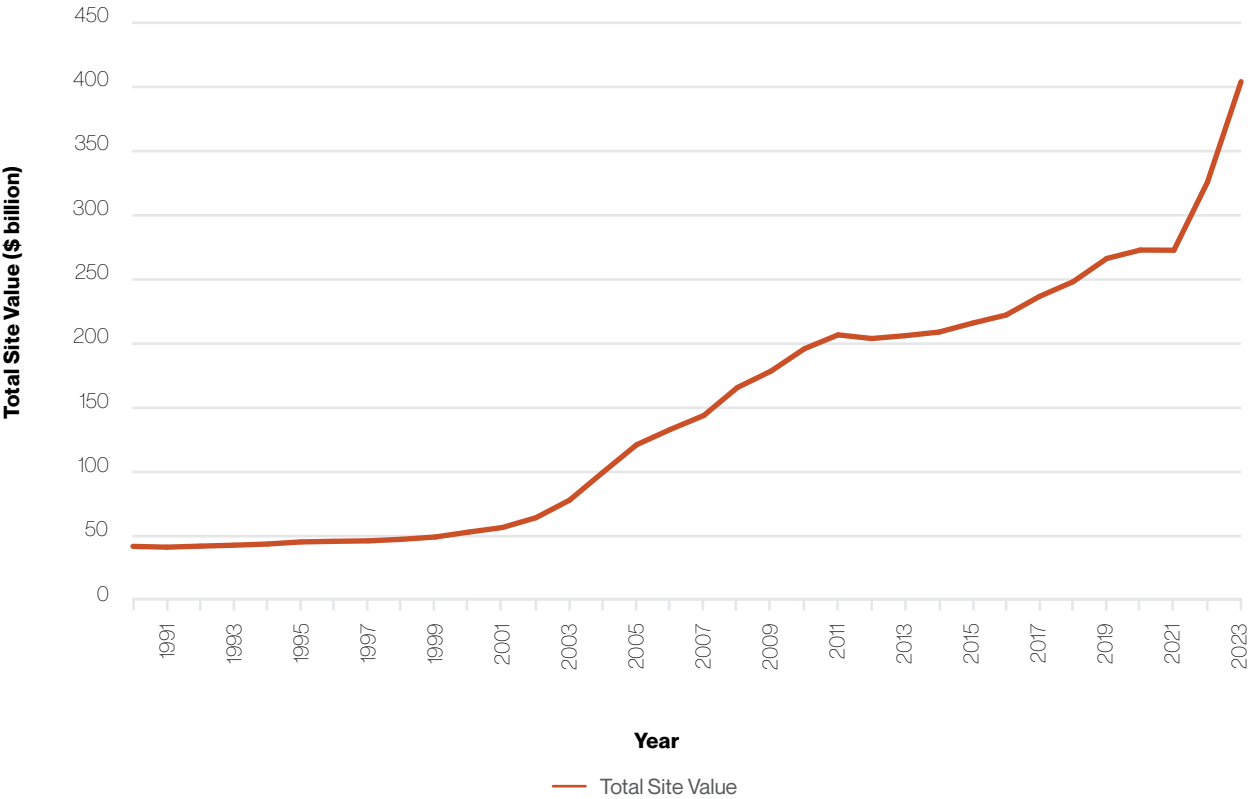


Total Site Value as at 1 Jan 2023



Residential Commercial Industrial Other Rural Rural Living Mixed Use

Total Site Value over time



Credit/Photographer: Zac Watson – @watzac
Luxury Eco-villas Rawnsley Park Station,
Flinders Ranges & Outback

Metro Summary

As the bulk of South Australia’s population is located within the metropolitan area, it is often the case that metropolitan value changes are very reflective of the State.

However, this is not always true, particularly in rural circumstances, where there is limited rural property and typically on a smaller scale than in regional areas.

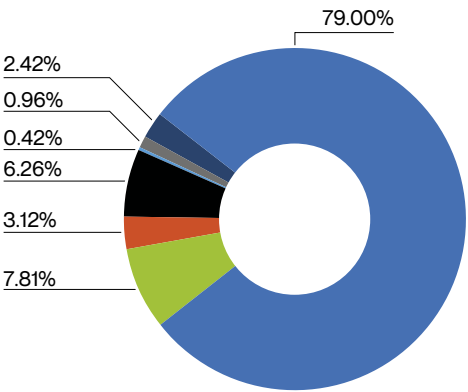
Capital Value

Average Movement by Capital Value Classification

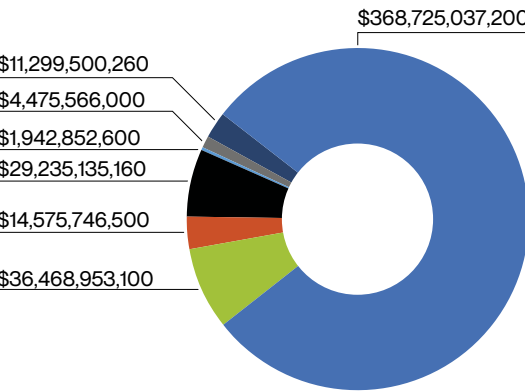
Classification	Average Capital Value Movement
Residential	13.50%
Commercial	15.63%
Industrial	22.29%
Other	14.22%
Rural	18.86%
Rural Living	21.45%
Vacant Land	31.08%

Capital Value is the value of a parcel of land including structural improvements such as buildings, wells, dams and reservoirs, and planting of trees for commercial purposes.
It is noted that although Vacant Land is not a Capital Value classification, it is included here for completeness.

Total Capital Value % as at 1 Jan 2023



Total Capital Value as at 1 Jan 2023



Residential Commercial Industrial Other Rural Rural Living Vacant Land

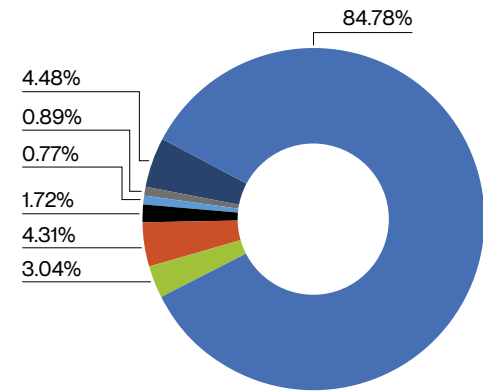
Site Value

Average Movement by Site Value Classification

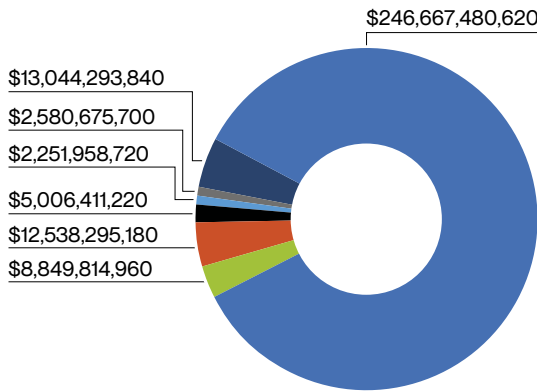
Classification	Average Site Value Movement
Residential	22.91%
Commercial	26.25%
Industrial	40.75%
Other	21.91%
Mixed Use	27.76%
Rural	28.87%
Rural Living	21.54%

Site Value is the value of a parcel of land excluding structural improvements, but including improvements such as draining, filling, retaining walls, excavating, grading or levelling of land, removal of rocks, stone, sand or soil, and the clearing of timber, scrub or other vegetation.

Total Site Value % as at 1 Jan 2023



Total Site Value as at 1 Jan 2023



Residential Commercial Industrial Other Rural Rural Living Mixed Use

Average rate of change per Metro Council area for Site and Capital Values

The below table includes the average rate of change per Metro Council area for Site and Capital Values. Note that your property may differ slightly due to a variety of circumstances, as the below is an average across the entirety of the Council area and all property sectors.

LGA	Average Site Value Movement	Average Capital Value Movement
Adelaide	26.17%	13.11%
Burnside	26.85%	12.63%
Campbelltown	24.91%	11.45%
Charles Sturt	23.03%	14.90%
Holdfast Bay	28.93%	12.55%
Marion	19.21%	12.62%
Mitcham	20.44%	10.68%
Norwood Payneham & St Peters	29.12%	12.86%
Onkaparinga	14.49%	18.02%
Playford	20.73%	26.89%
Port Adelaide Enfield	20.05%	12.57%
Prospect	30.14%	15.84%
Salisbury	27.72%	18.62%
Tea Tree Gully	27.61%	15.39%
Unley	29.33%	11.55%
Walkerville	26.85%	16.17%
West Torrens	28.85%	11.60%
UIA Metropolitan	31.41%	17.52%

2022 Metropolitan Top Sales



Residential

\$9,250,000

Medindie

\$6,080,000

St Georges

\$6,000,000

Thorngate



Commercial & Industrial

\$121,000,000

Penfield

\$81,350,000

Adelaide

\$73,000,000

Adelaide



Other

\$56,370,000

Largs North

\$37,000,000

Adelaide

\$19,800,000

Wingfield

Regional Summary

High growth in values through the regional areas of the State continued through 2022. Supply issues and strong demand for rural properties was the catalyst of this increase.

As a result, South Australia recorded the equal highest growth per hectare in the country. Average Site Value movement of Rural properties spiked by over 30%. Several high-end sales of significant cattle farms in the State's north along with ultra-competitive auctions in Yorke Peninsula provides evidence of demand for high quality rural property.

With the remnants of COVID-19 lingering Rural Living lifestyle property remained enticing and in demand through 2022 for buyers seeking larger housing and lifestyle allotments away from the metropolitan area. Peri urban property, in particular, was appealing due to the relatively close proximity to metropolitan boundaries during a period of time when remote working was still in effect.

Population increases through regional areas has forced the upgrade or redevelopment of commercial assets to cater for these market needs and expectations with Capital Values in this market increasing accordingly.

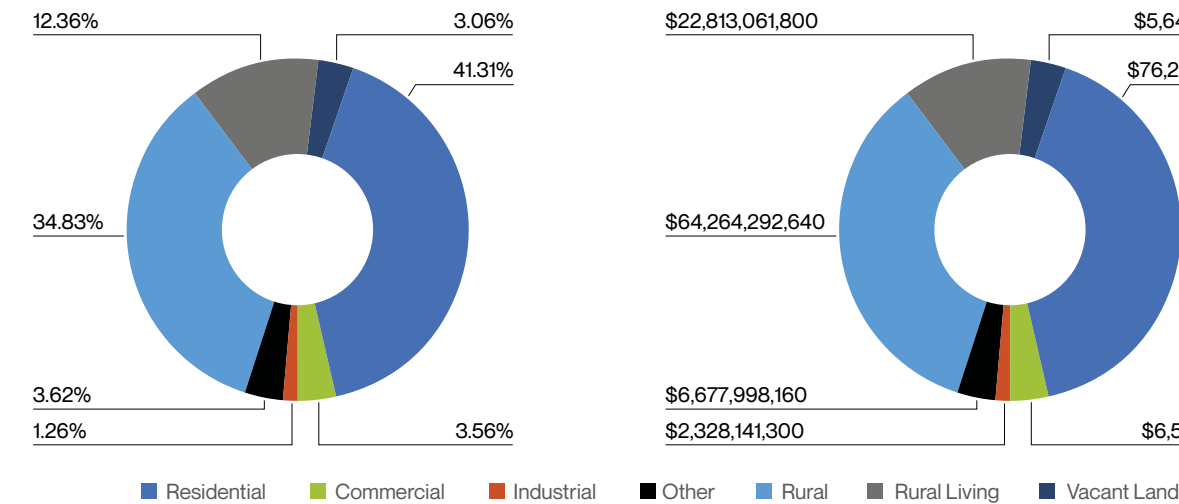
Capital Value

Average Movement by Capital Value Classification

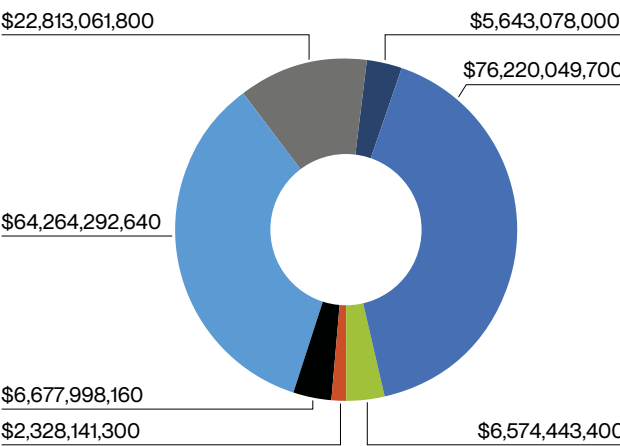
Classification	Average Capital Value Movement
Residential	15.96%
Commercial	15.06%
Industrial	13.61%
Other	11.56%
Rural	28.36%
Rural Living	16.46%
Vacant Land	20.01%

Capital Value is the value of a parcel of land including structural improvements such as buildings, wells, dams and reservoirs, and planting of trees for commercial purposes.
It is noted that although Vacant Land is not a Capital Value classification, it is included here for completeness.

Total Capital Value % as at 1 Jan 2023



Total Capital Value as at 1 Jan 2023



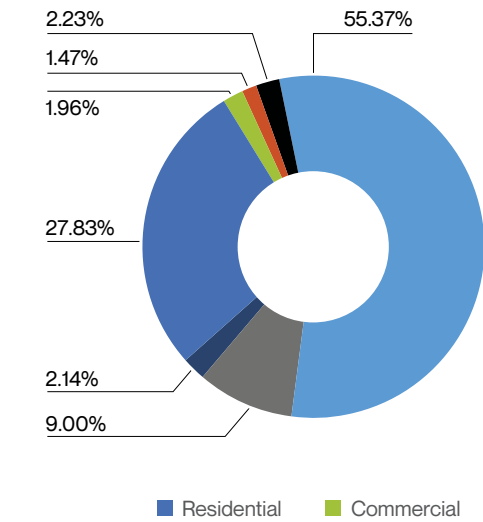
Site Value

Average Movement by Site Value Classification

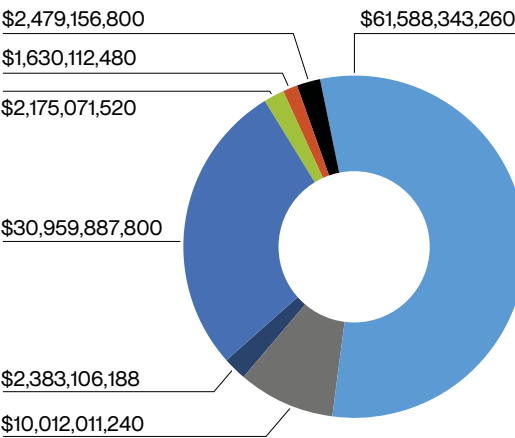
Classification	Average Site Value Movement
Residential	16.47%
Commercial	13.14%
Industrial	14.91%
Other	15.20%
Mixed Use	14.88%
Rural	30.74%
Rural Living	18.11%

Site Value is the value of a parcel of land excluding structural improvements, but including improvements such as draining, filling, retaining walls, excavating, grading or levelling of land, removal of rocks, stone, sand or soil, and the clearing of timber, scrub or other vegetation.

Total Site Value % as at 1 Jan 2023



Total Site Value as at 1 Jan 2023



Average rate of change per Regional Council area for Site and Capital Values

The below table includes the average rate of change per Regional Council area for Site and Capital Values. Note that your property may differ slightly due to a variety of circumstances, as the below is an average across the entirety of the Council area and all property sectors.

LGA	Average Site Value Movement	Average Capital Value Movement
Adelaide Hills	13.71%	13.56%
Adelaide Plains	18.09%	19.23%
Alexandrina	18.08%	14.70%
Barossa	17.89%	13.57%
Barunga West	11.59%	12.09%
Berri Barmera	4.98%	9.78%
Ceduna	33.15%	17.89%
Clare & Gilbert Valleys	22.54%	19.05%
Cleve	33.26%	28.46%
Coober Pedy	6.87%	5.04%
Coorong	27.61%	23.58%
Copper Coast	14.23%	14.53%
Elliston	23.05%	19.26%
Flinders Ranges	24.93%	17.12%
Franklin Harbour	17.25%	11.44%
Gawler	14.38%	13.88%
Goyder	36.48%	32.78%
Grant	36.94%	32.42%
Kangaroo Island	35.23%	25.96%
Karoonda East Murray	22.94%	22.99%
Kimba	22.10%	19.07%
Kingston	34.56%	31.91%
Light	13.08%	12.06%
Lower Eyre Peninsula	33.03%	27.25%
Loxton Waikerie	10.66%	10.77%
Mid Murray	14.32%	15.02%
Mount Barker	13.39%	19.40%
Mount Gambier	22.88%	20.00%
Mount Remarkable	19.63%	15.72%

LGA	Average Site Value Movement	Average Capital Value Movement
Murray Bridge	24.99%	19.94%
Naracoorte Lucindale	44.31%	38.23%
Northern Areas	42.99%	36.83%
Orroroo Carrieton	18.36%	15.31%
Peterborough	29.83%	20.73%
Port Augusta	1.57%	6.50%
Port Lincoln	5.11%	9.68%
Port Pirie	6.59%	8.90%
Renmark Paringa	13.22%	9.75%
Robe	30.81%	29.99%
Roxby Downs	1.73%	1.92%
Southern Mallee	41.49%	37.55%
Streaky Bay	37.91%	26.66%
Tatiara	53.09%	44.10%
Tumby Bay	28.21%	23.11%
Victor Harbor	27.13%	22.21%
Wakefield	21.83%	19.50%
Wattle Range	47.18%	40.36%
Whyalla	7.41%	7.52%
Wudinna	47.11%	36.84%
Yankalilla	34.35%	27.05%
Yorke Peninsula	19.91%	19.20%
UIA Eyre	32.13%	23.75%
UIA Lower North	15.27%	13.38%
UIA Northern	7.22%	0.59%
UIA Riverland	20.79%	20.65%
UIA South East	13.42%	9.58%
UIA Southern	4.90%	3.34%
UIA Yorke	3.04%	3.01%

* Totals exclude concessional values

2022 Regional Top Sales



Residential

\$8,250,000

Nalyappa

\$5,200,000

Wistow

\$4,400,000

Hahndorf



Commercial & Industrial

\$21,450,000

Monarto South

\$8,500,000

Port Augusta

\$6,037,500

Victor Harbor



Rural

\$19,104,973

Macumba

\$18,290,138

Innamincka

\$18,000,000

Field

2022 Commodity Prices

Worldwide uncertainty continued to interrupt supply and demand parameters, often without warning, with heightened volatility in the energy and raw materials markets.

Analysts had predicted, or hoped for, a period of normalisation for 2022.

What was experienced was a continuation of interruptions that resulted from worldwide factors.

- Russia's invasion of Ukraine to oil and gas markets;
- China's growth explosion into the electric vehicle sector which exacerbated shortages in raw materials (such as lithium and cobalt) and electronic components such as computer chips and semiconductors; and
- the effect of war and climate change on agricultural practices.

Lingering over these market factors are two major global issues – post-pandemic demand surge downturns and a sharp global growth slowdown. As inflationary pressures are dealt with by most major economies in the form of higher interest rates, food and energy crises are already underway in a number of countries.

While individual commodities continue to see divergent trends in pricing, most commodity prices have retreated from their peaks. Energy, for example, is predicted to fall by 11% in 2023 which would indicate a slowing in inflation, however it is noted that this is still 50% above its 5-year average.

In Australian terms, in 2022 the Reserve Banks Index of Commodity Prices increased 15.6% lead by higher thermal gas, Liquefied Natural Gas and iron ore prices. This continues a 4 month drop from the Year-on-Year increase in September 2022 of 46.1%.

While there is no direct cause and effect relationship between commodity prices and property prices, commodity prices will influence purchaser behaviour and decisions which have an indirect impact to property prices.

Overall, the level of uncertainty over commodity prices is likely to remain in 2023 and the risk remains that large shifts in global supply and demand will have wide-ranging affects.

www.spglobal.com/commodityinsights/en/market-insights/blogs/oil/122822-2022-commodities-energy-infographics

[Commodity Markets Outlook -- October 2022 \(worldbank.org\)](https://www.worldbank.org/en/commodities-outlook/2022)

[From the Economist's Chair: Global Commodity Review & Outlook 2022-2023 | Argus Media](https://www.argusmedia.com/en/news/2022/09/20/from-the-economist-s-chair-global-commodity-review-outlook-2022-2023)

[Resources and energy quarterly: December 2022 | Department of Industry, Science and Resources](https://www.industry.gov.au/publications/resources-and-energy-quarterly-december-2022)

[Australia Commodity Prices YoY - December 2022 Data - 1983-2021 Historical \(tradingeconomics.com\)](https://tradingeconomics.com/australia/commodity-prices-yoy-december-2022-data-1983-2021-historical)

4. Land Owner Information



Credit/ Photographer: Ben Goode
Bunyerroo Valley, Flinders Ranges & Outback

Land Owner Information

Property Valuations

State legislation requires all properties to be valued every five years. However, in practice it is undertaken annually as part of the General Valuation to ensure fair and equitable property-based rates and taxes. Sales analysis and research is undertaken so that values reflect the market as at the Date of Valuation, 1 January.

Property values are reviewed across the State to establish Site and Capital Values. These values are used by relevant rating and taxing authorities to determine the amount of property-based rates and taxes to be charged.

The Valuer-General is committed to providing transparent information for our community with ongoing development of fact sheets and other resources located at www.valuergeneral.sa.gov.au.

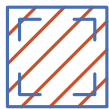
Valuation Considerations

Qualified valuers analyse property sales and market trends that occur between the General Valuation to determine levels of value. Factors influencing property values include



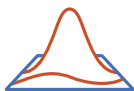
Location

Views, aspect and elevation



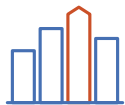
Site details

Land classification, zoning, land area and heritage restrictions



Site influences

Shape, topography, nearby uses and frontage



Site use

The highest and best use of the site



The building

Size, age, condition, style, improvements and construction type

Property values are determined by comparing property to recently sold properties of a similar nature. Appropriate adjustments are made for any differences.

Supplementary Valuations

Where external factors (other than market fluctuations) have altered the property value, supplementary valuations may be performed between general valuations.

Cases that may require a supplementary valuation include physically changed buildings that have been altered, erected or demolished, amalgamated, subdivided or rezoned.

Finding Your Property's Value

Property values can be found via:



A statutory authority rates notice

Such as local council, SA Water or RevenueSA (Emergency Services Levy and Land Tax, where applicable).



The South Australian Integrated Land Information System (SAILIS)

Online land and property information.

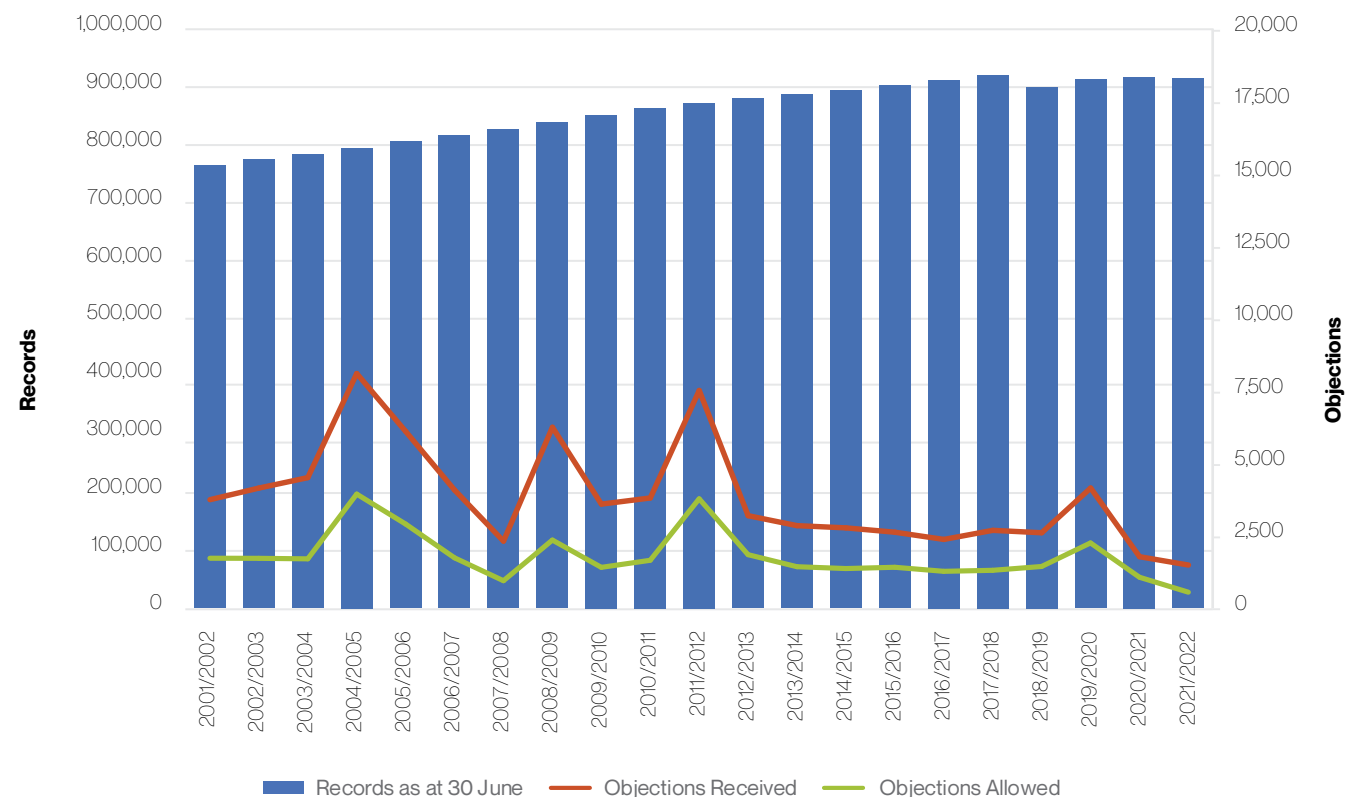
Objections

Every year, property values are reviewed across the State to determine the Site Value and Capital Value. These values are used by relevant statutory authorities to determine the amount of land based rates and taxes to be charged.

Through the Office of the Valuer-General, any property owner or occupier who does not agree with their valuation may lodge an Objection and have their property valuation re-assessed. The most common reason for an Objection is where a property owner or occupier considers their property value is too low or too high.

As Objections continue to be finalised over a period of time, the results for the 2022-2023 financial year are not yet complete and will be included in subsequent reports.

Objections Over Time



Objections 2021-2022 Highlights

Where an Objection is “allowed”, this means that a change in value has occurred. Values can be adjusted either up or down as part of the Objection process. The balance of Objections resulted in no change.

1,504

Objections received

559

Objections allowed

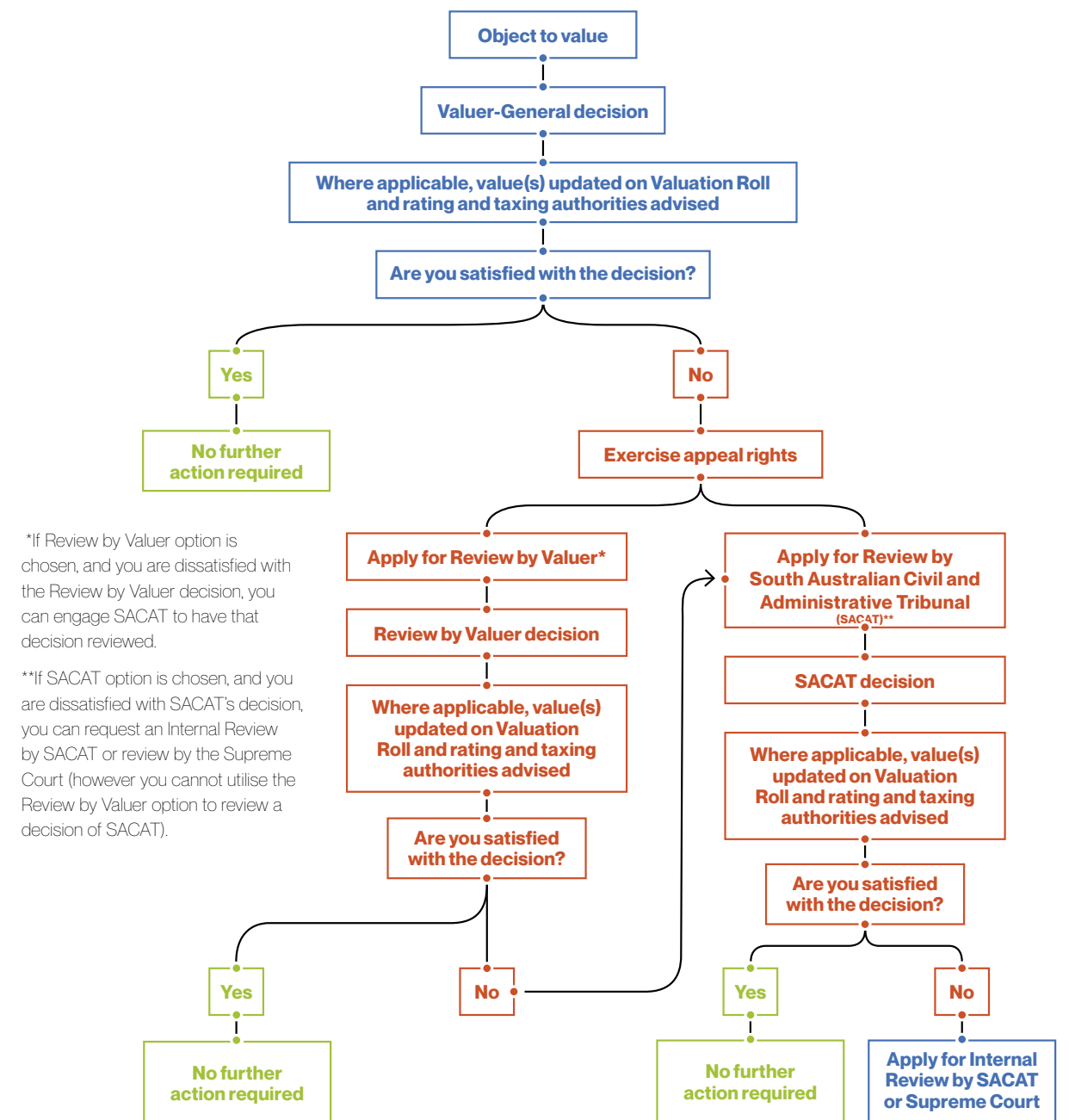
0.16%

% of total valuations objected to

0.06%

% of total valuations which experienced a change due to an Objection

The Objection Process



Appealing Objection Decision

There are two ways to appeal the Valuer-General's decision either by:

- Review by Valuer (independent review); and/or
- South Australian Civil and Administrative Tribunal (SACAT).

In the case of Review by Valuer, the Valuer-General also has the right to seek a subsequent review of this decision through an application to SACAT.

To find out more about the processes and when the Valuer-General is required by legislation to amend a valuation, see the Objecting to a Valuation or Review of Valuation fact sheets:

- [Property Valuations – Objecting to a Valuation](#)
- [Property Valuations – Review of Valuation](#)
- [Review by Valuer – What Happens Next?](#)



Credit: Outta Orbit Photography
Photographer: Tom McDonnell
Lake Bonney, Riverland

Accompanying Information

The classification details provided below outline the parameters used in determining Site Values and Capital Values.

The land use codes outlined below are specific to the parameters used for the reporting within this document. For a full list of all land use codes the booklet can be viewed at <https://www.valuergeneral.sa.gov.au/forms-and-fact-sheets/LUC-booklet-2022.PDF>

Site Value Classifications

- Residential**
Parcels within zones, policy areas or precincts permitting predominantly residential development.
- Commercial**
Parcels within zones, policy areas or precincts permitting predominantly commercial development.
- Industrial**
Parcels within zones, policy areas or precincts permitting predominantly industrial development.
- Mixed Use**
Parcels within zones, policy areas or precincts permitting a range of development types.
- Other**
Parcels within zones, policy areas or precincts which only permit open space or passive uses or restrict development to community or other special development which does not fit other categories.
- Rural Living**
Parcels within zones, policy areas or precincts that permit rural living or properties of a scale that are in the rural living market.
- Rural**
Parcels within zones, policy areas or precincts which permit primary production activities and which are not considered rural living in nature.

Capital Value Classifications

- Residential**
LUC Ranges 1100 to 1750, 1920 to 1979.
- Commercial**
LUC Ranges 1800 to 1834, 2000 to 2591, 2605 to 2630, 2645 to 2890, 5680 to 5681, 5700 to 5790.
- Industrial**
LUC ranges 2595 to 2600, 2640, 2900 to 3909, 6540 to 6560.
- Other**
LUC Ranges 1760 to 1780, 4340, 4420, 4500 to 4530, 5000 to 5670, 5690, 5800 to 5639, 6561 to 8409.
- Rural**
LUC Ranges 4600, 9000 to 9994.
- Rural Living**
LUC Ranges 1900 to 1915, 1991 to 1999.



