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Final Report

Local Government Area of

Gunnedah (187)

BASE DATE: 1 JULY 2015

GOVAL PTY LTD

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1. EXECUTIVE SUMMARY

1.1. SHIRE OVERVIEW

The Gunnedah Shire is situated in northern New South Wales with the main centre being Gunnedah. The Gunnedah local economy is strong buoyed by further development of the mining industry and associated service industries. The rural economy is currently experiencing moderate seasons with mixed commodity prices.

1.2. VALUATION SUMMARY

Item	Number
Properties valued this year	6,254
Last local government base date	2013
Total value of properties valued 2013	\$1,630,623,353
Total value of properties valued 2014	\$1,655,455,480
Total value of properties valued 2015	\$1,660,617,060
% Change from 2014 to 2015	0.31% increase

1.3. SUMMARY OF CHANGE IN VALUES

1.3.1. Overall Change in Value

Increase in values by 0.31% due to some handcrafting of entries over the past 12 months mainly within the rural components as part of our verification process. The major growth in value has been in the AAX component which is the town of Curlewis.

1.3.2. Residential

Gunnedah's residential property market has remained relatively flat over the last 12 months with similar sale volumes and value levels to last year. The market continues to attract investor interest and local demand on the back of the mining and associated industries.

Gunnedah's rental market has softened on the back of reduced demand for property largely due to mining contracts expiring and less demand for homes in Gunnedah. There is currently over 80 homes and units for rent in Gunnedah which has pulled back returns to investors. The superior quality and better located properties continue to sell well in this market as there remains demand for owner occupiers upgrading within the town.

The residential components in Gunnedah received a factor of 1.0 across the board with the village of Curlewis receiving an average increase of 1.2 after verification. Carroll, Breeza and Mullaley received a factor of 1.0 with limited evidence to suggest any movement this year, with the exception of some minor handcrafting. The village of Tambar Springs has been factored by 1.2 after some strong evidence.

1.3.3. Business

The three business components were factored with a 1.0. The business component sales were quiet this year with no evidence to move values either way.

1.3.4. Industrial

The industrial components have had no increase receiving a factor of 1.0. There has been limited activity in this market with sales indicating static value levels across this sector.

1.3.5. Rural

The rural property market has remained steady over the last 12 months with better than average seasonal conditions. A softening of the Australian Dollar along with record low interest rates has benefited farmers over the last 6 to 12 months. This has increased commodity prices all but across the board with the flow on effect yet to seen in the rural sector. The winter crop harvest is well under way with better than average yields being recorded.

1.4. QUALIFICATIONS

The executive summary is to be read in conjunction with the valuation information supplied in the following report.



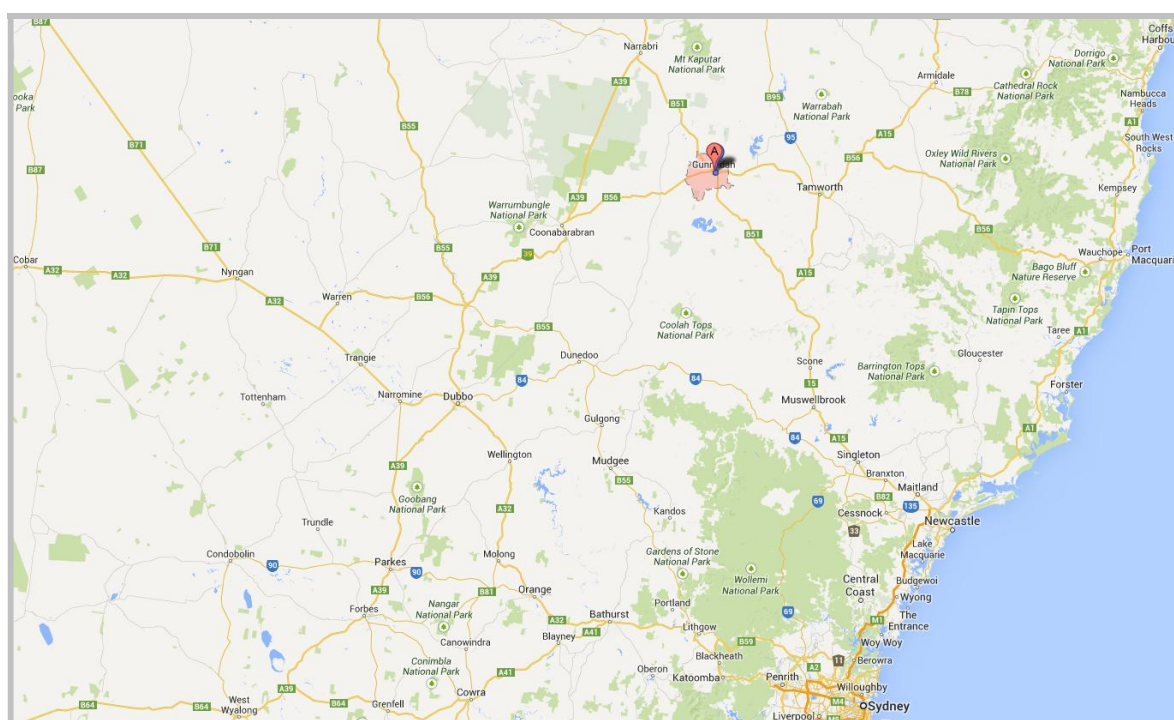
Tom Donoghue
Senior Valuer
GOVVAL PTY LIMITED

5th November 2015

2. SHIRE OVERVIEW

2.1. LOCATION

Gunnedah Shire is located in North West NSW approximately 440 kilometres north west of Sydney. The Shire joins the Narrabri Shire to the north in a line roughly aligned to the town of Boggabri. The western boundary is roughly aligned to Mullaley and Tambar Springs. The southern boundary aligned to Spring Ridge and Carroona with the eastern boundary just to the east of Carroll. The Shire covers an area of approximately 5,092 square kilometres and has a total Shire population of about 12,800 people. The Kamilaroi Highway runs roughly from the north to the south through the Shire and the Oxley Highway runs from east to west. Gunnedah town has frontage to the Namoi River with other significant Shire streams being the Mooki River and Coxs Creek.



2.2. TOWNS

Gunnedah is roughly in the centre of the Shire, is the home of Local Government and the major population centre with over 9,600 people.

Other towns within the Shire include the villages of Curlewis, Tambar Springs, Mullaley, Carroll, Breeza and the Hamlet of Emerald Hill.

2.3. INDUSTRY

The main industries in the Shire are farming, grazing, irrigation, industries associated with the value adding of agricultural products and coal mining.

Agriculture is the largest industry operating in the Shire employing around 981 people. It occupies an area of approximately 402,484 hectares, including nearly 117,302 hectares of cropping and provides an income approaching \$120 million per annum.

Gunnedah's agricultural area supports both winter and summer cropping, cattle, sheep and pigs. Wheat is still the most widely grown crop in the Shire followed by sorghum, barley, maize and sunflowers. Cotton is also a significant summer crop with some of the best quality cotton in the world produced in the shire area.

Gunnedah Shire is located on the Sydney - Gunnedah Basin, one of the largest underground coal seams in New South Wales. In its entirety, it is 150 kilometres wide and stretches 500 kilometres from Wollongong to Narrabri. The local industry contributes millions of dollars annually to the Shire's economy and provides an important source of employment.

Within the Gunnedah Coal Basin, coal is extracted from both open cut and underground mines and is high-volatile bituminous in rank, reasonably low in ash and sulphur and very low in phosphorous. Specific energy is high and the characteristics of ash fusion are favourable.

There is one Coal company currently operating in the Gunnedah Shire. This company is Whitehaven Coal Mining Pty Ltd. Its subsidiaries operate the Sunnyside Mine (now closed) about 10km west of Gunnedah and the Rocglen mine 25km to Gunnedah's north. The company operates a coal washing and loading facility a short distance from Gunnedah off the Quia Road, beside the North West rail line. Coal is also hauled by road from its Tarrawonga Open Cut mine in the Narrabri Shire.

Of particular interest is the anticipated expansion of coal mining in the Caroon and Watermark areas 40km to Gunnedah's south east. The Chinese owned company Shenhua is expected to start mining at Watermark in 2016/17 once all feasibility studies have been completed. BHP at Caroon have not indicated when they expect to start and are having some difficulty with local farmers in the form of the Caroon Coal Action Group. Both ELs have an estimated coal reserve of about 500 million tonnes each. Both operations are expected to be underground longwall mining.

Some of the larger industries located in Gunnedah are Al Topper and Co, Namoi Valley Brickworks, Manildra Flour Mills, Gunnedah Timbers (closed), Prydes (stockfeeds), Wholegrain Milling, Gunnedah Maizemill and Paradise Farms (sunflower processors). Supplementing these are construction and earth moving firms, heavy and light engineering, stockfeed manufacturers, automotive services and transport carriers.

A wide variety of businesses in Gunnedah include supermarkets, pharmacies, banks, printeries, bakers, fashion clothing and gift shops as well as real estate, stock and station agents, travel agents, motor dealerships and machinery service centres.

2.4. SIGNIFICANT RETAIL CENTRES

Being only a smaller rural shire, Gunnedah contains no significant retail centres.

2.5. PROPERTY TYPES

2.5.1. Residential

Gunnedah has gradually developed to the south of the town with the older areas combining 1,000 – 2,000 m² blocks, with the 1960's and early 1970's development featuring 700 – 900 m² blocks. The better subdivisions now have blocks in excess of 1,000 m², although the newer residential areas are featuring blocks closer to 800 m².

2.5.2. Commercial

Commercial blocks in the main CBD range from about 200 m² through to 600 m², however there are a number of significant sites such as the Woolworths development and the Coles based supermarket/shopping centre which occupies a 1.28ha site.

2.5.3. Industrial

Industrial blocks range from 1,000 m² to close to 1ha. There is little in the way of good industrial land however there are a number of project developments in the pipeline.

2.5.4. Rural Residential

There are 2 distinct styles of rural residential, the first being the smaller rural residential close to town which are predominantly 1.2ha – 2ha reflecting the 1.2ha minimum size requirement in the R5 zone. The other is the larger hobby farm market comprising of 4 – 40 hectares with this sector popular due to limited supply.

2.5.5. Rural

Irrigation properties range from 240ha to close to 7,000ha with many significant holdings within the 800 – 1,600ha. The prime first class heavy soil farming country has also been aggregated and although the majority of the blocks were in the region of 400ha the majority of holdings have now been aggregated to form a number of these 400ha parcels. There are significant numbers of lighter soil blocks in the 250ha plus mark in the Emerald Hill, Pialloway areas, many of these are used as more serious hobby farms.

2.6. RESIDENTIAL DEVELOPMENT

Mornington Heights Estate located near the rugby park towards the south of Gunnedah has now completed their third and fourth stage of development. The third stage (known as 2b and 2c) comprises of 33 new allotments and are selling for a price range of \$120,000 to \$130,000. The fourth stage is now completed but is not registered at this stage. Development connected to this estate on its most eastern boundary fronting Links Road is currently under construction.

The second stage of Sunnyside Farm Estate was released three years ago with 17 new residential allotments being created in one of the better areas of Gunnedah. They have sold well at around \$150,000 - \$160,000 per allotment with about one third still for sale.

The residential subdivision known as Parkview Estate which has frontage of Baxter Street is currently for sale for around the \$135,000 mark for standard residential allotments. They have been slow to sell and are yet to be registered. This estate will yield 27 allotments.

Bindea Estate located off Stock Road is currently advertised for sale comprising of 28 new larger residential allotments of around 3,000m² with an asking price from \$220,000. This estate has saturated the market for larger residential blocks with sales coming through this year as low as \$150,000. They are now starting to sell at slightly below market expectations.

The new residential estate on Kamilaroi Road called “Norwood Estate” comprises of 17 residential allotments. These blocks comprise of heavy reactive black soils located close to the main railway line through town. Currently advertised for sale at \$130,000. Asking price appears high and above the market at this time.

2.7. NUMBER OF VALUATIONS

The Gunnedah Shire comprises the following break-up of valuations (as at 04/09/2015):-

Zoning	Number of Properties
B2- Local Centre	103
B4- Mixed Use	163
B5- Business Development	201
E3- Environmental Management	91
IN1- General Industrial	140
IN3- Heavy Industrial	8
R2- Low Density Residential	2,483
R3- Medium Density Residential	468
R5- Large Lot Residential	468
RE1- Public Recreation	49
RE2- Private Recreation	2
RU1- Primary Production	1,463
RU4- Rural Small Holdings	51
RU5- Village	539
RU6- Transition	3
SP2- Infrastructure	22
Total Entries	6,254

3. LEGISLATION DETAILS / CHANGES

3.1. Town Planning

Local Government Headquarters:	Gunnedah
Inquires made of Council:	Feb, June and Oct 2015 by Tom Donoghue
Planning Instrument:	Gunnedah Local Environmental Plan 2012.

There have been a number of amendments to the Gunnedah Local Environmental Plan 2012 over the last 12 months. The first was amendment No. 3 which was published on the 12th of December 2014. It comprised of two changes of zoning to PID's 1849297 and 3492997. Both entries have been amended via supplementary action.

Amendment No. 4 was published on the 30th January 2015 and comprised of a single change of zoning to PID 1849226. This entry was amended via supplementary action.

Amendment No. 5 was published on the 17th April 2015 and comprises of a zoning boundary change between the zones RU1 and E3 to the south of Gunnedah in a rural/ rural lifestyle area. A number of entries were amended via supplementary action.

Amendment No. 6 was published on the 17th April 2015. This amendment was in relation to the zoning change for PID 3492997, also mention above in amendment 3.

Amendment No.7 was published on the 26th June 2015 and comprised of a zoning zone of new PID 3875454. The zoning was changed from SP2 and RE1 to IN1 General Industrial. This land value has been addressed via supplementary action.

The Gunnedah Shire Council are very good to deal with and provide all necessary information when requested.

The Gunnedah Local Environmental Plan 2012 came into affect on the 29th of June 2012. Generally, the zoning remained similar to the old plan with some slight alterations. The residential components have remained similar with a few fringe properties changing for the better. There were a number of special use zoned properties that have been zoned R2 which will now allow for residential development. The village zones have remained similar to the previous gazettal, with only minor adjustments to fringe entries. In the village of Curlewis, the old industrial zone has been changed to village and this has altered values greatly along one Street.

The old 1(c) zone has now become R5 which includes land that can be subdivided to 1.2 hectares but also within this zone there is a section of land just on the eastern fringe of town that can be split to a minimum of 3,000 m2.

The industrial sector has been split into two zones, one being General Industrial and the other Heavy Industrial. The Tannery on the western edge of town has been rezoned to Heavy Industrial which was previously zoned rural.

The Business zones are split into 3 main zones and cover the same areas pre the new LEP. The old plan only had 2 business zones.

There has been a new small rural holding zone created called RU4 which allows subdivision to 10 hectares. This has replaced the old 1(b) zone which allowed 40 hectares parcels to be subdivided.

The main rural zoning which incorporates the majority of the shire has remained the same and allows subdivision to a minimum of 200 hectares.

The most significant change that comes about from the implementation of the new LEP is the loss of existing holding dwelling entitlements to smaller allotments that don't meet the minimum subdivision requirements. This has been a State wide change and will impact greatly on the value of these smaller allotments that in the past could have been built on.

4. SIGNIFICANT ISSUES / DEVELOPMENTS

4.1. GENERAL OVERVIEW

Gunnedah shire has experienced some significant developments and contentious issues over the past twelve months. The changes as such, have been widely spread across several sectors of the shire, many in fact polarising community members.

The mining sector has advanced in the region with the official opening of Whitehaven's Maules Creek Mine. Mining operations are now in extraction phase with the first saleable coal removed two months ahead of schedule, which was originally planned for March 2015. Whilst these mines are located within the Narrabri Shire, there is a direct impact on Gunnedah with the majority of the workers and their families, living locally. The mine is expected to employ approximately 450 people at full capacity. Coal activists continue to actively protest at the mine sites, causing WH & S concerns for the companies.

Whitehaven Coal has announced plans to sell up to a 20 to 30 percent share in its Gunnedah Vickery Mine after it is approved by the State Government.

Shenhua Watermark Planning Assessment Commission review has found the mine "approvable" subject to a number of conditions and further groundwater modelling. Many local farmers and community members are still adamantly against the location of the mine in the Liverpool Plains district and the possible dust contamination and interference with natural aquifers.

Gas company Santos remains focused on the Pilliga area. The Gunnedah office, which was only refurbished and opened in 2012, still has only two staff and visiting field officers.

The feed mill on Mary's Mount Road is nearly complete with construction well under way. The mill will operate 24 hours a day, seven days a week and will have the ability to process approximately 28,000 tonnes of agricultural product per year.

Gunnedah Shire Council announced last year the local pool facilities will receive a \$7,800,000 upgrade, including the widening of the Olympic pool to eight lanes with a wet deck, a children's wading area waterpark, a renewed front entrance and kiosk area, change facilities and improvements to the heated pool. The entire complex's filtration system, which services all pools, will also be renewed. The design tender has been awarded to architectural company GHD Pty Ltd, with the construction phase originally scheduled to commence in early 2015. This project has not commenced as planned.

Aldi has opened in Gunnedah's main street. The local Woolworths supermarket has purchased an adjacent block and demolished a building to extend their carpark quite extensively.

The introduction of mine employees and their families and the influence this has on Gunnedah is particularly evident, with retail strong, real estate remaining firm and educational institutes reporting a large influx of admissions.

The retirement village that will be located on Kamilaroi Road and Pearson Street, has been approved and is going ahead.

Works continue on the rail system through and around Gunnedah. There have been rail loops installed in the last 12 months along the line between Gunnedah and Werris Creek. The rail overpass has started with Gunnedah Shire Council constructing one of the main new roundabouts

on the intersection of Conadilly and Warrabungle streets. Boom gates at railway crossings in Gunnedah have been installed, which now allows trains to travel at a faster rate through town.

Last year saw the relocation of the local Visitors Information Centre (VIC), moving from the purpose built location in South Street to a section of the Mooki Room in the Civic theatre in downtown Chandos Street. The tumultuous decision, which divided the local councillors created great uproar in the town, with over 5,000 people signing a petition against the move. A silent protest was also organised in a bid to cease council work on the road works in Chandos Street, which now has one block in the cultural precinct being a one way route. Despite persistence from a section of the community, the relocation is now complete and the old VIC site remains vacant.

4.2. DEVELOPMENT APPLICATIONS

DA figures for the period July 2013 – June 2015 of applications determined are as follows.

ITEM	12/13		13/14		14/15	
DA's	183	\$55,412,205	142	\$41,992,453	206	\$39,038,242
Residential	82	\$23,022,874	52	\$15,056,427	135	\$33,655,268
<i>Single</i>	62	\$18,618,582	48	\$14,796,427	39	\$12,141,555
<i>Multi, Flats, Dual</i>	20	\$4,404,292	4	\$260,000	8	\$1,145,000
<i>Alts & Additions</i>					44	\$1,585,067
<i>Res Outbuildings and Seniors</i>					44	\$13,665,285
Rural	16	\$5,427,399	19	\$4,889,178	33	\$6,059,344
<i>Residential</i>	16	\$5,427,399	19	\$4,889,178	27	\$5,118,361
<i>Rural alts sheds other</i>	6	\$82,080	3	\$255,000	17	\$1,374,803
Commercial	35	\$24,995,760	19	\$21,125,500	9	\$1,785,000
Industrial	11	\$6,394,000	10	\$1,982,000	7	\$2,653,000
Subdivisions	81	\$3,343,000	67	\$Not available		\$Not available

5. MAIN FEATURES OF THE MARKET & SIGNIFICANT SALES

5.1. MARKET ACTIVITY AND DRIVERS

5.1.1. Residential

Due to increased mining activity within the Gunnedah district over the last decade, the property market has performed strongly, attracting investor interests and local demand after positive press on the back of the growth within the mining and associated industry sector.

The first and second quarters of 2015 has opened up at similar rates to last year with a steady flow of sales and value levels maintained. Available rental properties have increased on the back of declining jobs within the mining and associated sector. This has softened the rental market with over 80 homes and units available for rental in the town of Gunnedah.

Whitehaven Coal owned Maules Creek mine is now operational and looking to expand into 2016. Along with the expansion of Idemitsu at Boggabri and the start-up of Shenhua at Watermark later next year, Gunnedah is poised to continue benefitting from the mining industry through extra employment and housing/rental demand.

The residential components in Gunnedah received a factor of 1.0 across the board with the village of Curlewis receiving an average factor of 1.2 after verification. Carroll, Breeza and Mullaley received a factor of 1.0 with limited evidence to suggest any movement this year. Tambar Springs village received a factor of 1.2 on the back of some stronger vacant land sales.

5.1.2. Business

The three business components were factored with a 1.0. The business component sales were quiet this year with no evidence to move values either way. These components all received a rise a few years ago which seems to sit them in the correct value range.

5.1.3. Industrial

The industrial components IND and IHV have had no increase receiving a factor of 1.0. There has been some good investor activity in this market with some good sales indicating static value levels across these components.

5.1.4. Rural

The larger rural property components have remained static this year after good rises over the last decade. The market has reached a ceiling in values and demand has steadied. Commodity prices and seasonal conditions have improved into 2015 along with a softening Australia Dollar and record low interest rates. Agents are reporting that there is some good interest but at the time of writing, there is no detectable moving to suggest any increase at this point in time.

The mine related purchasers have now all but finished with most sellers to the mine having reinvested back into the market or elsewhere. This has propped up our rural market over the last few years creating a new line of purchases all competing for properties in the same general area.

5.1.5. Rural Residential

The rural residential market has finally slowed after growing continuously over the last 5 to 6 years. We have reached saturation point in terms of available property for sale and this is causing a slowdown in the number of transactions with value levels remaining relatively stable. Components have received a factor of 1.0.

5.1.6. Hobby Farm

The hobby farm market is static also with sales indicating little to no growth. The better improved properties are still moving but are not as popular as they were two years ago. Values have remained static with a factor of 1.0 considered appropriate.

5.2. SIGNIFICANT SALES

There have been 18 arm's length sales of properties over the \$1,000,000 mark since the last Base Date. The majority of these sales are rural transactions with the number of transactions similar to last year. 3 of the rural sales have been sold to mining companies for offset country.

Our largest transactions has been the sales of the properties "Canarvon" and "Kairi" located in the Mullaley district. They have been purchased by Growth Farms along with another parcel of land that has yet to be confirmed. The two sales mentioned above total \$9,500,000.

The KFC site has been purchased on a net yield of 6.5% for \$2,282,500. This was externally advertised and purchased by a non-local.

5.3. SUMMARY OF TYPICAL VALUES

Component Code	Property & Type	Median Value
AAA	Average Residential West	\$67,000
AAF	Medium Density Residential	\$117,000
AAS	Better Residential	\$117,000
IND	Industrial	\$37/m2
BBA	Prime Commercial	\$235/m2
AAX	Village Curlewis – Residential	\$40,000
RBC	Black soil cultivation	\$3,800/ha
RMC	Mixed Soil Cultivation and Grazing	\$2,500/ha
RGA	Rural Mixed Grazing	\$1,550/ha

6. VERIFIED LAND VALUES

6.1. RISK RATING BASIS

Details of numbers and percentages of properties verified in each risk rating have been provided in the following table:

Code	Description	No.	Ver	%
1	CONTAMN		8	8
1	ENGLOBO		25	25
1	MINE		9	9
1	HIGHVALU		15	15
1	BENCHMRK		90	90
1	OBJECT		0	0
1	ANLYSALE		196	196
			343	343
				100%
2	COMMERCE		424	3
2	INDUSTRY		131	2
2	RURAL		901	85
2	HERITAGE		11	2
2	LVBASIS		203	83
2	ALLOWNCE		125	108
			1795	283
				15.8%
3	RESIDENT		4074	1981
3	OPNSPACE		44	11
			4118	1992
				48.4%

6.2. COMPONENT BASIS

The following list is of components reviewed as part of the annual program:

Code	Zone	Description	Review Date
AAX	RU5	VILLAGE OF CURLEWIS	01-Jul-15
RFA	R5	LARGE LOT RESIDENTIAL	22-Apr-15
SPB	SP2	INFRASTRUCTURE LAND	31-Mar-15
EEA	E3	ENVIRONMENTAL MANAGEMENT	31-Mar-15
TRA	RU6	TRANSITION LAND	31-Mar-15
AAS	R2	BETTER RESIDENTIAL AREA OF GUNNEDAH	30-Jan-15
AAB	RU1	RURAL FLOOD PRONE BLOCKS WITH EXISTING DWELLINGS	27-Nov-14

7. OBJECTION & REASCERTAINMENT

7.1. METHOD FOR REASCERTAINMENTS

Reascertainment will apply where values of either an individual or a cluster of parcels appear to be out of line with surrounding values. In the case of minor differences it will be adjusted within the next valuation program however in case of major errors details of the properties including a commentary as to why such re-ascertainment is needed be forward to the District Valuer for approval.

Our methodology used is demonstrated below, whereby a selected number of properties both within the towns and villages, have been used to support the vacant land sales.

7.2. METHOD FOR OBJECTIONS

Objections are identified by Govval when supplementary downloads are conducted. Land values amended on objection are identified with a Land Value Authority of 35B. Valuers have access to Valnet 2i where the objection reports can be obtained. When objections are identified, they are reviewed to determine their effect on land values including the grading and consistency with surrounding or similar properties. As part of the review process, holdings identified as having incorrect values are reascertained with correct values applied.

8. STATISTICAL ANALYSIS

8.1. OVERVIEW

A full statistical analysis is provided in the VAR Quality Control Report. The first of the checks is the co-efficient of dispersion (COD). This is used to measure the uniformity of land values relative to prices. In accordance with the standard of 0.15, all zones are within the statistical requirements as set out in the procedures manual.

The second statistical measure is the mean value price ratio. This measures the accuracy of values relative to sale price. The MVP standard is between 85% and 100% and in accordance with this, all zones are within the statistical requirements as set out in the procedures manual.

The third statistical measure is the price related differential (PRD) that measures the vertical equity of valuations i.e.: the extent to which high and low value properties are assessed uniformly relative to the sales data. The standard for PRD is a result between 0.98 and 1.03. All zones are within the statistical requirements as set out in the procedures manual.

9. SIGNIFICANT VALUE CHANGES

9.1. CHANGES FROM PREVIOUS YEAR

Summary of significant value changes which fall 40% outside of the actual factor variation of the component factor:

PID	COMMENTS
1852489	Land value has been reduced via verification. Small site of minimal value.
1852490	Land value has been reduced via verification. Small site of minimal value.
1854153	Tambar Springs SES shed. Previous land values too low. See sales of PID's 1854358 and 1854376.
1854342	Previous land values too low. See sales of PID's 1854358 and 1854376. Both are smaller and support a land value of \$15,000.
1854343	Previous land values too low. Improved larger residential property. See sales of PID's 1854358 and 1854376. Both are smaller and support a land value of \$10,000.
1851145	Property has been identified as an industrial use in a rural zone in the town of Gunnedah. Previous land value considered too low and out of line. Property has been valued as highest and best use as an industrial block subject to flooding in a RU1 zone. Analysed sale supports new land value. Valued under 6A(2). Additional sales evidence include PID's 1849984, 1851156 and 1851145.
1851136	Property identified as not having a dwelling entitlement. Adopted value reflects limited development potential. Land value supported by the older sales of PID's 1852342 and 1850008.

9.2. Changes from last GVal

It is not a General Valuation year for this LGA.

10. QUALITY ASSURANCE

10.1. OVERVIEW

In addition to statistical and data analysis the following quality control checks have been carried out to ensure quality is achieved in valuations and reporting.

Quality Control Checks	
All properties have been valued	Yes
The land values are consistent with each other	Yes
The land value basis has been correctly determined and recorded for each land value	Yes
All statutory concession valuations and allowances have been supplied, including:	Yes
- Allowances for profitable expenditure on and off the land under Section 14L of the Valuation of Land Act	Yes
- Subdividers allowances under Section 14T of the Valuation of Land Act	Yes
- Heritage Values under Section 125 of the Heritage Act	Yes
- Mixed Development and Mixed Use Apportionment Factors under Sections 14X and 14BBA of the Valuation of Land Act	Yes
- Coal Allowances under Section 14F(4) of the Valuation of Land Act	Yes
- Unutilised value allowances under Section 62K of the Land Tax Management Act	Yes
All land value apportionments have been provided and calculations are correct	Yes
Land values for those properties that have considerably higher values in relation to the average for a land use and land values of high risk properties have been reviewed and are correct. For example, regional shopping centres, large scale industrial and unit developments, large rural properties etc. The review procedures are to be provided if requested	Yes
Land values that result in substantial changes in valuation parities or unusually large value variations from the last valuations issued for either land tax or council rating have been checked and are correct	Yes
A broad range of market evidence has been analysed and provided in the market report as required by the Contract	Yes
Adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised	Yes
Analysed sale properties where the sales ratio does not lie within the range 0.85 to 1.00 have been reviewed and an explanation provided as to why the current land value should be adopted	Yes
A zone/Component code integrity check has been made.	Yes
The current and proposed planning controls that affect the valuations have been taken into account	Yes
Where the land value of a property has been amended on objection or reascertainment, the alignment of values with surrounding properties, or properties of a similar property type, has been checked	Yes
Statistical checks and Component Data Tables have been prepared, reviewed and anomalies or results outside the specified parameters have been rationalised and reported	Yes
Land values have been compared to adjusted land values for analysed sales and anomalies have been addressed	Yes
Land values have been compared to all sale prices and anomalies have been addressed	Yes
Worksheets have been maintained on all properties where calculations are required	Yes

11. DISCLAIMER

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

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

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

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

Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report. The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

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



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GOVVAL PTY LIMITED

5th November 2015