



Final Report 2015
Murray Shire – District 068
Base Date 1 July 2015

LG
ValuationServices



Maps

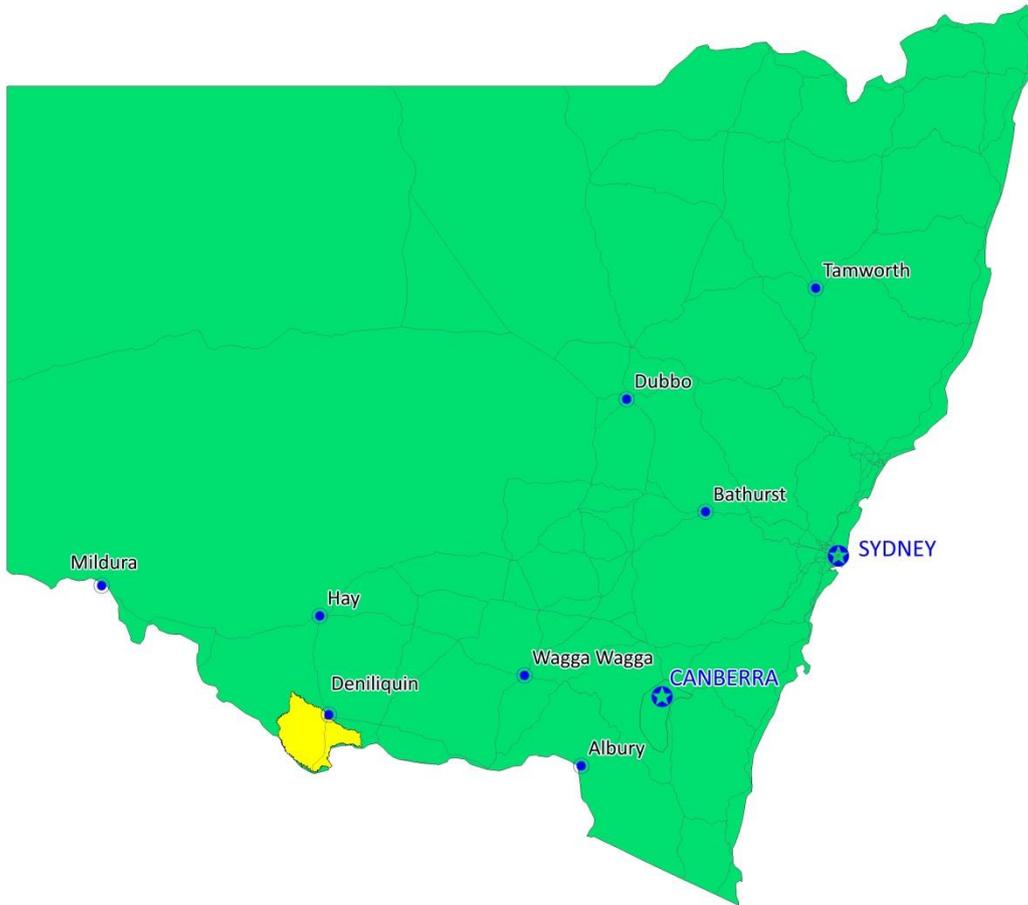


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Executive Summary

LGA Overview

Murray Shire is situated in the south west of the Riverina, approximately 220 kilometres north of Melbourne and 780 kilometres south west of Sydney. Murray Shire occupies an area of approximately 4,345 kilometres with a population of 7,312 (2012) with frontage to the Murray and Edwards Rivers.

The Murray Shire is a thriving agricultural area supported by irrigation as well as an ever increasing tourism and eco-tourism industry.

The Shire boasts a wealth of physical features including majestic sweeping plains, magnificent strands of Red Gum forests and is totally surrounded by the Murray River and its tributaries.

The towns of both Mathoura and Moama provide easy work opportunities for residents on both sides of the border.

Murray Shire consistently ranks as one of the fastest growing LGA areas in NSW with a growth rate of 1.2 per cent during 2009-2010.

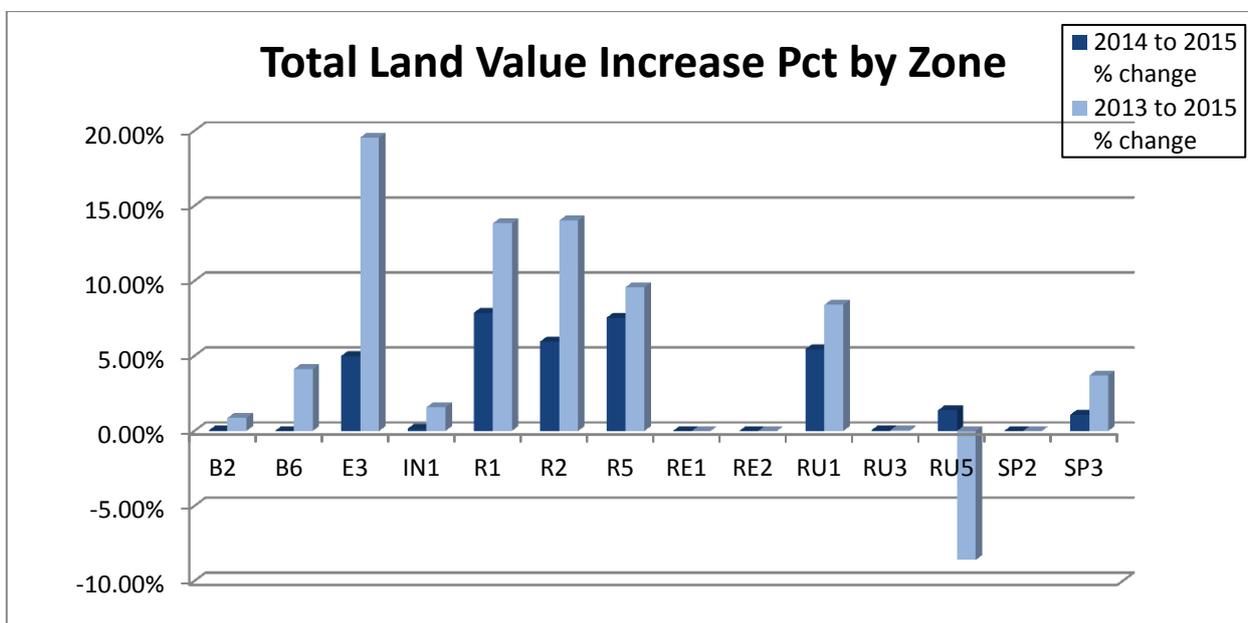
4,577 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Murray Shire property market has remained steady across all sectors with many experiencing a slight increase in values. The Murray Shire LGA is a well-regarded rural locality due to its proximity to major rivers, soils quality and climate.

Valuation changes in the local government area and percentage changes between the council valuation years of 1 July 2013 and 1 July 2015 are as follows;

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

Zone	Zone Code	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
Local Centre	B2	66	\$29,033,800	\$29,025,700	0.03%	\$28,783,700	0.87%
Enterprise Corridor	B6	43	\$6,237,700	\$6,237,700	0.00%	\$5,990,900	4.12%
Environmental Management	E3	132	\$41,853,900	\$39,861,185	5.00%	\$35,008,685	19.55%
General Industrial	IN1	184	\$20,591,900	\$20,561,160	0.15%	\$20,270,960	1.58%
General Residential	R1	1,655	\$249,138,000	\$230,943,790	7.88%	\$218,854,720	13.84%
Low Density Residential	R2	252	\$51,975,100	\$49,051,080	5.96%	\$45,582,000	14.03%
Large Lot Residential	R5	227	\$48,853,400	\$45,422,400	7.55%	\$44,582,400	9.58%
Public Recreation	RE1	3	\$558,000	\$558,000	0.00%	\$558,000	0.00%
Private Recreation	RE2	4	\$3,015,000	\$3,015,000	0.00%	\$3,015,000	0.00%
Primary Production	RU1	1,312	\$436,190,430	\$413,655,700	5.45%	\$402,357,670	8.41%
Forestry	RU3	26	\$224,860	\$224,720	0.06%	\$224,720	0.06%
Village	RU5	467	\$11,889,520	\$11,728,140	1.38%	\$13,007,480	-8.59%
Infrastructure	SP2	22	\$1,290,390	\$1,290,300	0.01%	\$1,290,300	0.01%
Tourist	SP3	184	\$24,019,200	\$23,759,200	1.09%	\$23,163,200	3.70%
Grand Total		4,577	\$924,871,200	\$875,334,075	5.66%	\$842,689,735	9.75%

Total Land Value at General Valuation 1 July 2015 = \$842,689,735
Total Land Value Based Date 1 July 2014 = \$924,871,200
Percentage change from 1 July 2014 to 1 July 2015 = 5.66 %
Percentage change from 1 July 2013 to 1 July 2015 = 9.75 %



State and local government legislation for Murray Shire

Murray Shire Local Environment Plan was implemented in 2012. There have been no amendments to the Local Environment Plan since that time. The plan is based on the standardised Local Environment Plan prescribed by the New South Wales legislation.

State and local government legislation for LGA

Zone Code	Zone Name	Number of Current Properties
B2	Local Centre	66
B6	Enterprise Corridor	43
E3	Environmental Management	132
IN1	General Industrial	184
R1	General Residential	1,655
R2	Low Density Residential	252
R5	Large Lot Residential	227
RE1	Public Recreation	3
RE2	Private Recreation	4
RU1	Primary Production	1,312
RU3	Forestry	26
RU5	Village	467
SP2	Infrastructure	22
SP3	Tourist	184
Total		4,577

General LGA Overview

Location of the District

The Murray Shire is situated in the Southern Riverina and borders the Murray River. The shire was settled by squatters following the route of the overlanders driving their stock between Sydney and Adelaide.

Murray was gazetted as a shire in 1906 and the Municipality of Moama was amalgamated into Murray in 1953.

The shire is 780 kilometres south of Sydney and 205 kilometres north of Melbourne.

The area covered by the Murray Shire today is unique in so far as it includes the Cadell Fault. This fault in the Murray River changed the course of the river about 30,000 years ago and traverses the area from north to south.

The shire consistently ranks as one of the fastest growing LGA areas in NSW with a growth rate of 1.2 per cent during 2009-2010. It is bounded by the local government areas of Wakool, Conargo, Deniliquin and Berrigan.

The area along the Murray River supports one of the largest River Red Gum forests in the world.

Mathoura

Mathoura is a small town in the south west of NSW and is the administrative centre of the Murray Shire. The town's name is derived from the Aboriginal word for 'windy'.

In the last century the village was made a stopping place for the Victorian rail line that was extended to Deniliquin.

It is a short drive north of Echuca/Moama and is the gateway to one of the largest Red Gum sustainable working forest, magnificent rivers, creeks, wetlands of international significance and many nature-based activities. The collectively known Barmah-Millewa Forest is home to hundreds of species of birds, animals, plants and trees and many aboriginal sites. Mathoura has arguably the best access in the region to the Murray River, with good dry weather roads and no high banks.

Moama

Moama is situated on the NSW side of the Murray River directly opposite Echuca (its twin city) on the Victorian side and they are connected by an ancient railway bridge structure.

At the 2011 census Moama had a population of over 5,500 people.

The town has recently seen a great resurgence with people moving to the region seeking a 'tree change' from Melbourne which is 2.5 hours drive away to the south.

Main Industries

Moama's population swells during holiday periods as it is a water playground on the Murray.

While the Murray Shire includes irrigated agricultural pursuits there is a massive increase in tourism and water sports and golfing tours in the area.

The shire has varying size agricultural properties which produce cereals, fruit and vegetable crops and orchard trees producing nuts.

Livestock farmed in the shire include cattle, pigs, sheep and lambs.

General Rural Overview

Activity in the Southern Riverina property market, which has been relatively subdued in recent years, has improved over the past 12 months. Prior to this period the market in this region had generally struggled following the drought.

For a time following the drought, primary producers were focusing on paying down debt incurred during the drought and in some cases replenishing stock numbers and/or fodder supplies.

During this period, some of the less efficient farmers were forced, or made the decision, to sell up. Given demand was low, prices reduced slightly in accordance.

More recently, good seasonal conditions and high cattle and commodity prices appear to be improving primary producer optimism and influencing reasonable demand for Southern Riverina rural properties.

This has resulted in farmers in certain districts looking to expand and increasing demand.

Cropping and Grazing

The market for good quality cropping and grazing land in the Southern Riverina has enjoyed steady growth over the past 3 years, with sound commodity prices, low interest rates driving competition for such holdings. Most competition has been observed to be between expansionist neighbours, who continue to seek additional economies of scale from their existing investment in plant and equipment. High quality cropping country is now at record levels through much of the Riverina, and similarly, high quality sheep country (as well as country versatile enough to run cattle) is also very strongly traded.

Opportunities for new entrants through this region are limited, due to few holdings of sufficient size to immediately be a viable stand-alone operation, being offered to the market.

Therefore, whilst values for well-located holdings of reliable country have strengthened appreciably, the very dry start to the 2015 summer created moderate market enthusiasm, and produced upward price pressure for the next 6 months.

Dairy

The market for irrigated dairy farms in Southern Riverina has been well traded over the last 12 months, despite some volatility in the farm gate milk price. Processors are still competing strongly for milk supply, and consequently there has been a rebound of confidence in the medium and long term future of the dairy sector. This is underpinned by a generally improved outlook for irrigation water supply, albeit now tempered by the prospect of a severe El Nino event, and rapid upward price pressure on temporary irrigation water. Most significant demand has centred around larger farms with good dairies, and multiple water sources. Competition for such holdings has seen values strengthen over the last 6 months. Agents report renewed levels of interest for large scale holdings, buoyed by the likelihood of a lower Australian dollar for the short to medium term, thus underpinning export demand for processed dairy product. The impacts of the recent free trade agreements with India and China, as well as the Trans-Pacific Partnership trade agreement are yet to materialise in property terms, but the net impact of these agreements are understood by the market to be positive for the dairy sector, further underpinning longer term confidence in the sector.

Market Overview and Sales of Particular Interest

Significant issues and developments

- Murray Shire has been found unfit for future as identified by IPART (Independent Pricing and Regulatory Tribunal) with suggestions they may have to merge with an adjoining shire to remain viable.
- Barber's Paddock Estate – 16.19 hectare englobo parcel - 150 lot residential subdivision to commence construction in early 2016. The property sold in September 2009 for \$1.7 million.
- February 2015 - Development application for 23 lot subdivision of Merool Road. Application approval pending.
- December 2014 – Development application for 97 lot subdivision (four stages) off Nicholas Drive. Application approval pending.
- November 2014 – Development application for a 53 lot subdivision and holiday resort Perricoota Road. Application approval pending.
- May 2014 – Development application for a 69 Lot low density residential subdivision (Constructed in three stages) on the corner of Winbi Avenue and Perricoota Road, Moama. Council approved.

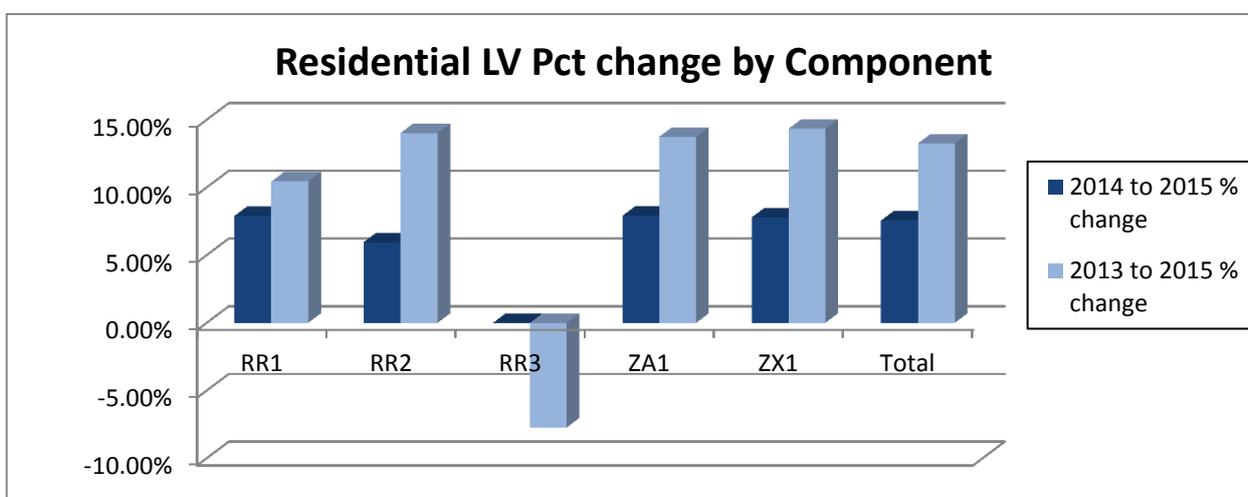
Significant value changes

- Overall Change – A full review of Murray River frontage properties has occurred with 79 properties in component EM1 and EM2 being handcrafted. These properties have received an increase generally of between 20% to 45% and are as a result of good sales evident of residential and rural residential properties with frontage to the river.

Summary of valuation changes to residential land

- Residential – The residential market in Moama has shown good steady growth of 7.90% over the past year. This following on from strong growth in 2013 and 2014. There have also been some very strong sales of Murray River allotments in 2015. These properties have been purchased by not only Melbourne buyers but with some local interest as well.
- The market for larger blocks surrounding Mathoura indicates no change from the previous revaluation due to no sales evidence. There are only 22 properties within this component.
- Sales within the new subdivisions component ZA1 have been strong with blocks selling between \$170,000 to \$210,000 depending on their size, location and proximity to Murray River.

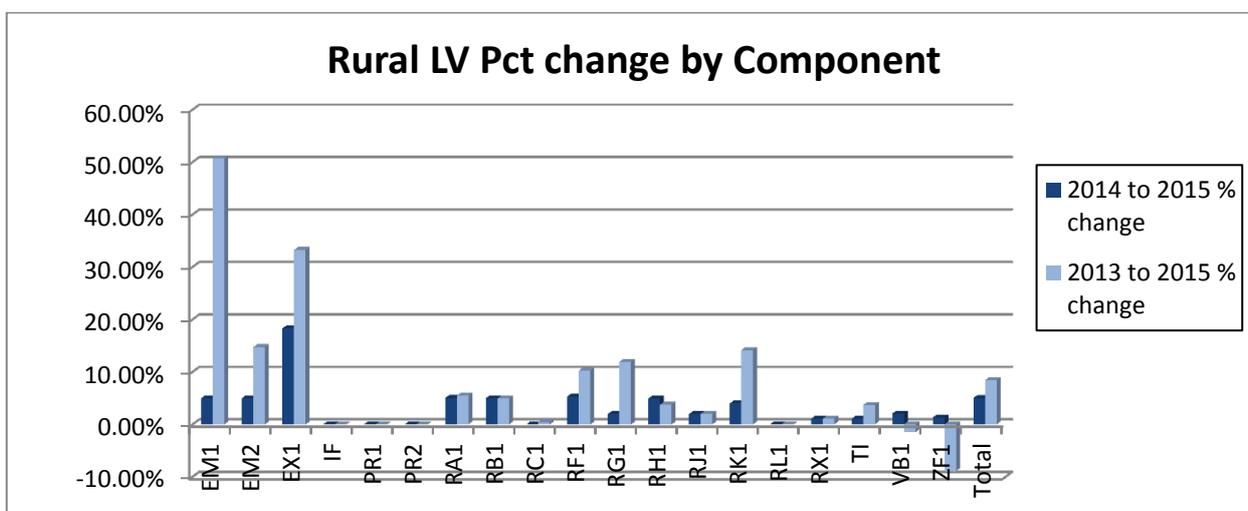
Code	Component	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
RR1	MOAMA - LARGE LOT RESIDENTIAL	205	\$46,915,000	\$43,484,000	7.89%	\$42,482,000	10.44%
RR2	MOAMA - LOW DENSITY RESIDENTIAL	252	\$51,975,100	\$49,051,080	5.96%	\$45,582,000	14.03%
RR3	MATHOURA - LARGE LOT RESIDENTIAL	22	\$1,938,400	\$1,938,400	0.00%	\$2,100,400	-7.71%
ZA1	MOAMA - RESIDENTIAL	1,522	\$208,868,300	\$193,580,760	7.90%	\$183,632,040	13.74%
ZX1	MOAMA URBAN EXCEPTIONS	133	\$40,269,700	\$37,363,030	7.78%	\$35,222,680	14.33%
Total		2,134	\$349,966,500	\$325,417,270	7.54%	\$309,019,120	13.25%



Summary of valuation changes to rural land

- Rural – There has been limited sales evidence within this market over the past 12 months. The sales that have been analysed indicate an increase of approximately 5% across all agricultural markets within Murray Shire. Similar increase has been applied in adjoining shires of Berrigan, Conargo and Wakool.
- Rural Residential – As previously noted, properties with Murray River frontage have had a full review and with significant sales evidence this component has increased by 18.31%. There are a number of properties within this district that are on the market with good demand; we expect continued growth within this sector.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
EM1	MURRAY RVR. H/SITES, FARMLETS - PICNIC POINT	31	\$7,036,900	\$6,701,800	5.00%	\$4,667,800	50.75%
EM2	MURRAY RVR. H/SITES, FARMLETS - MOAMA	101	\$34,817,000	\$33,159,385	5.00%	\$30,340,885	14.75%
EX1	MURRAY RVR. HOMESITES/FARMLETS<150HA	81	\$64,577,200	\$54,582,700	18.31%	\$48,460,200	33.26%
IF	INFRASTRUCTURE - ROADS, RAILWAY, CEMETERY	22	\$1,290,390	\$1,290,300	0.01%	\$1,290,300	0.01%
PR1	PUBLIC RECREATION	3	\$558,000	\$558,000	0.00%	\$558,000	0.00%
PR2	PRIVATE RECREATION	4	\$3,015,000	\$3,015,000	0.00%	\$3,015,000	0.00%
RA1	DENIBOOTA IRRIGATION DISTRICT	279	\$110,662,000	\$105,339,450	5.05%	\$104,931,150	5.46%
RB1	DRY CROPPING	230	\$71,764,000	\$68,342,220	5.01%	\$68,398,420	4.92%
RC1	JOINT WATER SUPPLY PROP.	232	\$76,408,960	\$76,383,990	0.03%	\$76,058,890	0.46%
RF1	EDWARD RIVER FARMLETS/LIFESTYLE BLKS.	56	\$20,180,380	\$19,158,620	5.33%	\$18,298,620	10.28%
RG1	BULLATALE GRAZING/CROPPING	52	\$41,354,140	\$40,543,330	2.00%	\$36,936,000	11.96%
RH1	MOAMA FARMLETS < 150HA	141	\$33,706,200	\$32,112,560	4.96%	\$32,477,560	3.78%
RJ1	MATHOURA FARMLETS < 150HA	34	\$3,298,400	\$3,233,620	2.00%	\$3,233,620	2.00%
RK1	DENILIKUIN FARMLETS < 150HA	41	\$4,620,100	\$4,442,350	4.00%	\$4,046,350	14.18%
RL1	STATE FOREST LEASES	26	\$224,860	\$224,720	0.06%	\$224,720	0.06%
RX1	RURAL EXCEPTIONS	166	\$9,619,050	\$9,516,860	1.07%	\$9,516,860	1.07%
TI	TOURIST INFRASTRUCTURE	184	\$24,019,200	\$23,759,200	1.09%	\$23,163,200	3.70%
VB1	VILLAGE OF BUNNALOO/WOMBOOTA	59	\$487,900	\$478,060	2.06%	\$495,260	-1.49%
ZF1	VILLAGE OF MATHOURA	408	\$11,401,620	\$11,250,080	1.35%	\$12,512,220	-8.88%
Total		2,150	\$519,041,300	\$494,092,245	5.05%	\$478,625,055	8.44%



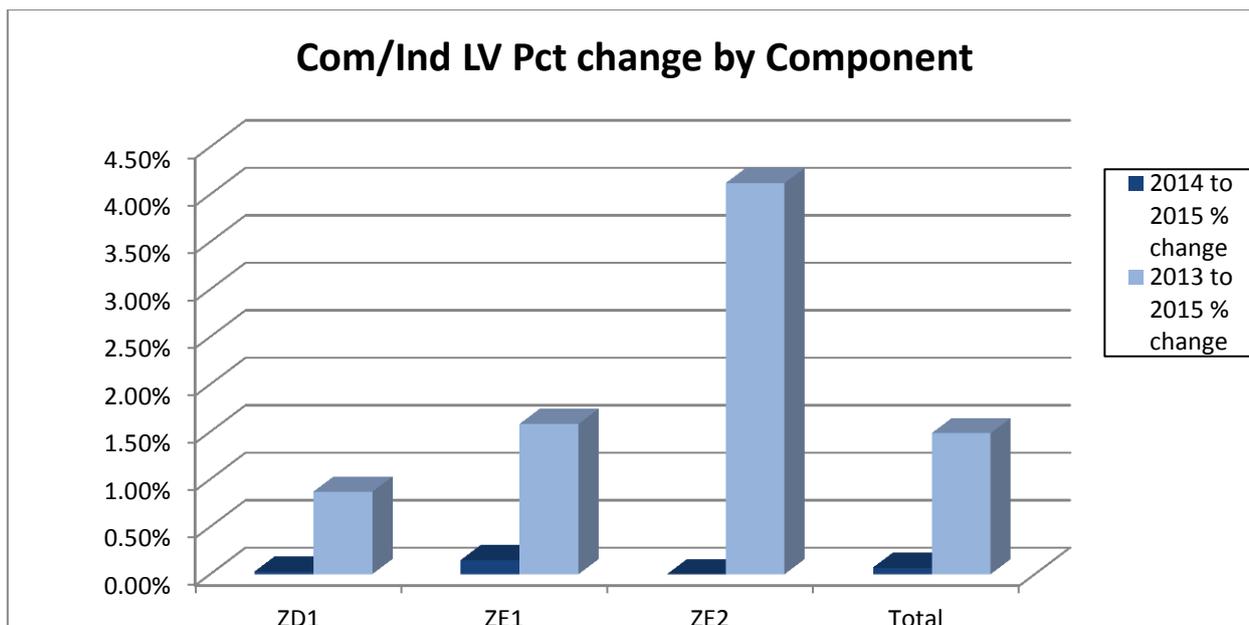
Summary of valuation changes to commercial land

- Commercial – There has been very limited sales evidence of commercial properties throughout the Murray Shire. The market within this sector has remained flat.
- Recently the Tattersalls Club Hotel in Mathoura has been purchased and has reopened. The IGA in Mathoura reopened in October 2015 after an extended period of closure. The bakery was recently purchased by the owner of the IGA and is now tenanted and has reopened as Popples Bakery & Coffee Shop.
- Additional commercial sales include a good number of boat moorings, primarily located at “Deep Creek Marina” that indicate levels of value ranging from \$50,000 to \$75,000. The majority of these sales trade with a house boat with sale on a “walk in walk out” bases.
- Mooring connected with private residential/rural residential sale of properties with Murray River Frontage have been analysed and indicate that their added value is approximately \$150,000, depending on access to river and whether they adjoin a jetty.

Summary of valuation changes to industrial land

- Industrial – There has been six good market transactions within the Moama Industrial Estate over the past 12 month. The evidence indicates that a 15% increase was required in what is generally an inactive market. Two of the sales adjoined Byford’s construction plant with future development of these block planned.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
ZD1	MOAMA BUSINESS	66	\$29,033,800	\$29,025,700	0.03%	\$28,783,700	0.87%
ZE1	GENERAL INDUSTRIAL - MOAMA	184	\$20,591,900	\$20,561,160	0.15%	\$20,270,960	1.58%
ZE2	INDUSTRIAL - MOAMA BUSINESS PARK	43	\$6,237,700	\$6,237,700	0.00%	\$5,990,900	4.12%
Total		293	\$55,863,400	\$55,824,560	0.07%	\$55,045,560	1.49%



Evidence of Statistical Checks (COD, MVP, PRD) and Comparison of Average Value Changes (COACV)

Zone Code	Zone Name	Number of Current Properties	Number of Market Sales	COD	MVP	PRD	COACV
B2	Local Centre	66	1	0	94.53	1.00	0
B6	Enterprise Corridor	43	2	30.87	72.94	1.14	0
E3	Environmental Management	132	1	0	99.78	1	-13.84
IN1	General Industrial	184	3	4.36	100.2	0.98	13.39
R1	General Residential	1655	37	3.96	99.68	1.04	-3.88
R2	Low Density Residential	252	25	3.34	96.17	1.04	2.97
R5	Large Lot Residential	227	5	1.71	97.37	1.01	3.4
RE1	Public Recreation	3	0				
RE2	Private Recreation	4	0				
RU1	Primary Production	1312	5	2.38	97.12	0.99	2.40
RU3	Forestry	26	0				
RU5	Village	467	11	4.17	95.68	1	9.79
SP2	Infrastructure	22	0				
SP3	Tourist	184	0				

a) Coefficient of Dispersion (COD)

The COD is used to measure the uniformity of land values relative to prices (sales). The COD is a measure of the accuracy of the grading within a zone, component or group of properties. Therefore if value levels are inconsistent the variation between those values and the sales evidence used will be outside the required parameter.

b) Mean Value Price Ratio (MVP)

The MVP measures the accuracy of values relative to sales price. It is calculated by dividing, in each instance where there is an analysed sale of land, the land value by the adjusted land value at the valuation date, aggregating the results and dividing the total by the number of analysed sales, then expressing the result as a percentage.

c) Price Related Differential (PRD)

The PRD measures the vertical equity of valuations, that is the extent to which high and low valued properties are assessed uniformly relative to the sales data. A low PRD indicates the valuations are progressive, that is high valued properties, are over-valued in relation to low valued properties, whereas a high PRD indicates the values are regressive, that is high valued properties are under-valued relative to low valued properties.

Overview of Quality Assurance Process

LG Valuation Services has been provided with a detailed Valuation Analysis Report from NSW LPI, which details the Quality Assurance Process of Contractors and outlines the Verification process and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and lists of high value and high risk properties will also be provided in the Valuation Analysis Report. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value basis' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or re-ascertainment process will be individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 6.6.2.

1 July 2015 Quality Statement

Quality Check	Yes/No
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: Allowances for profitable expenditure on and off the land under Section 14L of the Valuation of Land Act Subdividers allowances under Section 14T of the Valuation of Land Act Heritage Values under Section 125 of the Heritage Act Mixed Development and Mixed Use Apportionment Factors under Sections 14X and 14BBA of the Valuation of Land Act Coal Allowances under Section 14F(4) of the Valuation of Land Act 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
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
All land values are able to be supported by market evidence	Yes
The annual verification program requirements, including percentages of properties verified per risk rating, has been completed and correct risk codes have been applied.	Yes
Where applicable, all internal quality assurance processes identified within Part D of the contract (Tender Response) have been undertaken	Yes

I certify that the above information is an accurate account of the activities undertaken, reviews completed and quality control checks in place for Murray Shire.

Author

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13 November 2015

Disclaimer – Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Murray Shire. 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 valuation 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 enquires 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.