



# ASPECT

## PROPERTY CONSULTANTS

# Final Report

*FORBES LGA*

*Contract 993731*

*Base Date July 2015*

# 1. Executive Summary

## 1.1. LGA Overview

Forbes LGA is located in the Central West region of New South Wales, and is located about 380 kilometres west of Sydney. Forbes LGA is bounded by the Parkes LGA to the north, the Cabonne and Cowra LGAs to the east, the Weddin LGA to the south and the Lachlan and Bland LGAs to the west.

Forbes LGA has a population of approximately 9,170 people according to the 2011 Census of which the majority live in Forbes (7,560). The LGA has a number of small rural localities including Bedgerebong, Ootha, Wirrinya, Daroobalgie and Garema.

## 1.2. Number of Properties Valued This Year and the Total Land Value in Dollars

The Forbes Local Government Area (LGA) comprises Residential, Rural, Commercial, Industrial, Infrastructure, Environmental, Forestry, Tourist and both Public and Private Recreation zones.

5,378 properties were valued at the Base Date of 1 July 2015, and valuations are reflective of the property market at that time. Previous Notices of Valuation were issued to owners for the Base Date of 1 July 2013. In general terms the Forbes LGA property market has remained relatively stable across most over the last 2 years.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2013 and 1 July 2015 and the Land Tax Valuation year of 1 July 2014 are as follows:

Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Land Value (2014)	% Change	Prior Local Government Valuation (2013)	% Change
Commercial	B2, B5	285	\$20,562,780	\$20,558,080	0.02%	\$20,558,080	0.02%
Environmental	E3	28	\$687,760	\$654,560	5.07%	\$654,560	5.07%
Industrial	IN1, IN2	142	\$10,703,150	\$11,252,150	-4.88%	\$11,252,150	-4.88%
Residential	R1, R5	3,024	\$190,145,600	\$186,284,850	2.07%	\$185,643,750	2.42%
Recreation	RE1, RE2	37	\$1,330,900	\$1,328,540	0.18%	\$1,328,540	0.18%
Rural	RU1, RU4, R	1,818	\$530,669,924	\$529,847,894	0.16%	\$527,919,894	0.52%
Forestry	RU3	4	\$332,869	\$332,869	0.00%	\$332,869	0.00%
Village	RU5	10	\$6,500	\$6,500	0.00%	\$6,500	0.00%
Infrastructure	SP2	23	\$1,265,070	\$1,265,070	0.00%	\$1,265,070	0.00%
Tourist	SP3	1	\$24,200	\$24,200	0.00%	\$24,200	0.00%
<b>Total</b>		<b>5,378</b>	<b>\$755,928,253</b>	<b>\$751,754,213</b>	<b>0.56</b>	<b>\$749,185,168</b>	<b>0.90%</b>

### 1.3. State & Local Government Legislation for LGA

The Forbes Local Environmental Plan 2013 gazetted 9 August 2013. There has been 1 amendment made to the current LEP since the previous valuation, it is:

**2015 No 15**     Statute Law (Miscellaneous Provisions) Act 2015. Assented to 29.6.2015.  
Date of commencement of Sch 3, 15.7.2015, sec 2 (3).

The Forbes Local Government Area is governed by the Forbes Local Environmental Plan 2013 (LEP). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation. There is a section in the current LEP labeled as 'deferred matter' and is under the previous LEP, being the Forbes LEP 1986.

### 1.4. Market Overview and Sales of Particular Interest

Aspect Property Consultants have undertaken significant analysis of the Forbes district property market to provide an accurate and reliable basis of valuation. 147 market indicator sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the value levels adopted across components. Analysed sales reports are provided to Land and Property Information on a consistent basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. Aspect Property Consultants undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In the Forbes LGA there have a small amount of re-sale of properties; they generally indicate stable land values with only certain rural residential areas showing an increase over the period. Rural properties have remained relatively stable throughout the year. The Forbes commercial market has remained stable. Values generally remain stable since last years base date and feasibility studies that were carried out also reflected this.

Examples of analysed sales and re-sales,

- Residential:
  - PID 1247007 – 25/7/2013 (\$95,000), 8/12/2014 (\$103,000). The property was better presented and updated between sales.
  - PID 1247414 – 18/2/2014 (\$77,000), 5/6/2015 (\$125,000). The property has been extensively renovated since the prior sale.
  - PID 1247604 – 18/6/2014 (\$285,000), 29/4/2015 (\$290,000). Indicates values have remained relatively stable in Forbes.
  - PID 1248863 – 3/4/2013 (\$295,000), 23/3/2015 (\$310,000). Indicates values have remained relatively stable in the Powter Street locality of Forbes.
  - PID 3445110 – 19/7/2013 (\$41,000), 10/9/2014 (\$42,000). Indicates values have remained stable in Forbes.
  
- Rural residential:
  - PID 3632491 – 28/3/2013 (\$600,000), 17/2/2013 (\$695,000). The sale shows an increase in well improved smaller rural lifestyle properties located relatively close to Forbes.

## 1.5. Significant Issues and Developments

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

## 1.6. Significant Value Changes

### Summary of Valuation Changes to Residential Land

#### ***Changes since Previous General Valuation (2013)***

The Forbes residential market has remained relatively stable since the last General Valuation in 2013. The sought after, popular Camp Hill locality in south Forbes is the exception as it was increased by approximately 10% in line with vacant land sales and analysed cottage sales. The Powter Street locality saw a decrease over the period with vacant land sales showing a reduction of approximately 7%. All other residential areas have remained stable along with rural residential properties immediately surrounding Forbes, which were increased slightly by 2% over the period.

#### ***Changes since Previous Valuation Year (2014)***

Sales volumes have remained stable over the last twelve months, as have land values throughout the majority of residential areas in Forbes.

The sought after, popular Camp Hill locality in south Forbes is the exception as it was increased by approximately 10% in line with vacant land sales and analysed cottage sales over the last 12 months.

## Summary of Valuation Changes to Rural Land

### ***Changes since Previous General Valuation (2013)***

The Forbes LGA is a well regarded rural locality due to its good quality underlying soil types and cultivation country as well as alluvial flats and irrigation properties on the Lachlan River and in the Wyldes Plains locality. The most common rural land use in the Forbes LGA is cultivation and grazing as well as a significant number of smaller rural home sites and hobby farms.

The broad acre rural property market has been generally stable since the last general valuation, with components seeing varying movements over the two year period ranging from -0.54% to 2.92%. Lifestyle/hobby farms, rural-residential and rural retreat holdings throughout the LGA have also generally remained stable with components seeing varying movements over the two year period ranging from 0% to 1.69%.

Demand for rural holdings is predominantly from existing owners, or from nearby LGAs, looking to expand. If strong commodity prices, cattle prices and a lower Australian dollar continue as they are, demand will increase and will likely reflect in increased values in the future.

### ***Changes since Previous Valuation Year (2014)***

The rural property market over the past 12 months has remained predominantly stable for the majority of the Forbes LGA. The broad acre components saw varying movements over the 12 month period ranging from -0.42% to 0.21%. The Lifestyle/hobby farms, rural-residential and rural retreat components saw varying movements over the 12 month period ranging from 0% to 1.69%.

## Summary of Valuation Changes to Commercial Land

### ***Changes since Previous General Valuation (2013)***

The Forbes commercial market has recorded approximately 40 sales since January 2013. The sales indicate a stable market for the Forbes commercial sector. Commercial land values in Forbes have only very slightly increased by 0.03% over the last 2 years.

### ***Changes since Previous Valuation Year (2014)***

The Forbes commercial market has recorded approximately 10 sales since the 2014 base date, which is similar when compared to the previous base date. The sales indicate a relatively stable market in Forbes, with very little value movements over the last year.

## Summary of Valuation Changes to Industrial Land

### ***Changes since Previous General Valuation (2013)***

The Forbes industrial market had approximately 20 sales since January 2013. Land values over the period have also remained relatively stable. Industrial activity is fairly limited in Forbes due to low demand met with little supply, and as a result industrial value saw a decrease of approximately 5% for the two year period.

### ***Changes since Previous Valuation Year (2014)***

The Forbes industrial market had approximately 9 sales in the 2015 base date. Land values over the period have also remained relatively stable. Industrial activity is fairly limited in Forbes due to low demand met with little supply, and as a result industrial value saw a decrease of approximately 5% for the 12 month period.



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## 2. Disclaimer – Purpose of Report

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

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

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

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

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

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

More information on the valuation process is available from the Land and Property Information website at [www.lpi.nsw.gov.au/valuation](http://www.lpi.nsw.gov.au/valuation)

Liability limited by a scheme approved under Professional Standards Legislation.

## 3. LGA Overview

### 3.1. Location of the District

Forbes LGA is located in the Central West region of New South Wales, and is located about 380 kilometres west of Sydney. Forbes LGA is bounded by the Parkes LGA to the north, the Cabonne and Cowra LGAs to the east, the Weddin LGA to the south and the Lachlan and Bland LGAs to the west.

Forbes LGA has a population of approximately 9,170 people according to the 2011 Census of which the majority live in Forbes (7,560). The LGA has a number of small rural localities including Bedgerebong, Ootha, Wirrinya, Darroobalgie and Garema.

The Forbes LGA is predominantly rural in terms of employment, employing approximately 20% of the population. The agriculture sector also accounts for approximately 25% of the Gross Regional Product for the LGA as well.

### 3.2. Principal Towns

#### ***Forbes***

Forbes is the principal town in the Forbes LGA and is a farming and administrative centre with a population of 7,560 (2011) located in the Central West region of New South Wales. It is situated on the Newell Highway about 380km west of Sydney, 33km south of Parkes 118 km west of Orange.

### 3.3. Main Industries

The Forbes LGA is predominantly rural in terms of employment, employing approximately 20% of the population. The agriculture sector also accounts for approximately 25% of the Gross Regional Product for the LGA as well.

### 3.4. Significant Retail Centres

The Forbes Central Business Districts provide the main service centre for the Forbes LGA. Forbes is a regional town with ample services and amenities however there are a portion of the property in the north of the LGA which would travel to Parkes, or in the west of the LGA to Orange.

### 3.5. Type of Residential Development

The Forbes LGA contains mostly rural and residential properties, with the majority of the development located in and around Forbes. A smaller amount of residential development is located in Bedgerebong, Ootha, Wirrinya, Daroobalgie and Garema localities, however this is minimal.

The Forbes region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Forbes followed by a large number of such dwellings located in rural location on both hobby and larger farms. Forbes has a number of residential unit developments and townhouse style properties.

## 4. State & Local Government Legislation for the Forbes LGA

The Forbes Local Environmental Plan 2013 gazetted 9 August 2013. There has been 1 amendment made to the current LEP since the previous valuation, it is:

<b>2015</b>	No 15	<u>Statute Law (Miscellaneous Provisions) Act 2015</u> . Assented to 29.6.2015. Date of commencement of Sch 3, 15.7.2015, sec 2 (3).
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The Forbes Local Government Area is governed by the Forbes Local Environmental Plan 2013 (LEP). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation. There is a section in the current LEP labeled as 'deferred matter' and is under the previous LEP, being the Forbes LEP 1986.

The plan aims to make local environmental planning provisions for land in the Forbes Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Forbes Council has one development control plan in place that affects the subdivision and erection of dwellings throughout the entire LGA, which impacts on land values. Forbes Council has the Forbes Development Control Plan 2013 (DCP) that will apply to development across the Forbes LGA.

## 5. Market Overview & Sales of Particular Interest

### ***Residential and Villages***

The Forbes LGA contains mostly rural and residential properties, with the majority of the development located in and around Forbes. A smaller amount of residential development is located in Bedgerebong, Ootha, Wirrinya, Daroobalgie and Garema localities, however this is minimal.

The Forbes region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Forbes followed by a large number of such dwellings located in rural location on both hobby and larger farms. Forbes has a number of residential unit developments and townhouse style properties.

The Forbes residential market has remained relatively stable since the last General Valuation in 2013. The sought after, popular Camp Hill locality in south Forbes is the exception as it was increased by approximately 10% in line with vacant land sales and analysed cottage sales. The Powter Street locality saw a decrease over the period with vacant land sales showing a reduction of approximately 7%. All other residential areas have remained stable along with rural residential properties immediately surrounding Forbes, which were increased slightly by 2% over the period.

The Forbes LGA is predominantly rural in terms of employment, employing approximately 20% of the population. The agriculture sector also accounts for approximately 25% of the Gross Regional Product for the LGA as well.

### ***Commercial***

The Forbes commercial market has recorded approximately 40 sales since January 2013. The sales indicate a stable market for the Forbes commercial sector. Commercial land values in Forbes have only very slightly increased by 0.03% over the last 2 years.

### ***Industrial***

The Forbes industrial market had approximately 20 sales since January 2013. Land values over the period have also remained relatively stable. Industrial activity is fairly limited in Forbes due to low demand met with little supply, and as a result industrial value saw a decrease of approximately 5% for the two year period.

***Rural Locations within the LGA***

The Forbes LGA is a well regarded rural locality due to its good quality underlying soil types and cultivation country as well as alluvial flats and irrigation properties on the Lachlan River and in the Wyldes Plains locality. The most common rural land use in the Forbes LGA is cultivation and grazing as well as a significant number of smaller rural home sites and hobby farms.

The broad acre rural property market has been generally stable since the last general valuation, with components seeing varying movements over the two year period ranging from -0.54% to 2.92%. Lifestyle/hobby farms, rural-residential and rural retreat holdings throughout the LGA have also generally remained stable with components seeing varying movements over the two year period ranging from 0% to 1.69%.

Demand for rural holdings is predominantly from existing owners, or from nearby LGAs, looking to expand. If strong commodity prices, cattle prices and a lower Australian dollar continue as they are, demand will increase and will likely reflect in increased values in the future.

## 6. Significant Issues and Developments

### ***Significant Developments – From Prior to Current Annual Valuation***

Below is a summary of significant Development Applications. Most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

New developments/issues in discussion or underway include:

- Central Western NSW has seen an increase in local sales without the intervention of an agent due to recent conditions, strong commodity prices and low interest rates. Many farmers are looking to expand and in some cases are approaching neighbour's to purchase or are accepting neighbour's asking prices to buy.
- The Forbes LGA has been deemed 'unfit for future' as part of IPART's investigation into council amalgamations in NSW. Forbes council have said they have scheduled a meeting with Weddin council to talk about the process further before they make any decisions.
- The new Forbes hospital is set to open later this year after it received \$40.9 million for the construction of a brand new hospital in conjunction with Parkes. The hospital has taken approximately 3 years to build.
- The Forbes Central West Livestock Exchange received a \$220,000 expansion to allow it to hold an additional 30,000 sheep. The expansion comes in light of smaller stock yards decreasing in the market and seeing a centralisation of larger yards for convenience for larger buyers in the market.
- Forbes Mitre 10 is set to close its doors for the last time at the end of October after tough retail conditions caused by a down turn in trade and the opening of a large Bunnings Warehouse in the town which cannot support 2 major hardware stores.
- Clark Equipment will be moving into the Forbes industrial estate located at Daroobalgie, approximately 10km north of town. The business is set to create up to 100 jobs being a mix of locals and people moving to Forbes.
- Auslec are an international industrial electric supplier which operate in several companies over the world and employ approximately 1,300 Australians. They are moving to Forbes at the end of October, into the old Mitre 10 building once it vacates.
- Forbes council are starting a CBD heritage revival program through the reinstatement and refurbishment of historic verandahs, awnings and signage.



- In late 2014 council received 8 submissions for the purchase of vacant land at the Forbes Aerodrome after they advertised expressions of interest. The submissions are now being discussed with council to decide if all can be met.
- The subdivision and sale of 8 large vacant residential blocks in the popular Camp Hill locality showed an increase for land values in the area over the period. The area is well regarded and has not seen many vacant sales in recent times; therefore the blocks were received well in the market.
- Forbes council have received a grant to create a heavy vehicle bypass around the northern section of the town. The upgrade will see better access to the central west livestock exchange and allow longer vehicles access.
- Council are in the process of conducting an approximate 50 lot subdivision on Morton Street with blocks varying from 700 to 1,500m<sup>2</sup>. Council are currently in discussion with both real estate agents and the public to determine the best possible outcome for the development.
- Forbes council received funding from NSW Government for their Third Bore Project to improve water supply security for the area and assist with drought proofing. The project is expected to be completed by June 2016.

**Significant Developments – From Prior to Current Local Government Council Rating Valuation**

New developments/issues in discussion or underway include:

- The Forbes Homemaker Centre, constructed on part of the former Forbes Saleyard Complex, was opened throughout the year. The Homemaker Centre includes a large Bunnings store as well as a Spotlight store. This development has increased employment opportunities within the LGA.
- Australian solar thermal power innovation company Vast Solar announced in May 2014 that it had commenced construction of a pilot 1.1 MW concentrating solar thermal (CST) power plant near Forbes, NSW, known as the Jemalong Solar Thermal Station. Although the pilot plant will be primarily a research and demonstration plant, it will have an electrical output sufficient to power about 400 average homes and will bring significant economic benefits to the Forbes and broader Central West region, including employment, business tourism and use of local services such as engineering, accounting and construction services.
- Forbes Shire Council has announced they will construct a Pig Selling Facility near their existing state of the art livestock selling complex just north of the town.
- After speaking with the owners of the Forbes abattoir, Mayor Ron Penny is hopeful that they will one day soon be operating again, providing approximately 100 jobs to the area.

## 7. Significant Value Changes

### ***Significant Value Changes – From Prior to Current Annual Valuation***

The sought after, popular Camp Hill locality in south Forbes is the exception as it was increased by approximately 10% in line with vacant land sales and analysed cottage sales. All other components have not seen any significant value changes from the prior to current Annual Valuation. Value changes have occurred more consistently over the past 2 years since the previous General Valuation as outlined below.

### ***Significant Value Changes – From Prior to Current Local Government Council Rating Valuation***

Since the last General Valuation in 2013, most values have generally been stable with only small increases or decreases. This follows the same overall trend from the previous valuation year and supports that the current market levels are generally static.

The sought after, popular Camp Hill locality in south Forbes is the exception as it was increased by approximately 10% in line with vacant land sales and analysed cottage sales. The Powter Street locality saw a decrease over the period with vacant land sales showing a reduction of approximately 7%. All other components have not seen any significant value changes from the prior to current Local Government Rating Valuation.

## 8. Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of Aspect Property Consultants 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 is also provided in the Valuation Analysis Report. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value bases have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or reascertainment process were individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 6.6.1. Worksheets have been maintained on all properties where calculations are required. We have also ensured that adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

## 9. Author

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