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Final Report

Local Government Area of

Gwydir (300)

BASE DATE: 1 JULY 2015

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1. EXECUTIVE SUMMARY

1.1. SHIRE OVERVIEW

Agriculture is the major industry and land use in the shire. The soil types vary from some of the very best cultivation at Croppa Creek/North Star to more mixed type land uses at Warialda and Bingara, which are well suited to cultivation and cattle grazing.

The major towns are Warialda and Bingara, with the smaller centres being Warialda Rail, Cobbadah, Croppa Creek, Gravesend, North Star and Upper Horton.

1.2. VALUATION SUMMARY

Properties valued this year – 3,153

Total value of properties valued 2014 - \$1,282,782,950

Last Valuation Notice - 2013

Total value of properties valued 2013 - \$1,289,786,200

% change from 2012 to 2013: 0.5% decrease (as at 02/11/2014)

| Item | Number |
|---------------------------------------|---------------|
| Properties valued this year | 3177 |
| Last local government base date | 2012 |
| Total value of properties valued 2014 | 1,289,169,301 |
| Total value of properties valued 2015 | 1,289,576,610 |
| % Change from 2012 to 2015 | 0.03 |

1.3. SUMMARY OF CHANGE IN VALUES

1.3.1. Overall Change in Valuation and Reasoning

Increase in values by 0.03% due to some minor handcrafting of entries over the past 12 months, as part of our verification process. Refer to section 12.1 of this report.

1.3.2. Residential

Residential values across the Shire remained steady, with the majority of market indicators having a factor of 1.0. The volume of sales is relatively down, with markets remaining quite flat in line with difficult local economic and investment conditions.

1.3.3. Business

There have been restricted sales over the reporting period. As with the residential market, this market is experiencing a relatively low volume of sales, in line with difficult local economic and investment conditions. Those sales coming through show values are remaining steady, in line with the previous few years. These components have had a factor of 1.0 applied.

1.3.4. Industrial

There has been restricted sales evidence over the reporting period, similarly to the residential and business markets. This evidence indicates values are remaining steady.

Evidence is typically low, with very few industrial properties of this nature available in the shire. In line with the majority of components in this shire, these industrial components have had a factor of 1.0 applied.

1.3.5. Rural

There has been restricted sales evidence over the reporting period, with rural components generally remaining steady, with a factor of 1.0 applied. Refer to part 4.3.2 for further discussion.

1.4. QUALIFICATIONS

The executive summary is to be read in conjunction with the valuation information supplied in the following report together with the VAR Quality Control Report and Benchmark Report.



Paul Kelly
Director
GOVVAL PTY LIMITED



Jodie Nolan
Senior Valuer
GOVVAL PTY LIMITED

6th November 2015

2. SHIRE OVERVIEW

2.1. LOCATION

The Gwydir Shire is an amalgamation of Bingara and Yallaroi Shires and is situated some 550 kilometres North West of Sydney, on the North West slopes and Plains. It is an extensive Shire that runs from North Star and the Queensland Border to the north to the Horton Valley adjoining Tamworth Shire to the South. Other adjoining Shires include Moree Plains, Narrabri, Tamworth, Inverell, Guyra and Uralla. The Shire has frontage to the Macintyre, Gwydir and Horton Rivers, plus having frontage to various other streams.

2.2. TOWNS

The major towns are Warialda and Bingara, with the smaller centres being Warialda Rail, Cobbadah, Croppa Creek, Gravesend, North Star, Coolatai and Upper Horton. According to the 2011 Census, Gwydir has a population of 4,965 (ABS, 28/10/2015).

2.3. INDUSTRY

Agriculture is the major industry and land use in the Shire. Gwydir Shire varies in soil types like most regions, and comprises some of the North West's most reliable country in the Golden Triangle areas of Croppa Creek, North Star and north of Warialda. These areas generally grow both summer and winter grain crops, some of which is under spray irrigation. The middle to southern areas of the Shire also has large areas of cultivation, which are also sown to cash crops however in the main, cultivation is more likely to be sown to oats and forage crops for livestock.

The majority of the district now runs some form of cattle rotation, either as their primary operation or as a supplement to their farming program. The Shire in general has been more popular, due to the increased popularity in the cattle industry in general, with buyers for this area being both locals and people further afield looking primarily for safe mixed grazing country. Although the wool industry has remained quiet, the new breeds of easy to run meat sheep have also become more prominent in the area.

2.4. SIGNIFICANT RETAIL CENTRES

Being only a small rural shire the Gwydir towns contain no significant retail centres.

2.5. PROPERTY TYPES / RESIDENTIAL DEVELOPMENT

The property types for Gwydir is fairly standard with the majority of the usage being rural and residential with a sprinkling of commercial and few industrial.

Generally the residential properties are 1,012 m² and are mostly still part of the original surveys which occurred in the towns and villages some time ago. Also found throughout the Shire are small rural/residential properties. These are in the form of better smaller properties close to towns and rougher subdivisions, which are situated in more remote areas.

There is a limited amount of commercial and industrial property which is mainly found in Warialda and Bingara, this comprises basic commercial and rural service outlets.

There is some spray and flood irrigation found in the north of North Star/Croppa Creek area via bores and the Macintyre River, and along the Gwydir and Horton Rivers for both cash crops and fodder crops.

2.6. NUMBER OF VALUATIONS

The Gwydir Shire comprises the following break-up of valuations (as at 09/10/2015):-

| Zone | Number |
|-------------------------------------|--------|
| E1 National Parks & Nature Reserves | 2 |
| IN1 General Industrial | 3 |
| R5 Large Lot Residential | 50 |
| RE1 Public Recreation | 6 |
| RE2 Private Recreation | 2 |
| RU1 Primary Production | 1393 |
| RU5 Village | 1719 |
| Total Entries as at 09/10/2015 | 3175 |

3. LEGISLATION CHANGES / DETAILS

3.1. TOWN PLANNING OVERVIEW

Gwydir Shire Council is governed by the Gwydir Local Environmental Plane 2013 (enacted on the 30th August 2013). The LEP provides for a basic zoning framework including: E1 National Parks and Nature Reserves, IN1 General Industrial, R5 Large Lot Residential, RE1 Public Recreation, RE2 Private Recreation, RU1 Primary Production, RU5 Village. Most of the holdings are zoned Village making up for 54%, followed by Rural (44%) with the remaining 2% consisting of a combination of zoning types, as shown in the table above in section 2.6 of this report.

Aims of the Plan

(1) This Plan aims to make local environmental planning provisions for land in Gwydir in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

(2) The particular aims of this Plan are as follows:

(a) to encourage the proper management, development and conservation of environmental, economic and social resources in Gwydir,

(b) to facilitate economic growth and development consistent with the aim specified in paragraph (a) and that:

(i) minimises the cost to the community of fragmented and isolated development, and

(ii) facilitates the efficient and effective delivery of amenities and services, and

(iii) facilitates stimulation of demand for a range of residential, enterprise and employment opportunities and promotes agricultural diversity, and

(iv) utilises, where feasible, existing infrastructure and roads when considering new development and future potential development,

(c) to facilitate development in accordance with flood management planning,

(d) to facilitate development that is compatible with adjoining and nearby uses,

(e) to facilitate development that is appropriate in scale and type to the characteristics of the zone,

(f) to identify, protect and conserve places of European heritage significance and Aboriginal heritage and cultural significance,

(g) to identify, protect, conserve

The land use zones under the new LEP are as follows:

- Rural Zones: -RU1 Primary Production and RU5 Village
- Residential Zones:- R5 Large Lot Residential
- Industrial Zones:- IN1 General Industrial
- Recreation Zones:- RE1 Public Recreation and RE2 Private Recreation
- Environment Protection Zones:- E1 National Parks and Nature Reserves

3.2. SIGNIFICANT CHANGES TO THE LEP

The new LEP was gazetted 30 August 2013, which standardised LEPs across the State. As outlined previously the main changes included:

Warialda:

- The area just to the east of Warialda on the Gragin Rd and the Bingara Rd (western side of same, between Gwydir Hwy and Warialda Rail), as well as an area on the northern side of Long Street (Cnr Nicholson St), have been rezoned R5 Large Lot Residential from Rural.
- The northern fringe area of Warialda on the Coolatai Rd, which has been zoned IN1 General Industrial, from rural.
- Various properties on the fringes of Warialda which may have been formerly rural and now zoned RU5 Village.

Bingara:

- The area to the west of Bingara on the Elcombe Road, which has been zoned R5 from rural.
- Various properties on the fringes of Bingara which may have been formerly rural and now zoned RU5 Village.

Any changes to values to the impacted areas following this rezoning have been addressed through the verification process. The main valuation changes were made available to the LPI on 12 December, 2013. We will continue to monitor through our ongoing verification process.

Since this time there has been no changes to the LEP, according to the NSW Planning and Environment (www.leptracking.planning.nsw.gov.au, 21/10/2015).

4. SIGNIFICANT ISSUES / DEVELOPMENTS

4.1. GENERAL OVERVIEW

In 2015BD there has been no significant issues or development that may affect values. As with most small rural districts there has been very limited development in the Gwydir Shire. Significant new development approved in 2015 and planned for the future include a \$6,600,000 for the development of the Myall Creek Serpent Centre. Additionally there has been 14 approvals for residential dwellings and subdivisions (Gwydir Shire Council, 08/10/2015).

4.2. DEVELOPMENT APPLICATIONS

For 2014 Gwydir Shire had 35 development applications determined, with a value of \$2,735,045 (Gwydir Shire 29/09/2014). There has been an increase in the number and the value of the development applications over the 2015 BD, with there being 43 development applications determined, with a value of \$9,834,356 (Gwydir Shire 08/10/2015). This is down from BD2013, reflective of the flat conditions experienced across the majority of components. See market comments in section 6 of this report.

Significant development approvals since 2012 have been outlined in detail, in section 11 of this report.

MAIN FEATURES OF THE MARKET & SIGNIFICANT SALES

4.3. MARKET ACTIVITY AND DRIVERS

4.3.1. Village

In 2015 the villages have seen no real movement and experiencing a relatively low volume of sales.

Whilst there were no vacant land sales for commercial or industrial property, however there were fair market commercial improved properties sold, which support current values. The limiting factor for commercial markets remains similar to that of previous years, with generally low rentals limiting outside investor demand. The commercial centres of both Bingara and Warialda are exceptionally well presented and the majority of the commercial space is occupied. Residential markets have remained quite steady, with the majority of components showing a factor of 1.0. Refer to individual component reports for further details on same.

Markets across the Gwydir Shire are closely linked to the rural outlook. The rural sector continues to experience some difficult conditions, due to drier seasons and tightening credit conditions (see the Gwydir Rural market for further details).

Aside from economic drivers, property in Bingara and Warialda remains popular to live and retire. A large portion of the rural population appear to retire in their respective villages, which is having a positive and steady influence on these areas, as retired land holders are generally financially stable and prepared to invest time and money into their communities.

4.3.2. Rural

We have left the rural components at a factor of 1.0 this year, however in the proceeding few years we have reduced the majority of the rural components by 10 to 20% overall.

We have left the values the same, though we expect with some improvement in the mixed farm dynamics, values may even firm up for the next period.

Issues affecting the market at present:

- The seasonal conditions have improved significantly from our last reporting period, although the season has dried off in the second part of the season.
- Most property buyers are indicating that the banks are becoming harder and the approval process is taking longer. This appears to be a continuation of the credit crisis and a general tightening of the financial crisis.
- The price of grain and soft commodities has been low, however the price of beef and sheep have been strong. The largest rise has been in the price of cattle, which has seen cattle basically double in price, improving returns for the mixed property market.

The combination of the improvement in the seasonal conditions and cattle prices is improving returns and therefore improving demand for mixed type properties. We expect values may increase in the next 12 months if conditions continue.

Once again we expect the Golden Triangle market to move ahead of the other components, as the yields for this year's winter crop appear to be good. We anticipate this demand will once again pick up after harvest for good quality dryland.

4.4. SIGNIFICANT SALES

Significant sales that have impacted on market levels include:

| PID | Property Name/Address | Price | Locality | Area (Ha) | CD |
|--|---|--------------|-------------|-------------|------------|
| 3510792 | Myall Creek Station, 2450 Bingara Rd | \$9,250,000 | Myall Creek | 3,450.2Ha | 17/07/2014 |
| 3818922 (see also PID3652490 Moree Plains Shire) | Lutana, Newell Hwy | \$10,800,000 | Tulloona | 2,226.3Ha | 03/11/2014 |
| 3766422 | The Ranch, The Ranch Rd | \$12,771,000 | Yallaroi | 3,874.644Ha | 26/05/2015 |

The above schedule of analysed sales that have taken place in the Gwydir Shire where the purchase price was \$5,000,000 and above. Whilst there have been other high end sales, these have been investigated and are considered not representative of the market. Overall there has been a low volume of high end sales over the reporting period. Refer to rural market commentary in 4.3.2 of this report.

5. VERIFIED LAND VALUES

5.1. 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 | MINE | | 3 | 3 |
| 1 | HIGHVALU | | 25 | 25 |
| 1 | BENCHMRK | | 75 | 75 |
| 1 | OBJECT | | 12 | 12 |
| 1 | ANLYSALE | | 92 | 92 |
| | | | 207 | 207 |
| | | | | 100% |
| 2 | COMMERCE | | 73 | 73 |
| 2 | RURAL | | 939 | 939 |
| 2 | HERITAGE | | 20 | 20 |
| 2 | LVBASIS | | 80 | 80 |
| 2 | ALLOWNCE | | 18 | 18 |
| | | | 1130 | 1130 |
| | | | | 100% |
| 3 | RESIDENT | | 1849 | 1689 |
| 3 | OPNSPACE | | 4 | 4 |
| | | | 1853 | 1693 |
| | | | | 91% |

5.2. COMPONENT BASIS

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

| Code | Zone | Description | Review Date |
|------|------|---|-------------|
| BCW | RU5 | BUSINESS CENTRE WARIALDA | 10/02/2015 |
| ENP | E1 | NATIONAL PARKS ZONE | 30/06/2015 |
| PMP | RE1 | PUBLIC RECREATION | 22/12/2014 |
| PPR | RE2 | PRIVATE RECREATION | 19/01/2015 |
| PMP | RE1 | PUBLIC RECREATION | 22/12/2014 |
| RRF | RU1 | FARMLETS UP TO 10HA – THROUGHOUT SHIRE | 21/08/2015 |
| RRM | RU1 | MIXED FARMING – MAINLY BARRABA/ BINGARA AREAS | 07/07/2015 |
| RSF | RU1 | LIGHTER ARABLE & MIXED FARMING/ GRAZING | 15/07/2015 |
| VNS | RU5 | NORTH STAR VILLAGE | 10/02/2015 |

6. OBJECTION & REASCERTAINMENT

6.1. 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.

6.2. 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.

As at 2012BD there were 16 objections allowed. As discussed in the 2015 VAR, land values for objection holdings are within 15% of the applied component factor. We have also taken into consideration objections received at the last Government Valuation date.

The only exception to this is PID3159088 which has had the land value increased, following the fair market sale over the property (See the sale for further details).

7. STATISTICAL ANALYSIS

7.1. 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. Refer to Section 2 of the VAR report for further details.

The second statistical measure is the mean price ratio. This measures the accuracy of values relative to sale price. The MPV 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. Refer to Section 2 of the VAR report for further details.

The third statistical measure is the price related differential (PRV) 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 except for the following:

Whilst a component may meet a statistical requirements, those entries showing a variance of greater than 5% also have been commented on. This information has been taken from our BD2015 VAR report.

RU1 Primary Production

RGR – Grazing – Southern Section of Shire (MVP 102.8%)

PID 3756434

Property purchased by a nearby landholder. Whilst there is a difference between the adjusted land value as at the base date and the statutory land value, this is a strong sale which is still considered to provide market evidence. The underlying land value is considered appropriate. At this time, we are reluctant to adjust values upward, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before increasing this component.

PID3761046

Whilst there is a difference between the adjusted land value as at the base date and the statutory land value, this is a bearish sale and is still considered to provide some market evidence. The property was sold in December, which was much drier and at the time had a poor outlook for grazing and cattle. Following on from this sale, we have handcrafted the value down on the entry, based on this sale and the change in the breakup. The sale provides a real factor of 0.86.

NOTE: Since the BD2015 VAR report entry PID3761046 land value has been handcrafted down to the analysed land value and this statistic now meets MVP requirements.

RGT – Golden Triangle (Croppa Creek North Star) (MVP 89.2%, PRD1.10)

PID3766422

Property purchased by a local corporate with property in the area. Sale shows a factor 1.16, with the underlying land value considered appropriate. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

PID 3818922

Property was not listed openly. It sold to a group who have other property in the area and have since leased the country out. Strong sale. Market evidence. The underlying land value is considered appropriate. At this time, we are reluctant to adjust values upward, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

PID 3832876

Property was sold without an agent and sold to a neighbour, who had sold other land to the west and was consolidating his land in the North Star area. Strong sale. Market evidence. The underlying land value is still considered appropriate. As previously stated, we are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

RHC – High Country Cult & Graz E & SE**PID 2688988**

Sale showing a factor of 1.12. Market evidence. Land value has been verified, agreed by adjoining contractor, being a section 28 valuation.

RMF – Mixed Farm & Graz – Heavier Soils (Basalt) (PRD 1.08)**PID 2688427**

Property was dry at the time of the sale and was for sale for an extended period. Bearish sale. Market evidence. The underlying land value is still considered appropriate, as supported by the sale over PID3826480 (secondary evidence).

PID 2689011

Property was offered for Auction in 2014. Prior to this the Vendors wanted to sell and it was eventually sold to the neighbour to the south who has been expanding in recent years. Whilst the sale shows a 7% decrease in values from the 2009 sale, the property still sold well and the underlying land value is considered appropriate. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

PID 2689012

Property sold through an agent. Market evidence, showing a factor of 1.14. The underlying land value is considered appropriate. We are reluctant to adjust values

upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

PID 3854325

Property was on the market for around 2 years and following a price reduction it was sold to a local party. Strong sale. Market evidence. The underlying land value is still considered appropriate. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

RRM – Mixed Farming – Mainly Barraba/Bingara Areas (PRD 1.11%)**PID 1843676**

This is an internal sale, but confirmed as a fair market sale by a family member. Strong sale. Market evidence. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

PID 3509591

Property was sold due to some internal issues. Bearish sale. Market evidence, though treated with caution. We consider the underlying land value is appropriate. Following this sale the underlying land value has been handcrafted down and the sale shows a real factor of 0.95.

PID 3510792

This is a multi sale including PID3510792 & PID1856182. Property sold to a local family, with the agent confirming it was a fair market sale. Bullish sale. The underlying land value has been increased. Section 28 valuation.

RSF – Lighter Arable & Mixed Farming/Grazing**PID 2688462**

Mortgagee in Possession sale. Bearish sale. Sale has been considered as market evidence, though with caution. The underlying land value is considered appropriate. Supported by the sale over PID2688465.

PID 2688465

Property was sold through local agent after being for sale for approximately 2 years. Sold to a local who adjoined the property to the north. The purchaser bought the subject after a change in seasonal conditions. There was also other interest at the time of the sale. Market indicator. The underlying land value is considered appropriate. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

PID 3826482

This appears to be a split of a larger parcel of land which has been sold in two parts to separate buyers. The related entry is PID3826480. Bullish sale. Market evidence. The land value is considered appropriate. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season.

Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

**RSG – Light Red Sandy Soil Mainly Grazing & Timbered (MVP 89%)
PID 3674520**

The subject sold previously in March 2011 for \$180,000 2012, in October 2012 for \$255,000 and this time for \$319,000. We consider this is due to the improvements made to the property. Sale shows factor 1.12. Market evidence. The underlying land value is still considered appropriate. We are reluctant to adjust values upward at this time, as we have just come out of a prolonged dry season. Whilst current conditions are better, we would like to see this on a more ongoing basis, before doing so.

RU5 Village

**ABB – Bingara Residential
PID 1842872**

Whilst this sale was through an agent and a market evidence, we consider this to be a strong for the area. Following this sale the underlying land value has been handcrafted up (along with similar property to the surrounds). We do not consider this is reflective of the whole component, rather the area. The sale provides a real factor of 1.12. We will continue to monitor this component.

There has been only a relatively low sample of fair market sales and therefore sales that do not comply affect the outcome of the statistics.

8. SIGNIFICANT VALUE CHANGES

8.1. CHANGES FROM PREVIOUS YEAR

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

| PID | Notes |
|---------|--|
| 3159088 | There was an objection over this entry, with the owners estimated value of \$235,000 however objection contractor adopted \$160,000. Since this time there has been a sale over property, being a fair market sale. Following on from this, we have increased the underlying land value of the subject to \$230,000. Sale shows a real factor of 1.0 and therefore is in line with the component factor. |
| 3706288 | Fair market sale. Land value handcrafted up following the sale. Supported by the older sale over PID3746779. |
| 1843556 | Property value looked at individually, as part of recent verification of REX component. Value verified and reduced, in line with surrounding values of similar property. Small isolated site in Bundarra area. Sale of SA140864/PID3299434 provides some supportive evidence. |
| 1843712 | Property value looked at individually, as part of recent verification of REX component. Value reduced. Small isolated sight between Warialda Rail and Bingara. Supported by sales of SA14002/PID3745530 & SA14003/PID3745531. |
| 2688196 | Telstra Site. Small isolated site, with value appearing high. Property value looked at individually, as part of recent verification of REX component. Value has been reduced in line with similar property. Supported by sale over SA142297/PID2688837. |
| 2688301 | This is a park at Croppa Creek, subject to a travelling stock route over it (TSR22479) and zoned Primary Production. In line with this, value has been reduced through verification. Difficult to support with sale, no sales of parks. Valued as a block value, being in line with similar type property and relative to surrounds. Some evidence is provided by the sale over PID2689895. |
| 2688540 | Grain storage facility. Increase value through verification. No comparable sales of such sites. Value as a block value, in line with similar type property in this component. |
| 2689944 | Property value looked at individually, as part of recent verification of REX component. Grain storage facility. Increase value. No comparable sales of such sites. Value as a block value, in line with similar type property in this component. |
| 3568011 | Value verified as part of a Section 28 valuation, following workflow over entry. |
| 3510792 | Strong sale over the subject. The value of this property increased through verification/ Section 28 valuation. |
| 2688593 | Value has been increased, as part of our verification program. Value is in line with surrounding values. Property is on the market for substantially more than this value. Indicates: 180 ha cultivation @ \$3,000/ha; 28.4 ha grazing @ \$1,250/ha & 13.6 ha timber @ \$250/ha. The cultivation portion is supported by the sale over PID3828648. |
| 2688941 | Value has been increased, as part of our verification program. Value is in line with surrounding values. Property is on the market for substantially more than this. Indicates: 63 ha green timber @ \$250/ha; 398 ha grazing/cultivation @ \$3,000/ha. The cultivation portion is supported by the sale over PID3828648. |
| 2688942 | As part of verification, property value has been reduced. Supported by the sale over PID2688476. |
| 2689986 | The value of this property increased through verification. Section 28 valuation. |
| 2877632 | Following the fair market sale over the subject, the land value has been reviewed and appears to be a little low as compared to surrounds. Site has good river frontage. Restricted evidence available. Some supportive evidence provided by sale over PID3826480. |
| 3480974 | The value of this property was increased, as part of our verification program. The property itself has since sold, justifying/supporting this increase. |

8.2. CHANGES FROM LAST GVAL

Summary of significant values changes from last GVal include (<0.5 >2.0):

| PID | Notes |
|---------|---|
| 1843107 | Value was verified and reduced in 2013, in line with surrounding properties. Supported by the sales over PID1843109 & PID1843139 (details on previous VAR report). |
| 1843556 | Property value looked at individually, as part of recent verification of REX component. Value reduced. Small isolated site in Bundarra area. Sale of PID3299434 provides some supportive evidence. |
| 2688196 | Telstra Site. Small isolated site, with value appearing high. Property value looked at individually, as part of recent verification of REX component. Value has been reduced in line with similar property. Supported by sale over PID2688837. |
| 2688301 | This is a park at Croppa Creek, subject to a travelling stock route over it (TSR22479) and zoned Primary Production. In line with this, value has been reduced through verification. Difficult to support with sale, no sales of parks. Valued as a block value, being in line with similar type property and relative to surrounds. Some evidence is provided by the sale over PID2689895. |
| 1843712 | Property value looked at individually, as part of recent verification of REX component. Value reduced. Small isolated sight between Warialda Rail and Bingara. Supported by sales of PID3745530 & PID3745531. |
| 3652589 | Value has steadily increased since previous GVal year. Section 28 with value agreed by the adjoining contractor. |
| 2689944 | Property value looked at individually, as part of recent verification of REX component. Grain storage facility. No comparable sales of such sites. Value as a block value, in line with similar type property in this component. |

9. ADDITIONAL INFORMATION FOR GOVERNMENT VALUATION YEAR

9.1. MARKET INFORMATION

The most significant main developments from 2012 to 2015 include:

The most significant issue in Gwydir has been the release of the new LEP, with details of same outlined in previous Final reports.

- Trade Centres:
 - Restoration of the Roxy Theatre at Bingara to include Conference Centre, Restaurant and Trade Training Kitchen. Being stage 2 of this development (\$1,350,000). The premises are now completed and open to the public.
 - The Horticultural & Primary Industry Trade Training Centre in Bingara to the value of \$950,000.
 - The Automotive, Mechanical and Primary Industry Trade Training Centre (at a value of \$700,000) in Warialda.
- Steam Flacking Plant (re cattle feed processing) at North Star has been approved (\$1,800,000) with the next stage submitted for an Integrated Water Management System (\$414,200).
- 5000 Head Cattle Feedlot (Value \$2,000,000.00) approved. Additionally and in conjunction with the feed lot, is an Integrated Water Management System (Value \$414,200.00) approved. This development is located north of Warialda.
- Phase 1 of Wholegrain Wheat flour mill, dried fruit and nut packaging plant (Value: Stage 1 \$385,000) approved, commenced but not completed. Development is located in Cunningham Street Bingara.
- 15 Bed Extension to Aged Hostel located in Long Street Warialda (Value \$3.2 million) approved.
- New SES building at 124 Stephen Street, Warialda at \$318,000
- Installation of a Solar PV System at Bingara IGA at \$142,498
- \$6,600,000 for the development of the Myall Creek Serpent Centre.
- 14 approvals for residential dwellings and subdivisions

9.2. MEDIA RELEASE INFORMATION

9.2.1. Number of Sales Analysed

| Land Use | Total Market Sales for Current Valuation Year |
|----------------------------------|---|
| Village (Residential) | 30 |
| Commercial | 7 |
| Industrial | 0 |
| Rural (including small holdings) | 65 |
| Infrastructure | 0 |

9.2.2. Value Analysis

| Property Type | Overall Trend 2012 - 2015 |
|----------------------|---|
| Residential | Steady |
| Commercial | Steady |
| Industrial | Steady |
| Rural | Some improvement in better country and some decline in values for 2 nd class country since 2012BD. Presently steady. |
| Rural Small holdings | Steady |
| Village | Improved values at Warialda Rail & currently steady. Balance of villages steady. |

*see also section 2.5 VAR Report

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 2014 General Valuation of Gwydir. 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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6th November 2015

