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Final Report

For The

Valuer-General's Office

In The Local Government Area Of

Gundagai

Base Date: 1st July 2015

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
LGA OVERVIEW	3
STATE AND LOCAL GOVERNMENT LEGISLATION FOR LGA	4
MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST	4
SIGNIFICANT ISSUES AND DEVELOPMENTS	5
SIGNIFICANT VALUE CHANGES	5
DISCLAIMER – PURPOSE OF THIS REPORT	7
LGA OVERVIEW	8
LOCATION OF THE DISTRICT	8
PRINCIPAL TOWNS	8
MAIN INDUSTRIES	9
SIGNIFICANT RETAIL CENTRES	9
TYPE OF RESIDENTIAL DEVELOPMENT	10
LOCAL GOVERNMENT LEGISLATION FOR LGA	10
MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST	12
SIGNIFICANT ISSUES AND DEVELOPMENTS	13
SIGNIFICANT VALUE CHANGES	14
OVERVIEW OF THE QUALITY ASSURANCE PROCESS	15

EXECUTIVE SUMMARY

LGA Overview

Local Government Area of Gundagai

The Gundagai Local Government Area is located in the South West Slopes of New South Wales, approximately half way between Sydney and Melbourne along the Hume Highway. The LGA includes rural properties of varying sizes and residential, commercial and industrial development within the towns and villages.

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

The Gundagai Local Government Area comprises Residential, Rural, Business, Industrial, Special Purpose, Recreation, Environmental Protection and Waterway zones.

As at the base date of 1 July 2015, 2,590 properties were valued with the total land value of Gundagai LGA at \$572,530,340, with the valuations being reflective of the property market at the time. This represents a 10.29% increase on the 2014 land values of the same 2,590 properties.

Land valuation notices were last issued for Local Government rating purposes for the 1st July 2014 valuing year when 2,629 properties were valued for a total valuation of \$521,405,990.

Land values within the Gundagai Local Government Area have shown a slight increase overall with residential areas generally showing increases of 5 to 10% and rural farming and grazing properties generally showing an increase of 10% to 20%.

The town of Gundagai services the surrounding farming and grazing areas and also provides services to the public travelling the Hume Highway via well located service centres at south Gundagai and north of Gundagai at the well-known “Dog on the Tuckbox” monument at Five Mile Creek.

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

Properties Valued and Total Land Value							
Zone	Zone Code	No. of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2014)	% Change
Local Centre	B2	171	\$6,995,080	\$6,995,080	0%	\$6,995,080	0%
Mixed Use	B4	47	\$3,563,100	\$3,598,100	-0.97%	\$3,598,100	-0.97%
National Parks and Nature Reserves	E1	3	\$95,200	\$90,900	4.73%	\$90,900	4.73%
General Industrial	IN1	11	\$856,700	\$856,700	0%	\$856,700	0%
General Residential	R1	751	\$37,685,480	\$35,791,080	5.29%	\$35,791,080	5.29%
Medium Density Residential	R3	62	\$3,142,610	\$2,992,310	5.02%	\$2,992,310	5.02%
Large Lot Residential	R5	71	\$4,911,180	\$4,451,720	10.32%	\$4,451,720	10.32%
Public Recreation	RE1	29	\$1,013,760	\$1,013,760	0%	\$1,013,760	0%
Private Recreation	RE2	6	\$47,720	\$47,720	0%	\$47,720	0%
Primary Production	RU1	1320	\$503,161,710	\$453,526,060	10.94%	\$453,526,060	10.94%
Forestry	RU3	10	\$5,449,000	\$4,773,700	14.15%	\$4,773,700	14.15%
Rural Small Holdings	RU4	41	\$3,006,700	\$2,557,300	17.57%	\$2,557,300	17.57%
Village	RU5	42	\$1,035,500	\$1,035,500	0%	\$1,035,500	0%
Special Activities	SP1	17	\$655,700	\$655,700	0%	\$655,700	0%
Tourist	SPT	9	\$910,900	\$750,900	21.31%	\$750,900	21.31%
TOTAL		2590	\$572,530,340	\$519,136,530	10.29%	\$519,136,530	10.29%

State and Local Government Legislation for LGA

The Gundagai Local Environmental Plan 2011 was gazetted on 23 September 2011. The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales legislation. There has been one amendment to the Gundagai Local Environmental Plan. This amendment, gazetted on 2nd March 2012 related to minor updates to various Maps associated with the Gundagai Local Environmental Plan.

Market Overview and Sales of Particular Interest

Cosgraves Property Advisers have undertaken significant analysis of the Gundagai District property market to provide an accurate and reliable basis of valuation. A total of 56 sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the grading 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. Cosgraves Property Advisers undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it may be necessary to adjust the contract price in terms of market movement

In the Gundagai District this year sales and resales of properties indicated a slight increase from August 2014 to 1 July 2015 for properties zoned residential. Rural properties showed a slight to moderate increase with good arable farming land and larger grazing parcels tending to show the largest increases. One transaction of particular interest was the \$1,400,000 sale of an improved SP3 Tourist zoned property currently utilised as “Oliver’s Real Food” and an adjoining Fruit Market in March 2015.

Significant Issues and Developments

The impact of declining population within rural communities continues to be a major concern as Councils endeavour to maintain services. On current trends the population within the Gundagai LGA currently (2011) assessed at 3,750 is expected to fall to 3,450 by 2031.

The recently released (October 2015) Independent Pricing and Regulatory Tribunal report on the ‘Assessment of Council Fit for the Future Proposal’ addresses the current and future viability of councils within NSW and provides for key recommendations.

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.

Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2014)

Sales volumes for residential properties have remained relatively stable over the past twelve to eighteen months. Land values for residential properties have increased slightly over the last twelve months with large lot residential properties showing the largest increases. Generally residential properties within the village of Nangus remained unchanged.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

Agriculture remains of critical importance to Gundagai's economy with enterprises in the LGA ranging from cereal and oilseed production in the north and west, hay production along the Murrumbidgee River valley and grazing and forestry plantations in the cooler, higher rainfall areas in the south east of the LGA. Sales volumes of rural properties have remained relatively stable over the past twelve to eighteen months. Rural land values have shown a slight to moderate increase with good arable farming land and larger grazing parcels tending to show the largest increases. Rural lifestyle parcels and rural retreats over 3 hectares in size and Rural Small Holdings zoned properties also showed slight to moderate increases.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2014)

Generally sales volumes in the commercially zoned areas in Gundagai remained subdued with a number of sales being dwellings within this zoning. Generally land values remained unchanged in the B2 Local Centre zoned areas of the main Gundagai shopping area and the B4 Mixed use zoned areas of South Gundagai.

One area showing a moderate increase is the SP3 Tourist zoned Five Mile Creek "Dog on the Tuckerbox" service centre located on the Hume Highway north of Gundagai. Land values of the main service station and one food hall have increased by 65% since 2014. Adjoining properties increased more moderately by 15% to 20%. These properties enjoy good exposure to Hume Highway traffic and provide fuel and food to highway users. Gundagai Council has also recently approved a Development Application for a six electric car charging station for a property within this area. Combined with an existing charging station in Wodonga Victoria, electric car users will be able to travel from Sydney to Melbourne without have to do an overnight stop to recharge.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2014)

There are only eleven industrial zoned IN1 properties in Gundagai. There is very limited sales evidence and the land values of industrial land have generally not been amended since 2011.

DISCLAIMER – PURPOSE OF THIS REPORT

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Gundagai 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.

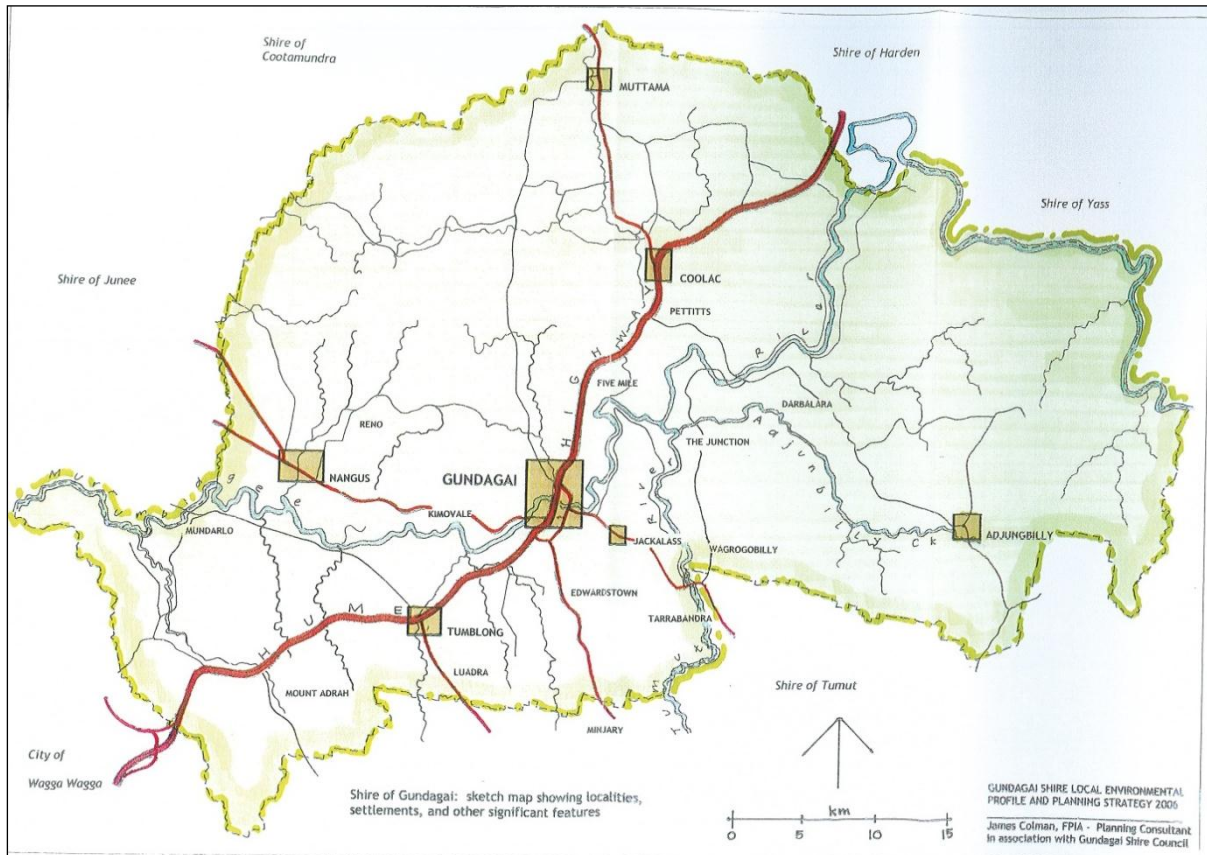
Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

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.

LGA OVERVIEW

Location of the District



The Gundagai Local Government Area is located in the South West Slopes of New South Wales, approximately half way between Sydney and Melbourne along the Hume Highway. The LGA covers a predominantly rural land base of 2,457 km². It includes the town of Gundagai, the village of Nangus and the localities of Coolac, Tumblong, Muttama, and Adjungbilly. The Hume Highway runs through the LGA as does the Murrumbidgee River, providing opportunities for tourism and support services for the transport industry. Total current LGA population is approximately 3,750.

Principal Towns

Gundagai is the principal town in the Gundagai Local Government Area. It is situated on the Hume Highway approximately 375 kilometres south west of Sydney and approximately 503 kilometres north east of Melbourne. Gundagai provides for a wide range of retail goods and services, professional services, agricultural; supplies and provision of medical services. The main commercial street is Sheridan Street which includes two supermarkets, the Gundagai RSL club, smaller retail shops, offices, cafes and restaurants

Gundagai also has an extensive range of Government services including two State Primary Schools, one High School, and emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES, Ambulance, a relatively modern Hospital and Council Chambers.

Additional facilities include various denominational churches, a Catholic Primary School, sporting clubs, recreational playing fields, parks and reserves, public swimming pool, tennis courts, golf course, showground and racecourse.

The village of Nangus is located approximately 21 kilometres west of Gundagai and includes approximately 40 RU5 Village zoned properties. The village of Nangus has a general store and a small public primary school.

The Gundagai LGA also includes the localities of Coolac, Tumblong, Muttama, and Adjungbilly, these localities are all zoned RU1 Primary Production however, in the case of Muttama and Coolac have a minimum lot size of 1,500 m².

Main Industries

Agriculture remains of critical importance to the Gundagai LGA's economy with primary production enterprises in the LGA ranging from cereal and oilseed production in the north and west, hay production along the Murrumbidgee River valley and grazing and forestry plantations in the cooler, higher rainfall areas in the south east of the LGA. The Hume Highway runs through the LGA as does the Murrumbidgee River, providing opportunities for tourism and support services for travellers and the transport industry

Gundagai Meat Processors have traditionally been an important employer in the LGA and with more than 180 employees; it is the largest employer in Gundagai. It is critical to the economy of the LGA that traditional employers such as these remain viable in the long term.

Metal engineering businesses are also well represented in Gundagai with two significant engineering businesses based in Gundagai providing services to Gundagai and surrounding rural areas.

Significant Retail Centres

Gundagai's Sheridan Street remains the main retail centre in Gundagai. Sheridan Street includes two supermarkets, the Gundagai RSL club, smaller retail shops, offices, cafes and restaurants

The B4 Mixed Use zoned service centre in South Gundagai includes a large service station and fast food restaurants and services travellers and the transport industry utilising the Hume highway.

The SPT Tourist zoned Five Mile Creek "Dog on the Tuckerbox" service centre located on the Hume Highway north of Gundagai includes a large service station, attached food hall and nearby "Oliver's Real Food" restaurant, a fruit market and rest areas. This SP3 Tourist zoned area also services Hume Highway travellers and the transport industry.

Type of Residential Development

The majority of the residential development is detached single residential dwellings with some attached residential unit development in close proximity to Sheridan Street.

Local Government Legislation for LGA

Gundagai Council is the local development consent authority under Gundagai Local Environmental Plan (LEP) 2011 which was gazetted on 23 September 2011. This comprehensive plan complies with the NSW Department of Planning Standard Instrument and includes the provision of 16 land zones and specifies the minimum lot size required for the construction of a dwelling house in all areas of the LGA.

The Gundagai Council has defined the aims of the Local Environmental Plan.

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

The particular aims of this Plan are as follows:

- (a) to retain the distinctive character of Gundagai town in its riparian setting,
- (b) to protect Gundagai's crop and pasture lands and vineyards from adverse environmental impacts,
- (c) to protect environmentally sensitive land and important fauna and flora,
- (d) to protect, conserve and enhance Gundagai's rich indigenous and non-indigenous cultural heritage,
- (e) to encourage economic growth, employment creation and business opportunities in the rural, village and urban areas of Gundagai,
- (f) to maintain Sheridan Street as Gundagai town's primary area for business, civic and cultural uses and visitor services,
- (g) to encourage the renewal and consolidation of older residential areas close to the Gundagai town centre to provide appropriate housing that meets the needs of the community,
- (h) to ensure that all development in Gundagai is required to comply with the principles of ecologically sustainable development.

There has been one amendment to the Gundagai Local Environmental Plan. This amendment, gazetted on 2nd March 2012 related to minor updates to various Maps associated with the Gundagai Local Environmental Plan.

Gundagai Council has developed controls on the subdivision of land and the erection of dwellings. The minimum lot sizes for the various zones are:

Zone	Minimum Allotment Size
Business	
B2 – Local Centre	N/A
B4 – Mixed Use	N/A
Environmental Protection	
E1 – National Parks and Nature Reserves	N/A
Industrial	
IN1 – General Industrial	N/A
Residential	
R1 – General Residential	1,500m ²
R3 – Medium Density Residential	500m ²
R5 – Large Lot Residential	1 ha and 40 ha
RU5 – Village	1,500m ²
Recreation	
RE1 – Public Recreation	N/A
RE2 – Private Recreation	N/A
Rural	
RU1 – Primary Production	Generally 40 ha, Parts 1.0 ha adjoining Gundagai Localities of Coolac & Muttama 1,500m ²
RU3 – Forestry	N/A
RU4 – Rural Small Holdings	10 ha
Special Purpose	
SP1 – Special Activities	N/A
SP3 – Tourist	N/A
Waterway	
W1 – Natural Waterways	N/A

Market Overview and Sales of Particular Interest

Residential

The Gundagai residential area is divided into two separate sections by the Murrumbidgee flood plain. The northern area includes the commercial and Medium Density zone areas and “South Gundagai” includes the Mixed Use zoned area on the southern fringe of Gundagai. Overall sales volumes for residential properties have remained relatively stable over the past twelve to eighteen months. Generally residential property values within Gundagai town have shown a slight increase of approximately 5% from the 2014 land values. The Large Lot Residential zoned properties generally showing a slightly higher increase of 10%.

The majority of the residential development is detached single residential dwellings with some attached residential unit development in close proximity to Sheridan Street. A significant amount of the properties are older style fibro and CGI dwellings. Areas in West Street, William Street and Carrigg Place developed in the 1970s are generally basic brick veneer and concrete tile roof dwellings. The more recently developed residential areas of Lawson Drive and Gilmore Place are characterised by modern brick veneer and colorbond roof dwellings.

Gundagai has full utility service available including electricity, water, sewer, natural gas and telecommunication services.

Gundagai also has an extensive range of Government services including two State Primary Schools, one High School, and emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES, Ambulance, a relatively modern Hospital and Council Chambers.

Additional facilities include various denominational churches, a Catholic Primary School, sporting clubs, recreational playing fields, parks and reserves, public swimming pool, tennis courts, golf course, showground and racecourse.

Villages

Land values within the rural village of Nangus have generally remained unchanged since 2014 with the median land value now approaching \$20,000. Land values for smaller parcels of less than three hectares within the localities of Muttama and Coolac have also remained unchanged since 2014.

Commercial

Generally sales volumes in the commercially zoned areas in Gundagai remained subdued. Four commercial zoned sales were analysed in Gundagai during 2015 with two of these being dwellings, one being a shop and one being vacant Mixed Use zoned land in South Gundagai. Generally land values remained unchanged in the B2 Local Centre zoned areas of the main Gundagai shopping area and also in the B4 Mixed use zoned areas of South Gundagai. One area showing a moderate increase is the SP3T Tourist zoned Five Mile Creek “Dog on the Tuckerbox” service centre located on the Hume Highway north of Gundagai. Land values of the main service station and one food hall have increased by 65% since 2014. Adjoining properties increased more moderately by 15% to 20%.

These properties enjoy good exposure to Hume Highway traffic and provide fuel and food to highway users. Gundagai Council has also recently approved a Development Application for a six electric car charging station for a property within this area. Combined with an existing charging station in Wodonga Victoria, electric car users will be able to travel from Sydney to Melbourne without have to do an overnight stop to recharge.

Industrial

There are only eleven industrial zoned IN1 properties in Gundagai. Three of these are owned by Gundagai Council. There is very limited sales evidence within this zone with the last recorded sale in 2007. The land values of industrial land have generally not been amended since 2011.

Rural Locations within the LGA

Agriculture remains of critical importance to Gundagai's economy with enterprises in the LGA ranging from cereal and oilseed production in the north and west, hay production along the Murrumbidgee River valley and grazing and forestry plantations in the cooler, higher rainfall areas in the south east of the LGA. Sales volumes of rural properties have remained relatively stable over the past twelve to eighteen months. Rural land values have shown a slight to moderate increase with good arable farming land and larger grazing parcels tending to show the largest increases. In particular good quality larger scale grazing properties in the northern part of the LGA are attracting significant interest from Sydney based investors. There also continues to be strong demand for good quality Murrumbidgee River frontage grazing properties. Rural lifestyle parcels and rural retreats over 3 hectares in size and Rural Small Holdings zoned properties adjacent to Gundagai have also shown slight to moderate increases in land values.

Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

A review of the Development Decisions Register shows most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required. Two potentially significant developments are:

- Six lot subdivision Lot 7 DP 1005244, 8 Kendall Place. B4 Mixed use Zone, currently vacant land with adjoining development generally light industrial uses.
- Tesla Motors, Install six electric car charging stations, Lot 3 DP 785083, 34 Annie Pyers Drive Gundagai. SP3 Tourist Zone. This is the site of the "Oliver's Real Food" restaurant.

Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

Land values within the Large Lot Residential zoned areas adjacent to Gundagai (component AGL) have generally increased in value by 10%. This is in part a “catch up” due to a reduction in value in this market segment of 5% in 2014.

Land values within the Rural Small Holdings zoned areas adjacent to Gundagai (component RSG) have generally increased in value by 20%. This follows on from generally no change in values in this zone since 2011.

Larger scale rural properties have shown a moderate increase with good arable farming land (component RPJ) showing a 15% increase and larger grazing parcels (component RGG) showing a 20% increase. Generally the arable farming properties are attracting increase from adjoining and nearby property owners wishing to expand, with the good quality larger scale grazing properties attracting interest from Sydney based investors

Forestry zoned lands (component RFA) have generally shown an increase of 14% this is generally in line with similar scale larger grazing properties.

The two prime properties within the SP3T Tourist zoned Five Mile Creek “Dog on the Tuckerbox” service centre located on the Hume Highway north of Gundagai have shown increases of 65%. Two adjoining properties have shown land values increases of 15% to 20%. These properties all enjoy good exposure to Hume Highway traffic and provide fuel and food to highway users. Gundagai Council has also recently approved a Development Application for a six electric car charging station for a property within this area.

Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of Cosgraves Property Advisers and outlines that 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 basis' 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 6.6.2. 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.

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