

Murrumbidgee Shire

Final Report 2015

Date: 12th November 2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Murrumbidgee Local Government Area

Murrumbidgee Shire, located in the Riverina Region of NSW comprises about 3504 sq km and has a population of approximately 2400.

The main centres are Coleambally, which provides a neighbourhood type shopping centre, educational, medical and some commercial facilities and Darlington Point which includes a general store and basic community facilities.

Coleambally is the newest township in New South Wales with construction beginning around 1960. Darlington Point was established on the Murrumbidgee River in 1864. The townships largely include single residential dwellings, primarily built from 1950 onwards.

The area is supported by the Murrumbidgee River, the Lower Murrumbidgee Ground Water supply and the Coleambally Irrigation Area. Major enterprises in the Shire include irrigated agriculture, including stone fruit, viticulture, citrus, rice, cotton and vegetable growing. Other industries include poultry and egg production, wool, fat lambs and beef cattle production. Average annual rainfall is about 400mm.

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

The Murrumbidgee Shire Council Local Government Area comprises Residential, Rural, Commercial, Industrial, Infrastructure, Environmental and Public Recreation zones. 1,467 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 issued to owners for the Base Date of 1 July 2013. The Murrumbidgee Shire property market has remained static across all sectors this year with a general decline in the volume of sales and a slowing of the market in general.

Valuation changes in the Local Government Area and percentage changes for the Land Tax Valuation year of 1 July 2015 are as follows:

Properties Valued and Total Land Value					
Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change
Residential	(R5, RU5)	845	\$ 26,581,070	\$ 26,325,250	0.97%
Rural	(RU1, RU3)	534	\$ 137,717,293	\$ 137,727,293	-0.01%
Industrial	(IN1)	77	\$ 4,074,050	\$ 4,066,150	0.19%
Environmental	(E1, E2)	3	\$ 4,632,300	\$ 4,632,300	0.00%
Public Recreation	(RE1, RE2)	8	\$ 832,600	\$ 832,600	0.00%
Total		1467	\$ 173,837,313	\$ 173,583,593	0.15%

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Murrumbidgee Local Environmental Plan 2013 was gazetted on 23rd August 2013. There have been no amendments to the LEP since the previous valuation.

The Murrumbidgee Local Government Area is governed by the Murrumbidgee Local Environmental Plan 2013. The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

QV Australia has undertaken significant analysis of the Murrumbidgee Shire property market to provide an accurate and reliable basis of valuation. 16 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. QV Australia 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 Murrumbidgee Shire this year sales generally indicated a slowing of the market with a reduction in volume and no movement over the 12 months..

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.

SIGNIFICANT VALUE CHANGES

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2014)

Sales volumes have declined over the past 12 months in comparison to the prior year. The market appears to have peaked and leveled and is showing indications of softening going forward. While there is stock on the market buyers are taking a more cautious approach with weather conditions expected to toughen over the next year which will effect the agricultural sector.

Our interpretation of this market is that there has been a no change in residential land values from July 2014 to July 2015.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

Rural sales volumes have decreased across Murrumbidgee LGA this year. Sales across the shire indicate little movement in values across all sectors. This has affected both the irrigated and dryland sectors, with no significant sales. Values remain steady and indications are the market is beginning to soften with low water allocations this season and the forecast of el-nino conditions next year.

Our interpretation of this market is that there has been a no change in rural land values from July 2014 to July 2015.

Summary of Valuation Changes to Commercial/Industrial Land

Changes since previous Valuation Year (2014)

There have been no sales in the commercial or industrial components at Coleambally over the past year. Demand for commercial/industrial land has slowed over the past 12 months.

Our interpretation of this market is that there has been no change in land values from July 2014 to July 2015.

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DISCLAIMER – PURPOSE OF THIS REPORT

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

Murrumbidgee Shire, located in the Riverina Region of NSW comprises about 3504 sq km and has a population of approximately 2400.

PRINCIPAL TOWNS

The main centres are Coleambally, which provides a neighbourhood type shopping centre, educational, medical and some commercial facilities and Darlington Point which includes a general store and basic community facilities.

Coleambally is the newest township in New South Wales with construction beginning around 1960. Darlington Point was established on the Murrumbidgee River in 1864. The townships largely include single residential dwellings, primarily built from 1950 onwards.

MAIN INDUSTRIES

The area is supported by the Murrumbidgee River, the Lower Murrumbidgee Ground Water supply and the Coleambally Irrigation Area. Major enterprises in the Shire include irrigated agriculture, including stone fruit, viticulture, citrus, rice, cotton and vegetable growing. Other industries include poultry and egg production, wool, fat lambs and beef cattle production. Average annual rainfall is about 400mm.

TYPE OF RESIDENTIAL DEVELOPMENT

Nearly all the residential development in Murrumbidgee Shire is of single residential dwellings.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Murrumbidgee Local Environmental Plan 2013 was gazetted on 23rd August 2013. There have been no amendments to the LEP since the previous valuation.

The Murrumbidgee Local Government Area is governed by the Murrumbidgee Local Environmental Plan 2013. The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

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

Murrumbidgee Shire Council has development controls that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
RU5	600m ²
IN1	2000m ²
R5	2ha
RU1	200ha

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

The main residential components in Murrumbidgee Shire are in the rural villages of Darlington Point, Waddi and Coleambally. These are all small rural villages providing a basic level of services with schools at both Coleambally and Darlington Point.

This market has been relatively slow over the past year. Sales volumes across all market segments in the shire have decreased. Both the Darlington Point and Coleambally residential markets have experienced the decrease in volume and values have remained relatively static.

At present there is stock of improved property on the market in both townships and sufficient vacant land stock to meet current demand. Council announced plans in 2014 to develop a new residential subdivision in the Darlington Point township to cover longer term urban growth.

There has been no movement in the larger residential/lifestyle allotments surrounding the villages of Darlington Point and Coleambally.

There have been two strong sales in the village of waddi over the past year. Both have been vacant land and analysis indicated a strong shift from the low base values which exist at this location. Values overall are still low comparatively with the neighbouring village of Darlington Point although due to the geographic closeness of the two villages values are starting to align especially for larger blocks.

There have been no recent bona fide re-sales of a property in the past year. There are no available statistics published for this area to show market movement.

Our interpretation of this market is that there has been minimal land value market movement from July 2014 to July 2015.

The value levels adopted are supported by both vacant and improved sales analysis.

COMMERCIAL / INDUSTRIAL

The main commercial components are located within the Coleambally township. The township has a typical small town centre style shopping strip and a nearby industrial area. Industrial development mainly includes industries supporting agriculture.

There have been no sales in the commercial or industrial components at Coleambally over the past year.

Demand for commercial/industrial land has slowed over the past 12 months. There are no available statistics published for this area to show market movement.

Our interpretation of this market is that there has been no change in land values from July 2014 to July 2015.

RURAL

Murrumbidgee Shire comprises mainly irrigated agriculture production supported by the Coleambally Irrigation Scheme. There are areas of dryland country around the outskirts of the shire these are used mainly for grazing as they consist of more marginal country not suitable for irrigation or with no access to irrigation water.

Rural sales volumes have decreased across Murrumbidgee LGA this year. Sales across the shire indicate little movement in values across all sectors.

This has affected both the irrigated and dryland sectors, with no significant sales. Values remain steady and indications are the market is beginning to soften with low water allocations this season and the forecast of el-nino conditions next year.

Our interpretation of this market is that there has been a no change in rural land values from July 2014 to July 2015.

RURAL LOCATIONS WITHIN THE LGA

Land values vary throughout the LGA according to land form, location, access and soil types. The following are general descriptions of some localities within the Murrumbidgee LGA:

Irrigation Country

This country comprises most of the shire and is located from the Murrumbidgee River in the north to the adjoining shire boundaries. Country is mainly level and soils range from light red sandy loams to red clay loam and heavy grey clays suitable for rice production. Native trees include redgum, box, kurrajong and cypress pine. These lands are used irrigation agriculture producing grapes, citrus, cotton, corn and rice.

Dry farming

This country comprises mainly country on the shire boundaries outside the Coleambally Irrigation system and generally with no alternate access to irrigation water. Country is mainly level. Soil types vary from medium red loams to heavier clay loams, with the main enterprise

being winter cereal cropping and livestock production. Native trees include redgum, box, cypress pine and kurrajong.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

There are no new significant developments this year in Murrumbidgee Shire. A number of major projects approved over the past few years have been completed and are now operating including the Whitton Cotton Gin. Two ethanol plants nearer to Coleambally are still under construction.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have not been any significant value changes from the prior to current Annual Valuation.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of QV Australia 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.

AUTHOR

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A handwritten signature in blue ink, appearing to read 'Peter Gunn'.

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