



ASPECT

PROPERTY CONSULTANTS

Final Report

BREWARRINA LGA

Contract 1011019

2015

Table of Contents

INTRODUCTION	4
DISCLAIMER	5
1. EXECUTIVE SUMMARY	6
GENERAL OVERVIEW	8
2. NUMBER OF VALUATIONS UNDERTAKEN	9
3. STATE AND LOCAL GOVERNMENT LEGISLATION	10
4. SIGNIFICANT ISSUES/DEVELOPMENTS	11
5. ADDED VALUE OF IMPROVEMENTS	11
5.1 Paired sales	12
6. THE MARKET	12
6.1 B2 Local Centre	12
6.2 R1 General Residential	12
6.3 R5- Large Lot Residential	13
6.4 RU1- Primary Production	13
6.5 RU5- Village	Error! Bookmark not defined.
7. INDIVIDUALLY VERIFIED LAND VALUES	14
8. QUALITY ASSURANCE PROCESS	15
9.1 Quality Statement	19
9.2 Internal Quality Procedures	20
9.2 Overview	20
9. LAND VALUES AMENDED ON OBJECTION	22
10. STATISTICAL ANALYSIS	23
11.1 Coefficient of Dispersion (COD)	23
11.2 Mean Value Price Ratio (MVP)	23
11.3 Price Related Differential (PRD)	23

11.4	QRP	24
11.	CERTIFICATION	25
12.1	Certification Statement	25
ANNEXURE 1		26
RESIDENTIAL PAIRED SALES ANALYSIS BREWARRINA LGA 2015		27

Introduction

Local Government Area: Brewarrina

Contract No: 1011019

Contract Year: 2015

The purpose of this report is to describe the process and considerations for the 1 July 2015 General Valuation of the Brewarrina 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 have 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 Department of Lands website at www.lpi.nsw.gov.au.

Disclaimer

The land values provided in this report 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 have 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.

Liability limited by a scheme approved under Professional Standards Legislation.

1. Executive Summary

Local Government Area	Brewarrina
Number of Properties valued in the 14/15 period	1,173
Total value of land values – 2015 Base Date	\$185,835,803
Total value of land values – 2014 Base Date	\$185,692,553
Percentage change from 2014 – 2015 values	0.08%
Previous valuation notice issued (previous Local Government Base Date 2012)	\$198,067,430
Percentage change from 2012 – 2015 values	-6.36%

Zone	2014 Total Land Value	2015 Total Land Value	% Change
E1 – National Parks and Nature Reserves	\$2,113,700	\$2,113,700	0.00%
R5 – Large Lot Residential	\$407,680	\$407,680	0.00%
RE1 – Public Recreation	\$39,900	\$39,900	0.00%
RU1 – Primary Production	\$179,387,453	\$179,387,453	0.00%
RU5 - Village	\$3,718,820	\$3,862,070	3.85%

Zone	2013 Total Land Value	2014 Total Land Value	% Change
SP2- Infrastructure	\$25,000	\$25,000	0.00%

General Overview

Brewarrina Shire is located in North Western New South Wales, between Bourke Shire, Bogan Shire, Walgett Shire, Warren Shire and the Queensland border.

Brewarrina is the main urban centre. Other Villages include Goodooga, Gongolgon and Angledool.

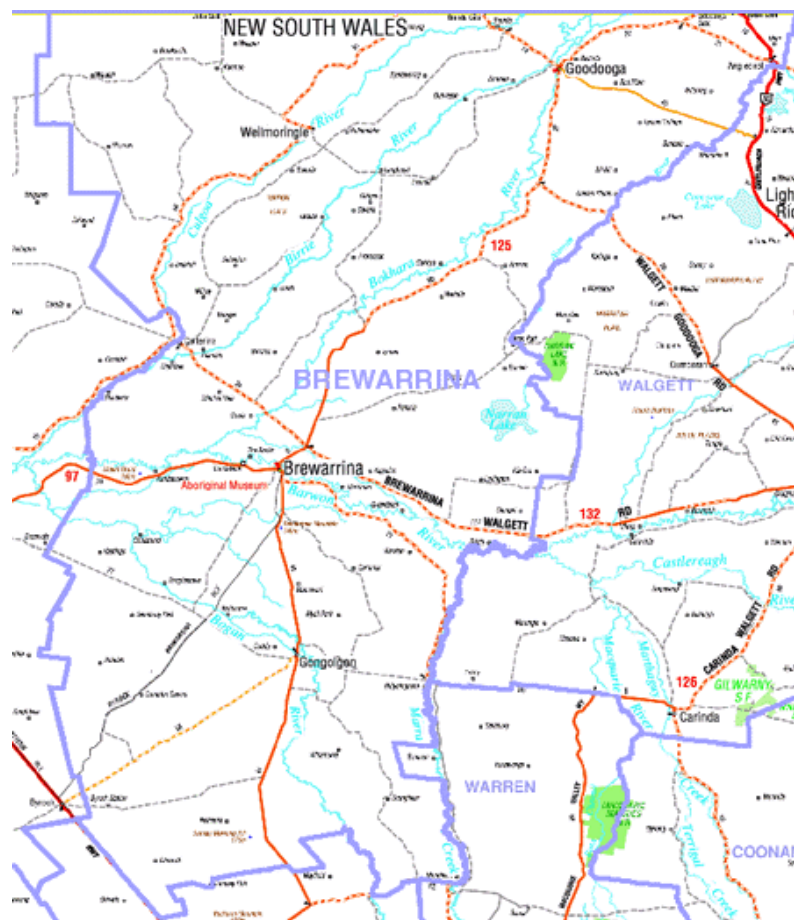
The shire has an area of approximately 18,874 square kilometres and a total population of 2263.

The main urban centre of Brewarrina is centrally located in the Shire with a population of approximately 1200 people.

The Barwon River traverses the Shire generally running from east to west.

The rural area of the Shire is predominantly utilised for grazing, the major products being sheep, wool and cattle. Some areas are utilised for dryland cropping on a “seasonal opportunity” basis. Other small areas are developed to cropping under irrigation, notably cotton.

Residential developments in the shire are predominantly single dwellings.



2. Number of Valuations Undertaken

Total: 1,173 (One Thousand One Hundred Seventy Three), as:

E1 – National Parks and Nature Reserves	6
R5 – Large Lot Residential	26
RE2 – Public Recreation	1
RU1 – Primary Production	495
RU5 – Village	640
SP2- Infrastructure	4

3. State and Local Government Legislation

Town Planning in the Shire is in accordance with the provisions of the new Brewarrina LEP of 2012 and applies to the entire Local Government Area. The new LEP was implemented in late 2012 however its introduction had little effect on the land value base. Zones generally remained similar to those prior to the new LEP. It contains the following zones:

Brewarrina Local Environmental Plan 2012

Current version for 15 August 2014 to date (accessed 21 October 2014 at 09:22)

[Part 2](#) > [Clause 2.1](#)

2.1 Land use zones

The land use zones under this Plan are as follows:

Rural Zones

RU1 Primary Production

RU5 Village

Residential Zones

R5 Large Lot Residential

Special Purpose Zones

SP2 Infrastructure

Recreation Zones

RE1 Public Recreation

Environment Protection Zones

E1 National Parks and Nature Reserves

4. Significant Issues/Developments

- There have been no significant developments within the Brewarrina Shire however there are currently a significant number of smaller residential dwellings just completed by Government Departments and Voluntary Organisations to aid in the provision of services for the aboriginal community. This could result in a lack of supply for vacant land which could see upward pressure placed on values in the future.
- We note that the Brewarrina Shire has been in the grips of a severe drought for the last 2 years, it did have some reprieve in the recent winter months however the season is deteriorating and conditions continuing to decline within the rural sector.

5. Added Value of Improvements

On-going analysis of costing in relation to land improvements has been conducted throughout the Valuation program. Information has been sought from a wide range of sources, including direct quotes from builders and other trade qualified contractors, as well as from manufactures and local suppliers of other miscellaneous items, including but not limited to: fencing, water tanks, silos, larger rural and industrial type sheds, stockyards, irrigation equipment and earthworks.

In-line with this information, we have analysed significant numbers of sales with a range of these improvements in place to ascertain their added value. This information has been provided to all the Valuers involved in the program, so as to adopt a consistent approach.

5.1 Paired sales

In order to determine the added value of residential dwelling improvements, we have undertaken the paired sales analysis approach or the replacement cost approach. This information is collated in the Added Value of Improvements Database which details the added value of a range of improvements and provides a guide in assessing the added value of the improvements of the sale being analysed. A summary of the paired sales analysis conducted in the Brewarrina LGA has been included at Annexure 1.

6. The Market

The demand for homes in Brewarrina has been stable over the last 12 months. The residential market in the village is generally thinly traded, due to the smaller size of the population. There have been 16 recorded arms-length market transactions of properties in the town of Brewarrina over a 12 month period, ranging in price from \$2,000 to \$150,000. Of these 8 were of houses, 7 of vacant land and one commercial property. However most sales in the corresponding period are below \$100,000 with only 4 transactions greater than \$100,000. The medium house price for the 12 month period is \$64,000 down from approximately \$77,000 in the previous 12 month period, however we believe this is due to the limited sale number rather than any notable change in the market.

6.1 B2 Local Centre

There have been no sales of vacant commercial land for a number of years in Brewarrina Shire. Commercial lands are rarely traded and in the local market residential vacant sales are the basis for commercial values. There was one substantial improved commercial property that sold including a first floor residence that supported the current value levels. The 2014 values therefore remain unchanged.

6.2 RU5 Village of Brewarrina

The market for residential land at Brewarrina in the centre of the town remained steady with only 2 reliable vacant sales recorded since the July 2014 base date. These sales showed no change to the 2014 levels. House prices were trending upwards in

2013 but appear to be now stagnating, there was a notable increase for house prices in the lower demand locations with two houses selling North of the lagoon in component ZAA supporting a rise in land values in the two fringe components within Brewarrina. These values were increased by 50% keeping in mind the low levels that they were valued at previously.

6.3 RU5- Villages

Only 3 market indicator sales occurred within the RU5 Villages Zone for the period 01/07/2014 to 01/07/2015. This indicates that demand levels remain stagnant. Analysis of these sales indicates value levels remain unchanged.

6.4 RU1- Primary Production

Despite the drought conditions over the last 10 years, there has been an increase in value in dryland mixed farming and grazing properties throughout the majority of the New South Wales. Many districts have seen land values increase more in recent years than in the full decade prior to the start of this increase with property values peaking around 2008. Whilst there is sufficient sales evidence to indicate that new benchmark values had been set in many rural districts, the volume of rural property sales has continued to be in decline since then and expectations for future value level increases appear clouded.

The value of the quality “trophy” rural properties in higher rainfall zones, or where seasonal conditions are above average, appears to be just holding at prior levels, albeit with less competition while the value of inferior and less diverse property has been under downward pressure, and in some cases has fallen by 10-20% from the peak, depending on the circumstances of the vendor.

The Brewarrina and Walgett areas have been in the grip of drought again over the last 12-18 months and the number of sales has slowed with only one broad acre sale in the Brewarrina shire over the last 24 months. The 12-18 months prior to this was reasonable active with several sales at increasing prices, however we believe this slowing in the market to be due to the current drought conditions and the very latest evidence suggests the market has rebounded after some drought relieving rain in the

winter and very strong livestock prices. We note the very recent sales of Carramar just south of Brewarrina for \$103/acre, and Warranilla and Inverella towards Goodooga at prices also back above \$100/acre. These latest sales are expected to take land values in 2016 back to the levels prior to the severe drought biting in 2012/2013.

All components in the RU1 zone remain unchanged.

Broad Acre Sales

Zone	Component	Property	PID
RU1	RCB	Charlton Station (used in 2014 also)	3367048
RU1	RGB	Minramar (used in 2014 also)	2613009
RU1	RSB	Pendiana	3666084
RU1	RRR	Boneda	3522186

Hobby Farms

All small portions in the RBV Large Lot residential component remain unchanged in line with the surrounding residential values. There was no reliable 2014/15 sales in this component.

7. Individually Verified Land Values

The Brewarrina LGA was part of the scheduled Individual Verification Program for 2014/2015. This involved the high risk, Benchmarks and sale properties (Risk Rating One-80 entries), all Risk Rating 2 properties (401 entries) and all Risk Rating 3 properties (691 entries) that were required to be verified which was estimated at a total of 1149 properties at the current point within the contract year. On the delivery of values 1172 properties had been verified or inspected.

8. Quality Assurance Process

A variety of Quality Assurance (QA) processes will be applied to the valuation methodology and final values for Brewarrina LGA. These processes apply both throughout the program and before final values are issued.

All Aspect Property Consultants Valuers are trained in a range of resources that is available to them, including:

- Valuer Generals Rating and Taxing Valuation Procedures Manual
- Aspect Mass Valuation Training Manual v 2.51
- Aspect Valuation System Training Manual
- Aspect Quality Assurance Manual.

Aspect Valuation System v 5.48 (AVS) Quality Assurance

The Valuer must review sequentially, make the necessary amendments and record their name date and provide appropriate commentary. The following specific quality assurance measures are built into AVS;

Sales Inspection Report

Identifies all sales that require analysis.

Have all relevant sales been analysed to current Base Date

Ensures the Valuers have made the appropriate adjustments to all sales analysed or utilised for the current base date.

Check all sales including paired sales for consistency and accuracy

Ensure the Valuers have utilised a consistent basis during the analysis process.

Sale Price below Land Value Check

Identifies all properties that have a purchase price below land value, to enable Valuers to review them in line with current value levels.

Resolve Issues Register Items

Any perceived issues are registered throughout the valuation year that are constantly reviewed, and amendments undertaken where necessary. This check ensures all of these issues have been addressed.

Resolve Missing Values

This ensures that all properties have values attributed to them, including Date Valuation Made, Land Value Basis, New Land Value, as well as Statutory Concession Valuations, including allowances for development on and off the land, heritage values, land rating factors, apportionment values and mixed development apportionment factors.

Objections Report

Identifies all properties that have had their prior base date values amended on objection, for the Valuer to review.

Review Environmental and Other Issues

Enables the Valuer the opportunity to review properties with significant environmental issues, such as soil contamination.

Component Statistics Report

Reports on the consistency of the components as it relates to the selection of benchmark properties, to ensure they are within the requirements.

Allowances Check Report

Produces a report that displays the net land value of each property to ensure the allowances do not exceed the land value.

Sales Statistics

Produces a report that identifies sales that have been analysed that do not meet the requirements in terms of the proposed new land value.

Benchmark Factor Comparison Report

Reports on the factor adopted across the entire component and the corresponding factor that has been adopted on each benchmark property.

Parameter Check Report

A report is produced that shows all properties that fall outside a factor of 0.50 to 2.00.

Comparison of Average Values

This report identifies sales that exist outside the required COAV range.

Component Exception Report

Is a report that displays properties that do not confirm the benchmark reporting requirements.

High Values Properties Report

Is a report that lists all properties that have been identified as a high value property to enable the Valuer to ensure the value and worksheet calculations are correct.

High Risk Properties

Is a report that lists all properties that have been identified as a high risk property to enable the Valuer to ensure the value and worksheet calculations are correct.

Verification Methodology

This report displays the amount of verification that has been undertaken in an LGA on a component basis by verification type.

LGA Details Report

This report shows all the properties in the LGA on a component basis, including the number of properties and the sum of the value of all properties in the component.

Export Provisional Market Data File and Data Check

The AVS will perform its own statistical and compliance analysis to the provisional market data file to ensure all market data is within the required parameters.

Export Provisional Property Data File and Data Check

The AVS will perform its own statistical and compliance analysis to the provisional property data file to ensure all land value data is within the required parameters.

Export Final Market Data File and Data Check

The AVS will perform its own statistical and compliance analysis to the final market data file to ensure all market data is within the required parameters.

Export Final Property Data File and Data Check

The AVS will perform its own statistical and compliance analysis to the final property data file to ensure all land value data is within the required parameters.

Reviewed by CSM/SV

Records the date and time that market data and property data deliverables have been reviewed by the Contractor Services Manager or the Senior Valuer in his absence.

District Approval for Export

Records the date and time the CSM has approved the market data and property data files for export.

Report Delivery Register

Register within the AVS to record the details of the provision of each required deliverable.

9.1 Quality Statement

A Quality Statement will be provided to the District Valuer as part of the Valuation Analysis Report. The Quality Statement will be signed by the valuation manager. The Quality Statement will detail the quality control checks that have been carried out in the LGA.

Aspect Property Consultants Quality Statements include statements and evidence to substantiate that:

- All properties have been valued.
- The land values are consistent with each other.
- The land value basis has been correctly recorded for each land value.
- All statutory concession valuations and allowances have been supplied.
- Land values for those properties with considerably higher values in relation to the average for a land use have been reviewed and are correct. A list of the properties identified will be provided.
- 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.
- A broad range of market evidence has been analysed and provided in the market report as required by the contract.
- Adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.
- 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 to support adoption of the current land value.
- A zone/component code integrity check has been made.
- The current and proposed planning controls that affect the valuations have been taken into account.
- Where the land value of a property has been amended on objection or reascertainment, the alignment of values with nearby properties has been checked.

- Statistical checks and Component Data Tables have been prepared, reviewed and anomalies or results outside the specified parameters have been rationalised and reported.
- Land values have been compared to adjusted land values for analysed sales and any anomalies have been addressed.
- Land values have been compared to all sale prices and anomalies have been addressed.
- Worksheets have been maintained on all properties where calculations are required, such as properties valued under Sections 26A, 28 and 14I, englobo parcels, special use parcels and large value properties such as shopping centres.

9.2 Internal Quality Procedures

Aspect Property Consultants recognises its responsibility as a provider of quality property consultancy services. To ensure the quality of internal procedures, Aspect Property Consultants has developed and documented a quality management system. The system complies with:

- International standard ISO 9001:2000 Quality Management Systems – Requirements
- Australian Property Institute Professional Practice Guide
- Valuers Registration Act 2003
- Land Valuation Services for Government Taxing and Rating for the General Manager, Land and Property Information, Department of Lands.

9.2 Overview

The Aspect Property Consultants internal Quality Procedures cover the following components:

Staff

- All valuation and administration staff are appropriately qualified
- All staff receive ongoing training to reflect changes in contractual requirements.
- Staff are required to undertake added value studies to ensure they are up to date with the market when determining added values of improvements.

Aspect Valuation System v 5.48 (AVS)

The AVS has a number of built in QA measures to limit the incidence of human error, e.g. warning prompts when value levels for outside predetermined parameters on Workflow valuations. The AVS is continually being upgraded to further enhance the quality of valuation outcomes.

Sales Analysis

All sales analysed by valuation staff are reviewed by the Senior Valuation Staff and Valuation Area Services Manager before being uploaded to Valnet 2(i). Sales that are analysed with respect to added value studies are discussed at monthly meetings.

Market Analysis Overview

Specific markets are analysed with input from all associated valuation staff. The Contract Services Manager provides feedback from the District Valuer to staff.

Progress Reports

Progress reports are signed off by the Contract Services Manager after preparation by valuation staff.

Component Review

Proposed component reviews/restructures are signed off by the Contract Services Manager.

Verification

The Verification Program is directed and finalised by the Contract Services Manager, before values are issued to LPI.

Provisional Valuation Recommendations

All provisional values are reviewed by senior valuation staff, with a final review by the Contract Services Manager before the values are issued. In LGA's where the Contract Services Manager is preparing values, a senior valuer must review all values.

General Valuation Recommendations and Valuation Analysis Reports

All reports must be reviewed by senior valuation staff. The Contract Services Manager conducts a final review before the valuations are issued. In LGA's where the Contract Services Manager is preparing values a senior valuer is to review all values.

Final General Valuation Recommendations

- Feedback on reports and value levels received by the Contract Services Manager is circulated to all valuation staff for review.
- All reports are submitted to the Contract Services Manager for final review before being issued.
- Administration staff compile a list of properties that are owned by the valuation staff in the LGA and provide this to the Contract Services Manager. These properties are reviewed in the context of the surrounding land values.
- The Final General Valuation Recommendations are supplied to the District Valuer for review.

Final Report

All valuation staff provide input to the detailed final report, which is reviewed by senior valuation staff and the Contract Services Manager before it is issued.

9. Land Values Amended on Objection

Objections have been searched on Valnet to obtain details of properties which have been amended on objection.

There were no completed objections to values as at the 2014 base date.

10. Statistical Analysis

Four main statistical analysis procedures were conducted within the shire, pertaining to land values and sales, as well as the component structure.

See attached for each zone.

11.1 Coefficient of Dispersion (COD)

The COD measures the uniformity of land values adopted on individual properties relative to sale prices of land. The Valuer General stipulates that the result of these calculations must be equal to or less than 15. Refer to results below.

11.2 Mean Value Price Ratio (MVP)

The MVP measures the accuracy of values relative to Adjusted Land Values as at the Base Date. It reflects the relationship between land values adopted and the analysed sale price. The process is required to be conducted in relation to properties on which single residential dwellings can be constructed. The Valuer General instructs that the required result of these calculations is between 85 and 100%. Refer to results below.

11.3 Price Related Differential (PRD)

The PRD measures the extent to which high and low valued properties are assessed uniformly relative to the sales data, and is once again required to be calculated in relation to single residential dwelling sites. The Valuer General specifies that the required standard of this calculation is between 0.98 and 1.03. Values within this range indicate that high valued properties are not over-valued in relation to low valued properties within the same component.

The statistics for the zones are as follows:

<u>Zone RU1:</u>	COD	=	0.2%
	MVP	=	99.7%%
	PRD	=	100.2%

Note: after allowance for multiple sale PIDs including the sale attached to PID 3367048-which was over 4 PIDs and the sale attached to PID 2612968 which was over 2 PIDs.

<u>Zone R5:</u>	COD	=	0.0%
	MVP	=	96.7%%
	PRD	=	100.0%
<u>Zone RU5:</u>	COD	=	1.1%
	MVP	=	98.8%
	PRD	=	100.0%

11.4 QRP

The QRP represents the range of values in the middle 50% of each component, to assess the similarity of values of properties which have been identified as being alike. The Valuer General indicates that a QRP of 50% or less is acceptable. This figure relates to total land values only, and does not allow for properties which may be correctly grouped together, but whose total land value figures differ. This is particularly relevant in rural and commercial components, where properties may have similar rates per hectare or per square metre adopted over them, but due to differing land parcel sizes the total land value figure is outside the required parameters.

The LGA comprises 21 separate components, of which 8 components are below 50%.

For a detailed explanation for each component that has a QRP of greater than 50%, refer to Valuation Analysis Report for Brewarrina LGA. A detailed commentary is provided that identifies the reasons why the QRP is greater than 50% and why the component methodology is appropriate for these components.

11. Certification

12.1 Certification Statement

This Final Report is an accurate account of the activities undertaken, review completed and quality control checks in place for the provision of land valuation services for rating and taxing on behalf of the Valuer General of NSW for the Brewarrina LGA, at the 2015 base date.



Robert Kennedy
AAPI – certified practising valuer
registration no. val-012222
Aspect Property Consultants
29th September 2015

Annexure 1

Residential Paired Sales Analysis Brewarrina LGA 2015

BREWARRINA LGA Summary

Address	Construction	Purchase Price	Est. Land Value	Living area	Outdoor area	Car	Any/Day Improvements	Comments
2 81 Wilson St Brewarrina 2043m ² (site) sold 18/03/2015	1940's Single Storey vinyl clad dwelling with corrugated metal roof	\$100,000	\$11,400	\$290	\$100	\$100	\$26,300	Low sale due to construction issues and local negative sentiment. Had been on the market for 2 to 3 years.
3 12 Bridge Road Brewarrina site area 2034m ² SOLD 06/11/2015	Single storey 1960's fibrous cement clad dwelling with corrugated metal	\$90,000	\$1,300	\$196	\$224	\$200	\$17,476	High sale of clad dwelling sold to tenant who was desperate to buy
4 8 Bridge Road Brewarrina site area 1012m ² sold 28/02/2015	Single storey circa 1960's fibrous cement clad dwelling	\$21,000	\$2,400	\$218	\$0	\$0	\$1,200	Clad dwelling in poor condition
5 122 Bathurst Street Brewarrina site area 1212m ² sold 15/01/2015	Single storey circa 1920's weatherboard clad dwelling with a carport	\$64,000	\$8,800	\$240	\$40	\$40	\$8,040	Older clad dwelling
6								
7								

PAIRED SALES ANALYSIS SHOWS :-

Clad dwelling allow \$218m² to \$288m²
 Brick dwelling allow \$1m² to \$1m²

Value:

Registration #

Prepared by
 Reviewed by

Leisa Ticehurst
 Robert Kennedy

21066
 12232
 31/07/2015