

FINAL REPORT 2015



Standing Stones at Glen Innes

Glen Innes Severn LGA

Contract Area	New England
Contract No	742342
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	Under Rating & Taxing Procedure Manual 6.6.2

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Executive Summary

LGA Overview

Glen Innes Severn Local Government Area

The Glen Innes Severn Local Government Area (LGA) is located in northern New South Wales, approximately 758 kilometres to the north of Sydney in the New England Region of New South Wales. The Glen Innes Severn LGA comprises a land area of approximately 5,825 square kilometres that predominantly includes undulating and elevated land and lower escarpment lands. The Glen Innes Severn LGA is adjoined by four other LGAs – Tenterfield to the north, Guyra to the south, Inverell to the west and Clarence Valley to the east.

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

The Glen Innes Severn LGA comprises Residential, Rural, Commercial, Industrial, Infrastructure, Environmental and Public Recreation zones.

5,278 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 Glen Innes property market has remained steady across most sectors, with some marginal increases in parts of the rural sector.

Valuation changes in the Local Government Area and percentage changes between the prior Base Date of 1 July 2014 and 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	R1, R5, RU5	3,001	\$ 144,765,840	\$ 145,584,100	-0.6%	
Rural	RU1, RU3	1,809	\$ 636,874,410	\$ 598,476,310	6%	
Commercial	B2, B4, B6	316	\$ 26,164,650	\$ 26,164,650	0%	
Industrial	IN1, IN2	89	\$ 7,012,000	\$ 7,012,000	0%	
Infrastructure	SP1, SP2	7	\$ 747,900	\$ 747,900	0%	
Environmental	E3	33	\$ 1,372,360	\$ 1,372,360	0%	
Public Recreation	RE1, RE2	23	\$ 3,908,000	\$ 3,908,000	0%	
Total		5,278	\$ 820,845,160	\$ 783,265,320	5%	

State & Local Government Legislation for LGA

The Glen Innes Severn LGA is governed by the Glen Innes Severn Local Environmental Plan 2012 (LEP) gazetted on 14 September 2012. There has been one amendment to the LEP since the last Final Report (see details later in this Report).

The current plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

Market Overview

Opteon Property Group (OPG) as Contractors have undertaken significant analysis of the Glen Innes district property market to provide an accurate and reliable basis of valuation. 171 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. OPG as Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with the Replacement Cost Method used when appropriate.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In Glen Innes Severn LGA this year sales and resales of properties indicated little variance in values throughout the year, with the exception described below. Therefore overall it was considered appropriate that no adjustment to Base Date be made in most property categories. The exception being rural broadacre sales in components with an increase, sales in the period 1 July 2014 to 30 December 2014 have had a marginal positive adjustment of approximately 2% to the 1 July 2015 Base Date.

Overall in the last twelve months Glen Innes town residential values have generally remained stable with some signs of increasing values since the approval of the proposed flight school. The volume of sales across all villages throughout the Glen Innes Severn LGA is similar to slightly less than experienced in the previous twelve month period. Values have remained stable in the period of review. There has been limited commercial development and no industrial sales in Glen Innes in the last twelve months, with available evidence showing stable values, however the high number of vacancies continues. In the rural sector the following trends were evidence in the last twelve months: the sales of better quality mixed farming and grazing land throughout the LGA indicated a modest increases of up to 9%; poorer quality and inferior located grazing land, the rural retreats, the small well located farmlets close to Glen Innes and the smaller rural residential properties throughout the shire showed no significant market movement; while the sales of hobby farms throughout the shire, located far enough from Glen Innes that values are not influenced by proximity to town indicated a modest increase in values of approximately 9%.

Significant Issues and Developments

- Approval for a redevelopment of Mackenzie Mall with a food court which is located at 217 Grey Street, Glen Innes.

Significant Value Changes

Minor variations and value changes (generally $\pm 10\%$) in the past 12 months have previously been noted in this Report (see Market Overview). There have been some significant value changes due to verification since the 2014 Base Date, these are summarized below by property type.

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2014)

Some higher valued residential properties in Robinson Avenue have been reviewed as premium for size, outlook considered too high in context of current market and comparable sales in quality estates including rural-residential allotments.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

A number of rural properties have experienced changes in value, with increases to better reflect quality of the country and dwelling entitlements with new imagery assisting in reviews of these features. Also some reductions in rural land values to reflect lack of building entitlements.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2014)

There were no significant value changes to commercial land.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2014)

There were no significant value changes to Industrial land.

TABLE OF CONTENTS

Executive Summary	2
Disclaimer - Purpose of this Report	6
LGA Overview	7
State & Local Government Legislation for LGA	11
Market Overview & Sales of Particular Interest	12
Significant Issues and Developments	17
Significant Value Changes	17
Overview of the Quality Assurance Process	18
Authors	18

Disclaimer - Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of the Glen Innes Severn 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 Glen Innes Severn LGA area is located in the Northern Tablelands of New South Wales, approximately 758 kilometres north of Sydney and 365 kilometres south of Brisbane. The Glen Innes Severn LGA comprises a land area of approximately 5,825 square kilometres that predominantly includes the town of Glen Innes, its environs and the greater surrounding rural area which previously comprised the Severn Shire. Additionally there are four rural villages located within the shire, these comprise Deepwater, Emmaville, Glencoe and Red Range. The Glen Innes Severn LGA is adjoined by four other LGAs – Tenterfield to the north, Guyra to the south, Inverell to the west and Clarence Valley to the east.

Principal Towns

Glen Innes

Glen Innes is the principal town in the Glen Innes Severn LGA region. It is located approximately 758 kilometres north of Sydney and 98 kilometres north of the Armidale CBD. The Central Business District of Glen Innes is bordered by Ferguson, Church, Wentworth Streets and East Avenue. It features several large national tenants and many individual shops and offices.

Glen Innes CBD is enveloped by parkland to the west border and residential development on other borders. Residential development is largely single residential dwellings with some small residential flat developments.

Glen Innes has full utility services available including a reticulated town water supply, reticulated sewer and telecommunication services. It also has a range of Government Departments, Police Station, Court House, Ambulance Station, Fire Station, SES, Council Chambers, Library and Hospital.

There is one State High School, one State Primary School, one State Infants School and one Primary Catholic School located within the developed area of the town.

Additional community based facilities available within the LGA include various denominational churches, child care centres, various aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pool, tennis courts and a golf course.

Types of Residential Development

Glen Innes has a broad mix of residential accommodation types. These range from the older brick residences built in the early 1900's to more modern brick residences. Older residential accommodation includes many heritage homes which are generally located within the central areas. Older public housing development is generally confined to the west of the Town. More recent brick veneer residences built from the 1970's to current are generally found in the north and south east areas of Town.

Approximately 67% of properties in the region are owner occupied, 28.5% are owned by investors and 4.5% are government owned dwellings.

Villages

In addition to Glen Innes town, there are several small rural villages located within the Shire, being Deepwater, Emmaville, Glencoe, Tenthill, and Red Range. The Villages are located throughout the LGA. Each of the villages provides basic amenities to the surrounding rural regions.

Deepwater is located approximately 40km north from Glen Innes along the New England Highway. The village has a post office, small grocery store, race course, motel/hotel and a primary school, and a small industrial estate supporting an estimated population of 490.

Emmaville is approximately 45km north west of Glen Innes. The village has a post office, general store, a swimming pool, pre-school, a central public school and a hospital. It has a population of about 247 people. The village also services Tenthill village which located approximately 5km north-east of Emmaville.

Glencoe is a village approximately 22km south of Glen Innes along the New England Highway. The village has a Tavern, gallery/café, community hall, and SES shed. The village has a population of about 211.

Red Range village is located approximately 23km south-east of Glen Innes. The village provides a primary school and community hall.

Main Industries

Glen Innes town has a commercial and industrial sector of supporting businesses for the residential and surrounding rural sector. There are several industrial areas within Glen Innes, including on the northern and southern approaches to the Town with some 'Highway Services' industrial/business uses; to the north-west of the Town in a Council developed industrial estate known as Gleninda Estate; and on the western fringe of the Town along the Gwydir Highway/Ferguson Street including Greenaway Street. A broad range of uses from light industrial to heavy industrial are carried out in the area with the market predominantly being owner occupier.

Significant Retail Centres

Glen Innes Central Business District features several large national tenants including Woolworths, Coles, McDonalds and KFC. Major regional retail centres for commercial/industrial needs not available in Glen Innes includes Inverell located 67km to the west and Armidale City located 98km south.

Rural

The Glen Innes Severn LGAs rural land contains some highly productive basalt soils in the Ben Lomond, Glencoe, Maybole, Grahams Valley and Kings Plain localities; but is more commonly granite soils. Traditionally the Glen Innes and greater New England District has been a strong, fine wool growing and fat lamb producing area. However the poor returns from wool production in recent years have seen many producers change to cattle production. This is a trend which is common throughout much of New South Wales.

Beef cattle breeding and fattening are now the most common agricultural pursuits in the Shire. Lamb and wool production are still present but are generally confined to the secondary class grazing lands, with the more productive soils being almost exclusively used for cattle grazing. There is minimal cultivated crop production within the LGA, with some cropping to the western land adjoining Inverell Shire.

Rural retreat home sites occupy much of the poorer quality land within the district, particularly around the Sara River/Nightcap Mountain and Emmaville/Lands End areas, where the relative isolation/privacy and the natural bushland settings are attractive features to the 'lifestyle' market.

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 Glen Innes Severn LGA:

Glencoe/Grahams Valley

Glencoe/Grahams Valley locality is approximately 20km south of Glen Innes via the New England Highway. Amenities at Glencoe village include a hotel, café/gallery and community hall. Topography ranges from undulating along the valleys of the Grahams Valley Creek/Beardy Waters, Williams Creek and Marowan Creek which rise to the south and flow towards the north, and steeper slopes along the ridges that are situated generally between these creeks, and along the Waterloo Range which roughly forms the western border of this locality. The Great Dividing Range is located between Grahams Valley Creek and Marowan Creek. Soils comprise predominantly chocolate basalt with areas of fine granite found mainly on the eastern side of Glencoe village. Elevation ranges from approximately 1,000m ASL in the valleys to approximately 1400m ASL on the ridges and peaks south and south west of Glencoe near the shire boundary, and rainfall is in the range 850 – 870 mm pa. The majority of the land is cleared for grazing with some remnant shade and shelter timber remaining.

Deepwater/Dundee

Deepwater/Dundee locality is approximately 25 – 35 km north of Glen Innes via the New England Highway. Amenities at Deepwater village include 2 hotels, general store, service stations, police station, small supermarket and school. Topography is generally undulating throughout apart from some steeper ridges and hills east of Deepwater and Dundee. The major streams in this area include the Deepwater River and Severn River which flow from the east in a westerly direction, and closer to Glen Innes the Beardy Waters which flows towards the north west. The Great Dividing Range forms roughly the eastern border of this locality, close to the shire boundary. Soils range from fine granite loams in the Rangers Valley west of Dundee, sandy granite east of the New England Highway with areas of stony trap throughout, but mainly to the east. Elevation ranges from approximately 900m ASL in the valleys to the west, to approximately 1100m ASL on the ridges and peaks closer to the Great Dividing Range, and rainfall is approximately 850 mm pa. The majority of the land west of the New England Highway is cleared for grazing however there are large areas of timbered slopes and hills to the east.

Pinkett/Mount Mitchell

Pinkett/Mount Mitchell locality is approximately 30–40km south east of Glen Innes, accessed via the mostly sealed Pinkett and Mount Mitchell roads. Apart from a community hall at Pinkett, there are no facilities or amenities at these localities. Topography is generally undulating to hilly throughout and generally steeper in the eastern fall areas, where the land falls away steeply into deep gorges. The major streams in this area include the Henry, Sara and Mann Rivers which flow to the east. The Great Dividing Range forms roughly the western border of this locality. Soils are predominantly fine to coarse granite, with small areas of trap and basalt throughout. Elevation ranges from approximately 600m ASL in the valleys at the eastern extremity, to approximately 1100m ASL in the Mount Mitchell area and rainfall is approximately 850mm pa. The majority of the cleared grazing land is found in the more gentle slopes and valleys of the major streams and creeks, and there are large areas of timbered slopes and ridges throughout.

Wellingrove/Kings Plains

Wellingrove/Kings Plains locality is approximately 20km north west of Glen Innes via sealed road. There are no amenities at Wellingrove which comprises a small number of cottages in this rural locality. Topography is generally undulating throughout apart from some steeper areas towards Emmaville and west of Wellingrove where there is a large area of timbered hill country along the shire boundary. The major streams in this area include the Wellingrove Creek which flows north west to meet the Severn River which flows from the east in a westerly direction. Soils range from black flats along Wellingrove Creek, areas of black and chocolate basalt interspersed with poorer quality trap soils over much of the area, and very poor stony trap towards Emmaville in the north. Elevation ranges generally from approximately 900–1,000m ASL and rainfall is approximately 800mm pa. The majority of the better quality soils are cleared however this locality also includes large areas of poor quality timbered slopes and hills close to and west of Wellingrove, and further north along the Severn River closer to Emmaville.

Emmaville/Torrington

Emmaville/Torrington locality is approximately 35-45 km north of Glen Innes via sealed road. Emmaville Village has a general store, hotel, police station, fuel outlet, small hospital and school. Torrington village comprising a small number of cottages has no amenities apart from a community hall, and bush fire depot. Topography is generally undulating to hilly with the steeper land being located closer to the 2 major streams which run through the area, the Severn River to the south and the Beardy River to the north. Apart from an area of better quality granite east of Emmaville and south of Torrington, soils are predominantly trap of fair to poor quality. Elevation ranges generally from approximately 900–1,100m ASL and rainfall is approximately 800mm pa. The majority of the better quality soils are cleared however this locality also includes large areas of fair to poor quality open stony trap soil grazing as well as large areas of timbered slopes and hills close to Torrington including a large conservation reserve, and an area of inferior quality timbered hill close to Emmaville

Red Range

Red Range locality is approximately 15km east of Glen Innes via sealed road. Amenities at Red Range include a community hall, bush fire depot and school. Topography ranges from undulating land west and south of the village, whilst to the north and east the topography becomes steeper hills and valleys. The major streams include the Mann River which lies between Red Range and Glen Innes and which flows north, and the Yarrow River which is located south east of the village. This locality is situated east of the Great Dividing Range. Soils comprise predominantly chocolate and red basalt close to the village, and elsewhere the predominant soil type is granite. Elevation ranges from approximately 1100m ASL in the higher areas near the village, falling away to around 600m ASL in the deep valleys to the east. Rainfall is in the range 850–870 mm pa. The majority of the better quality more accessible land is cleared for grazing, however there are large areas of steeper poorer quality timbered slopes and hills to the north and east of Red Range village.

State & Local Government Legislation for LGA

The Glen Innes Severn LGA is governed by the Glen Innes Severn Local Environmental Plan 2012 (LEP) gazetted on 14 September 2012. There has been one amended to the LEP since the previous valuation being Glen Innes Severn Local Environmental Plan 2012 (Amendment No 2) undertaking the following amendments:

- Rezone an unformed section of Taylor St from RU1 to R1 consistent with the adjoining land;
- Amend the Dwelling Opportunity Map (DWE - 002, 002A, 003 & 005) to include additional parcels that have been identified as containing a dwelling opportunity;
- Amend the Zone RU5 land use table to prohibit 'Animal boarding or training establishments';
- Include a rural boundary adjustment provision for Zone RU1; and
- Rezone Lots 2, 3 & 4 Section 52 DP 758447 & Lots 5 & 6 DP 592608, Grafton St, Glen Innes from R1 to IN1.

These amendments became effective from the 15 May 2015.

The current 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 Glen Innes Severn Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act. Glen Innes Severn Council has development controls including the Glen Innes Severn Development Control Plan 2014 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	450m ² , 800m ² (R1)* 2000m ² , 1ha (R5)* 500m ² , 1000m ² (RU5)*
Rural	40ha, 150ha, 300ha (RU1)*
Business	Council Consent required (B2, B4, B6)
Industrial	Council Consent required (IN1, IN2)
Environmental Management	300ha (E3)
Recreation	Council Consent required (RE1, RE2)
Special Use	Council Consent required (SP1, SP2)

**see LEP Maps for details*

Market Overview & Sales of Particular Interest

Opteon Property Group (OPG) as Contractors has undertaken significant analysis of the Glen Innes Severn property market to provide an accurate and reliable basis of valuation. 171 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. OPG Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with the Replacement Cost Method used when appropriate.

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

Sales which do not have market circumstances including sales between related parties and company transfers, have not been utilised when assessing market changes and determining land values.

General economic factors (including international exchange rates, economic growth and interest rates) commodity prices and climatic conditions strongly influence the Glen Innes Severn property market.

Residential

The Glen Innes Severn LGA comprises approximately 2,715 residential zoned properties located in Glen Innes.

The Glen Innes Severn LGA residential market had approximately 87 sales throughout Base Date 2015 with 84 sales analysed.

The volume of sales over the last twelve months has increased. Generally the market has remained stable since the prior BD, with some signs of increasing values since the approval of the proposed flight school. Agreements have been executed between the proponent and Council regarding the lease/sale of land. However it is understood the development is still reliant on final private funding to the proponent therefore there is still considered to be some risk associated with the project proceeding although the State and Federal government funding for services has been allocated and works completed. Until private construction by the proponent is substantially commenced we have decided to not increase values on the limited sales evidence supporting increased levels, with other evidence supporting the existing value levels.

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

Typical land value at 1 July 2015 for typical residential properties include:

Description	Address	Area	BD14	BD15	CHG 14-15
Centrally Located Mostly West of Parkland	Bourke St	720.80 m2	\$49,500	\$49,500	0.00%
East of Railway, North of Gwydir Highway, South Lang Street	Macquarie St	1,012 m2	\$45,000	\$45,000	0.00%

Established Areas West of Railway Line	Ferguson St	1,008 m2	\$36,500	\$36,500	0.00%
East of New England Highway	Meade St	2023 m2	\$50,000	\$50,000	0.00%
Large Lot Residential South of Gwydir Highway	Glen Legh Rd	1.25 ha	\$105,000	\$105,000	0.00%
Large Lot Residential North of Gwydir Highway	Hewitt Rd	2.118 ha	\$80,000	\$80,000	0.00%

There have been two sales with contract prices above \$600,000 since the prior Base Date in the Residential zones; one of which was the sale of a caravan park and the other which was the sale of a motel.

Village

The Glen Innes Severn LGA comprises approximately 586 village zoned properties located throughout the Shire.

The Glen Innes Severn LGA village market had 28 sales throughout Base Date 2015, all of which were analysed.

The Glen Innes Severn village markets have generally remained stable in the last twelve months. The volume of sales across all villages is at slightly lower volumes than that experienced in the previous twelve month period. Values have remained stable in the period of review, with the exception being Tenthill with a marginal reduction in values.

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

Typical land value at 1 July 2015 for typical village properties include:

Description	Address	Area	BD14	BD15	CHG 14-15
Deepwater Village	Forbes St	2,023 m2	\$30,600	\$30,600	0.00%
Emmaville Village	Rose Valley Rd	2,428 m2	\$17,500	\$17,500	0.00%
Glencoe Village	Glencoe St	2,023 m2	\$26,500	\$26,500	0.00%
Tenthill Village	Wellington Vale	4,375 m2	\$18,000	\$17,200	- 4.44%
Red Range Village	Victoria St	2,023 m2	\$22,000	\$22,000	0.00%
Dundee Village	Severn River Rd	1,619 m2	\$20,000	\$20,000	0.00%
Wellington Village	Victoria St	7,576 m2	\$20,000	\$20,000	0.00%

There were no sales of significance in the past 12 months within the village markets.

Commercial

The Glen Innes Severn LGA comprises approximately 316 commercial zoned properties predominantly located in Glen Innes.

The Glen Innes Severn LGA commercial market had approximately 10 sales throughout Base Date 2015, all of which were analysed.

The sales indicate a relatively stable market. However it is noted that the commercial area has a relatively high volume of vacancies, and there is therefore some risk which could correlate to future value corrections.

Typical land value at 1 July 2015 for typical commercial properties include:

Comp Code	Address	Area	BD14	BD15	CHG 14-15
CBD with Grey Street Frontage	Grey St	379.4 m ²	\$61,500	\$61,500	0.00%
CBD Fringe	East Ave	525.5 m ²	\$47,500	\$47,500	0.00%
Highway Frontage Outside CBD	Lambeth St	3,706 m ²	\$128,000	\$128,000	0.00%
Tafe, Library, NPWS Offices/Depot, Hotels Outside CBD	New England Highway	1.305 ha	\$90,000	\$90,000	0.00%

There were no sales of significance in the past 12 months within the commercial market.

Industrial

The Glen Innes Severn LGA comprises approximately 89 industrial zoned properties located in Glen Innes.

The Glen Innes Severn LGA industrial market had no sales throughout Base Date 2015.

With the lack of industrial sales, relativities and conditions in the remainder of the town market were considered, with no change in values consistent with the remainder of the town considered appropriate.

Typical land value at 1 July 2015 for typical industrial properties include:

Comp Code	Address	Area	BD14	BD15	CHG 14-15
Industrial Land	Ferguson St	885.2 m ²	\$63,800	\$63,800	0.00%
Railway Land/Leases with Industrial Use	Railway Street, Glen Innes	3,265 m ²	\$50,600	\$50,600	0.00%

There were no sales of significance in the past 12 months within the industrial market.

Rural

The Glen Innes LGA comprises approximately 1,842 rural, forestry and environmental management zoned properties.

There were approximately 49 rural zoned sales considered to be reliable market indicators recorded and analysed during the 12 month period ending 1 July 2015, and this comprised 10 larger broadacre grazing properties, and 39 generally smaller properties being lifestyle, rural retreat, farmlet and rural residential type properties.

Three market trends have become evident over the 12 month period ending 1 July 2015:

1. The sales of better quality mixed farming and grazing land throughout the LGA indicated a modest increase in values for these properties. There were approximately 10 sales of these properties recorded, and all of these sales showed an increase of at least 9%. The increase in values and generally improved market sentiment in this sector of the market is seen as being the result of improved commodity prices, particularly beef cattle over recent months, a significant improvement in seasonal conditions since November 2014, historically low interest rates, and the flow on effect of increased property sales activity throughout rural NSW generally.
2. The sales of hobby farms throughout the shire, located sufficiently far enough from Glen Innes that values are not influenced by proximity to town have indicated a modest increase in values. There were 8 market sales recorded, and all sales showed an increase of at least 9%. This trend appears to be at odds with the general trend for these types of properties throughout the Northern Tablelands and appears to represent a local correction rather than a significant upward movement in values.
3. In contrast, the market for the poorer quality and inferior located grazing land, the rural retreats, the small well located farmlets close to Glen Innes and the smaller rural residential properties throughout the shire showed no significant market movement. The largely unchanged market for these properties is seen to be due to generally subdued economic activity in regional areas, notwithstanding the improved rural outlook, with a well-balanced supply/demand situation, and the fact that these properties on the whole do not have significant livestock or cropping potential, therefore values are not influenced so much by commodity prices and seasonal conditions.

Typical land value at 1 July 2015 for typical rural properties include:

Description	Address	Area	BD14	BD15	CHG 14-15
Near level large cleared residential site located on the eastern fringe of Deepwater village	Simpson Street, Deepwater	2,208 m2	\$35,000	\$35,000	0.00%
Cleared gently sloping small acreage located on the northern fringe of Emmaville village	Moore Street, Emmaville	8,119 m2	\$25,000	\$25,000	0.00%
Cleared near level rural residential site located approximately 1.5 km south west of the Glen Innes residential area.	Bradleys Lane, Glen Innes	1.250 ha	\$100,000	\$100,000	0.00%

Sloping to hilly timbered poor quality trap soil retreat holding located approximately 21 km north west of Glen Innes	Emmaville Rd, Reddestone	40 ha	\$67,500	\$67,500	0.00%
Sloping mostly cleared basalt and granite hobby farm located approximately 16 km south east of Glen Innes in Red Range locality	Lawler Rd, Red Range	57.38 ha	\$233,000	\$233,000	0.00%
Level to gently undulating mainly cleared partly arable basalt grazing located 1 km south of Red Range village, approximately. 20 km east of Glen Innes.	Lawler Rd, Red Range	155.48 ha	\$525,000 (\$3,377/ha)	\$564,000 (\$3,627/ha)	+ 7.43%
Grazing Licence over undulating to hilly mostly timbered land within Oakwood State Forest located approximately 48 km SE Glen Innes in Pinkett/Mount Mitchell locality	London Bridge Fire Trail, Pinkett	182 ha	\$24,600 (\$135/ha)	\$24,600 (\$135/ha)	0.00%
Elevated mainly cleared undulating to steep basalt grazing with creek frontage located in Maybole locality, approximately. 24 km south west of Glen Innes.	Maybole Rd, Ben Lomond	211.9 ha	\$684,000 (\$3,228/ha)	\$752,000 (\$3,549/ha)	+ 9.94%
Undulating to hilly partly timbered granite and trap grazing with fair only access via track, located approximately. 6 km north east of Deepwater, approximately. 46 km north east of Glen Innes, in Deepwater locality.	New England Highway, Deepwater	213.7 ha	\$155,000 (\$725/ha)	\$167,000 (\$781/ha)	+ 7.74%
Level to undulating mainly cleared granite soil grazing located approximately. 12 km south west of Deepwater village, and approximately. 52 km north of Glen Innes, in Deepwater/Dundee locality.	Newsomes Rd, Wellington Vale	311.8 ha	\$393,000 (\$1,260/ha)	\$393,000 (\$1,260/ha)	0.00%

There were two rural broad acre market sales over \$5,000,000 within the Glen Innes rural market during the 12 month period and one broad acre market sale over \$7,000,000 since the current Base Date. These included a 1737 ha mostly basalt soil grazing holding located in the Wellingrove area, including arable flats along Black Plain Creek, showing an analysed land value of \$2,026/ha; a 1518 ha mostly basalt soil grazing holding at Matheson including arable black basalt flats along Wellingrove Creek and large historic homestead showing an analysed land value of \$1,909/ha; and more recently a landmark basalt soil grazing holding located at Stonehenge including large historic homestead, highway frontage, showing an analysed land value of \$4,777/ha.

In the lifestyle/small holding market there were eight market sales contracted above \$500,000, including a well located 34 ha hobby farm located 2 km south east of Glen Innes showing a block value of \$389,000; a 108 ha mostly arable basalt small scale grazing holding with no dwelling entitlement, located 14 km east of Glen Innes showing an analysed land value of \$4,303/ha and a block value of \$465,000; a 200 ha lifestyle grazing holding with Beardy Waters frontage located 13 km north of Glen Innes showing an analysed land value of \$1,251/ha and a block value of \$250,000; and an elevated 7 ha rural residential holding having good views located on the eastern fringe of the residential area showing an analysed block value of \$155,000.

Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

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

- Approval for a redevelopment of Mackenzie Mall with a food court which is located at 217 Grey Street, Glen Innes.

Significant Value Changes

Significant Values Changes – From Prior to Current Annual Valuation

Minor variations and value changes (generally $\pm 10\%$) in the past 12 months have previously been noted in this Report (see Market Overview). There have been some significant value changes due to verification since Base Date 2014, these are summarized below:

- Some higher valued residential properties in Robinson Avenue have been reviewed as premium for size, outlook considered too high in context of current market and comparable sales in quality estates including rural-residential allotments.

A number of rural properties have experienced changes in value, with increases to better reflect quality of the country and dwelling entitlements with new imagery assisting in reviews of these features. Also some reductions in rural land values to reflect lack of building entitlements.

- Some village properties have experienced changes due to review of site features and grading.

Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of OPG Contractor 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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