

FINAL REPORT 2015



Rural landscape – Gostwyck, South-East of Uralla

Uralla LGA

Contract Area	New England
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Contract No	742342
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Prepared for	LPI
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	Under Rating & Taxing Procedure Manual 6.6.2
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Executive Summary

LGA Overview

Uralla Local Government Area

Uralla Local Government Area (LGA) is located in northern New South Wales, approximately 450 kilometres to the north of Sydney in the New England Region of New South Wales. Uralla LGA comprises a land area of approximately 3,215 square kilometres that predominantly includes undulating land. Uralla LGA is adjoined by five other LGAs – Armidale Dumaresq Council to the east, Guyra Shire Council to the north-east, Gwydir Shire Council to the north-west, Tamworth Regional Council to the west and Walcha Shire Council to the south.

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

Uralla LGA comprises Residential, Rural, Commercial, Industrial, Infrastructure, Environmental and Public Recreation zones.

3,031 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 2011. The Uralla property market has experienced varied movement over the period depending on the property class.

Valuation changes in the LGA and percentage changes between the Council Valuation years of 1 July 2011 and 1 July 2015 and the Land Tax Valuation year of 1 July 2014 are as follows:

Properties Valued and Total Land Value							
Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% change	Prior Local Government Valuation (2011)	% change
Residential	R1, R2, R5, RU5	1,709	\$ 183,765,140	\$ 176,950,130	4%	\$ 166,297,910	11%
Rural	RU1, RU2	1,138	\$ 531,021,140	\$ 508,752,620	4%	\$ 519,490,050	2%
Commercial	B2, B4, B6	121	\$ 11,681,810	\$ 11,002,220	6%	\$ 9,537,200	22%
Industrial	IN1, IN2	23	\$ 2,959,600	\$ 2,829,900	5%	\$ 2,485,000	19%
Infrastructure	SP2	5	\$ 356,200	\$ 421,300	-15%	\$ 358,100	-1%
Environmental	E3, E4	21	\$ 4,210,000	\$ 4,210,000	0%	\$ 4,276,000	-2%
Public Recreation	RE1, RE2	14	\$ 2,763,500	\$ 2,611,500	6%	\$ 2,270,000	22%
Total		3,031	\$ 736,757,390	\$ 706,777,670	4%	\$ 704,714,260	5%

State & Local Government Legislation for LGA

Uralla LGA is governed by the Uralla Shire Council LEP 2012 (LEP) gazetted on 23 March 2012. There have been no amendments to the LEP since the previous valuation Base Date 2014. However since the previous General Valuation 2011 the current LEP has been gazetted. The current LEP is generally aligned with the prior planning instrument with most changes relating to changes into the standardised planning format/zone structure.

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 Uralla LGA property market to provide an accurate and reliable basis of valuation. 129 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 Replacement Cost Approach 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 the Uralla District this year sales indicate a slightly firming market with small increases in most areas of Uralla Town, including residential, rural residential, industrial and commercial. Generally the rural property sector has remained stable or firmed slightly in the last year with sales volumes also remaining steady.

Depending on property sector, market movement in the Uralla LGA has varied since the 2011 General Valuation. Generally the values within the residential, commercial and industrial sectors have increased moderately to strongly in the four year period, with increases generally between 10% - 20% in the period. More moderate increases of approximately 11% occurred for residential land, with stronger increases of 19% - 22% for industrial and commercial land. It is noted that commercial and industrial land value increases were supported by limited supply. These increases can also be attributed to the towns close proximity to Armidale and its comparative housing affordability. In contrast, the rural market has remained fairly steady in the same period, with the limited sales evidence available generally demonstrating some modest increases/decreases in some areas only including modest increases between Kingstown and Bundarra for better quality grazing land, and modest decreases at Kentucky for small holdings/hobby farms.

Overall in the last twelve months Uralla Town residential values have generally strengthened by 5% in line with the neighbouring Armidale City. The Uralla Shire village markets have generally remained stable with no real movement in values over the past twelve months. There has been limited commercial and no industrial sales activity in Uralla since the previous Base Date, with available evidence showing a 5% increase in values, similar to that of the surrounding residential land values of Uralla Town. In the rural sector values increases approximately 5% for getter quality mixed farms and grazing lands; small holdings/hobby farms at Kentucky reduced approximately 10%; with poorer grazing, rural retreats and lifestyle holdings generally experiencing no change in value.

Significant Issues and Developments

The only Development Application of note in the last year was for a 60 lot subdivision located on Barleyfields Road just east of the New England Highway. Granted in March 2015, no DP has been registered and no construction work has yet commenced.

Little development has occurred since the 2011 General Valuation other than a 6 lot subdivision on Plane Avenue, approved in 2014 with complying developments such as new residences and duplexes.

Uralla Council recently announced plans to rezone an 81 hectare parcel of land along Rowan Avenue and New England Highway, on the southern fringe of Uralla. Currently zoned RU1 Primary Production, RU2 Rural Landscape and IN2 Light Industrial, it is intended that the 5 hectares of industrial zoned land will be purchased and subdivided by Council with plans to create an industrial estate, and the remaining 76 hectares will be rezoned to RU4 Primary Production Small Holdings.

Since the previous General Valuation 2011 there has been consolidation/strengthening in the commercial area with lower vacancies and a good tenancy mix which has strengthened the popularity of Uralla as a destination for boutique shopping and café dining.

Significant Value Changes

Minor variations and value changes (generally $\pm 10\%$) in the past 12 months and since the previous General Valuation Date of 2011 have previously been noted in this Report (see Market Overview). There have been some significant value changes due to verification since both the 2011 and 2014 Base Dates which are summarised below:

Summary of Valuation Changes to Residential Land

Changes since previous General Valuation (2011)

- Some properties in the Village of Bundarra had values reduced following review of the Uralla LEP flood map with new sales evidence supporting the adopted value levels.
- Rural residential properties along Rocky Abbey Road were increased following nearby sales evidence which showed that R2 zoned properties on this fringe of Uralla required increases in value.
- Some increases in values of heritage listed properties following the issue of new instruction by LPI for the valuation of heritage listed properties, with development potential to be considered of remainder of sites not directly subject to the listing.

Changes since previous Valuation Year (2014)

As well as the changes outlined above since previous General Valuation which generally occurred in the last twelve months, there have been some increases in value of larger residential sites of good quality land in Uralla Town with potential for subdivision, due to increases in demand.

Summary of Valuation Changes to Rural Land

Changes since previous General Valuation (2011)

- Some changes in value both increases and decreases, following scheduled verification using newly available imagery, which identified both inferior/superior rural land including extent of timbered land. These amended land classifications have been used to calculate land values resulting in some significant changes.
- Heritage listed property in Uralla Environs had value reduced as heritage listing considered to restrict value to current use only, being a utility site with no building entitlement.
- A property in Bundarra Environs had value reduced on review as the property is all grazing licence with no freehold land or dwelling.
- Some grazing properties in the remoter parts of Abington/Yarrowyck rural locality had reductions in value following nearby sales evidence, which showed a greater discount was required for very steep and rough topography, remote location and poor access.
- Some rural properties with no building entitlements due to being under the minimum lot size had reductions in value. Conversely some holdings which previously had no building entitlement assumed had increases as new information confirmed building entitlements. This type of change occurred throughout the LGA including in the localities of Kentucky and Rocky River.

Changes since previous Valuation Year (2014)

As well as the changes outlined above since previous General Valuation which generally occurred in the last twelve months, a property in Kentucky without building entitlement was increased following its sale to better reflect potential for occupation certificate and added value to adjoining land.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2011)

Overall since the previous General Valuation 2011 there has been a strengthening of between approximately 15% - 20% in values, however this increase has been gradual over the period with no significant change in any one year. As previously described since the previous General Valuation 2011 there has been consolidation/strengthening in the commercial area with lower vacancies and a good tenancy mix which has strengthened the popularity of Uralla as a destination for boutique shopping and café dining.

Changes since previous Valuation Year (2014)

There were no significant value changes to commercial land in the last twelve months.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2011)

Overall since the previous General Valuation 2011 there has been a strengthening of between approximately 15% - 20% in industrial values, however this increase has been gradual over the period with no significant change in any one year.

Changes since previous Valuation Year (2014)

There were no significant value changes to industrial land in the last twelve months.

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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 Uralla 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

Uralla LGA is located in the Northern Tablelands of New South Wales, approximately 450 kilometres north of Sydney and 485 kilometres south of Brisbane. Uralla comprises a land area of approximately 3,215 square kilometres that predominantly includes the higher undulating lands of the Great Dividing Range with soils ranging from coarse granites through the western portions of the Shire to trap rock soils with pockets of basalt to the north and east of Uralla. Uralla LGA has a temperate climate, which combined with its elevation and reliable rainfall makes it a first class grazing centre for sheep and cattle. Uralla LGA is adjoined by five other LGAs – Armidale Dumaresq Council to the east, Guyra Shire Council to the north-east, Gwydir Shire Council to the north-west, Tamworth Regional Council to the west and Walcha Shire Council to the south.

Principal Towns

Uralla

Uralla is the principal town in Uralla LGA. It is located approximately 450 kilometres north of Sydney and 23 kilometres south of the Armidale CBD. The CBD of Uralla is generally located along Bridge Street (New England Highway), and bordered by Salisbury, Maitland, Queen and King Streets Church. It features some national tenants and many locally owned individual shops and offices.

Uralla town is enveloped by parkland, residential development, large single residential dwellings and some small residential flat developments.

Uralla has full utility services available including a reticulated town water supply, reticulated sewer and telecommunication services. It also has a Police Station, Ambulance Station, Fire Station, Council Chambers and Library. There is one Central School and one Catholic Primary School located within the developed area of the town.

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

Types of Residential Development

Uralla 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. More recent brick veneer residences built from the 1970's to current are generally interspersed throughout older homes as in-fill development, with slightly higher concentrations of new homes to the eastern fringe of the town.

Approximately 76% of properties in the region are owner occupied, 23% are owned by investors and 1% are government owned dwellings.

Villages

In addition to Uralla town, there are several small rural villages located within the Shire, being Bundarra, Kingstown and Kentucky. The Villages are located throughout the LGA. Each of the villages provides basic amenities to the surrounding rural regions.

Bundarra is located approximately 75 kilometres north-west from Uralla. The village has a post office, aged care facility, general store, central school, hotel, sporting club and golf course supporting an estimated population of 331*.

Kingstown is approximately 40 kilometres north-west of Uralla. The village has a public school and rural fire service. It has a population of about 137*.

Kentucky is a village approximately 17 kilometres south of Uralla. The village has two churches, a community hall, general store and a public school servicing a population of around 311*.

**From 2011 Census which includes village and surrounding rural locality.*

Main Industries

Uralla town has a commercial and industrial sector of supporting businesses for the residential and surrounding rural sector. There are several small industrial precincts in Uralla, including the southern fringe of Uralla Township along the New England Highway (Bridge Street), and on the south-eastern fringe of the Town on the road to Walcha. Development generally comprises smaller scale, basic industrial warehouse/ showroom/factory premises.

Significant Retail Centres

The Uralla commercial precinct is an attractive retail centre focused primarily on the New England Highway (also known as Bridge Street) generally between King and Salisbury Streets. Development typically comprises older style single level retail shops. The centre provides a basic level of service to the broader Uralla community and includes a small supermarket, a newsagency, several take-away food outlets and cafés, various antique and specialty stores, a chemist, hotels, motels and real estate agents.

Uralla is a popular destination for day-trippers and is a stopover point for travellers on the New England Highway. Many businesses are heavily reliant on tourism.

There is a leakage of retail business to the nearby major regional centre of Armidale and to a lesser extent Tamworth.

Rural

Uralla LGA is known as one of the best superfine wool growing areas in New South Wales. The temperate climate combined with a reasonable rainfall provides a strong foundation for good quality native and introduced pastures. Soils generally tend to range from coarse granites through the western portions of the Shire to trap rock soils with pockets of basalt to the north and east of Uralla.

Fine wool, prime lamb production and beef cattle breeding and fattening are the common agricultural pursuits in the District.

Land in the Kentucky locality was established as orchards as part of the soldier re-settlement scheme in the 1950s. However, increased competition from both domestic and international sources, as well as other market factors has resulted in many of these orchards being removed. There is little in the way of other cultivated crop production or intensive horticulture in Uralla, apart from some viticulture to the west in the Kingstown locality and a boutique vineyard/restaurant at Kentucky.

While the primary emphasis of rural land use centres on larger scale grazing enterprises, there is also a significant number of smaller rural homesites and hobby farms situated throughout the LGA, concentrations increasing with proximity to established urban and village areas. The Invergowrie, Saumarez Ponds, Rocky River and Gostwyck localities north of Uralla in particular, are popular rural-residential areas for people commuting to Armidale. The ex-orcharding area of Kentucky is also an area of rural residential and small to medium sized hobby farms.

Larger rural retreats occupy much of the poorer quality land within the Shire, particularly in the western regions around Balala, Kingstown and Bundarra, where relative isolation, privacy and natural bushland settings are attractive features.

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 Uralla LGA:

Arding/Saumarez Ponds/Invergowrie

Located within 15 kilometres of West Armidale and 20 kilometres north of Uralla this locality is well located, with most areas easily accessed via the Bundarra Road and Arding Road. This locality is bordered by the New England Highway in the east, with the Gwydir River and Boorolong Creek along the western boundary. Notable land features include Mount Mitchell and Pinnacle Hill with elevation above 1000m ASL. Land form in the locality generally varies from productive gently undulating granite and basalt soils around Arding to poor trap green timber hills in the west. Land use is generally small hobby farms/rural residential farms with a higher concentration in the Invergowrie area. Rainfall is approximately 612mm pa.

Kentucky/Wollun

This locality is approximately 40 kilometres south of Armidale and 16 kilometres south of Uralla. Most areas of the locality are easily accessed via the New England Highway, Kentucky Road and Thunderbolts Way in the east. Notable landforms in the locality includes the Harnham Hill 1255m ASL elevation in the north, and the Great Dividing Range running through Kentucky Village. Watercourses through the locality include the Kentucky, Chilcotts, St Helena Creeks

and Salisbury Waters; with Racecourse and Dangars Lagoon in the North. Land form in this area is generally gently undulating to undulating granite soils through some trap. The land is mostly cleared grazing land with some arable land, generally with stands of shelter timber for livestock and wind protection. Land uses are generally owner occupied farms with smaller allotments for rural residential or hobby farms within commuting distance to Armidale and Uralla. Rainfall approximately 770mm pa.

Kingstown/Bundarra/Bakers Creek

This locality covers the far western boundary of the Shire including the Villages of Kingstown and Bundarra. Kingstown is located approximately 45 kilometres west of Uralla and 66 kilometres south west of Armidale. Bundarra is 80km west of Armidale and 72km north west of Uralla. Most areas are easily accessed via the Thunderbolts Way and Kingstown Road. This locality includes the State Forests of Stony Batter Creek, Hay Stack Mountain and Little Hay Stack Mountain. The Gwydir River, Bakers Creek, Stony Batter Creek and Roumalla Creek run through the locality. Land form in the locality is generally undulating to steeper granite soils through trap ridges with some small areas of basalt. Generally the locality is smaller owner occupied properties, but 'Sundown Valley' is located at Kingstown and is a very well regarded aggregation of approximately 17,558Ha a notable size within the New England in general. Rainfall is approximately 740mm pa.

Gostwyck/ Mihi

This locality is approximately 15 kilometres east of Uralla and 22 kilometres south of Armidale, with most areas easily accessed via Gostwyck Road Gostwyck War Services Road. It includes the notable land features Dwyers Range, Mount Hannah 1080m ASL and The Knob 1128m ASL. Oxley Wild River National Park in the north west and Salisbury Waters runs north south through the locality and also forms the north boundary between Armidale and Uralla LGAs. The Mihi, Gorse and Bought Yard Creeks run throughout the locality. Land form in this area is generally gently undulating to undulating granite soils through some trap. While mostly cleared grazing land there is also some arable grazing. Generally more timbered land in the west and stands of timber for livestock shelter and wind protection to the east of the locality. Land uses comprise owner occupied farms with smaller allotments for rural residential or hobby farms within commuting distance to Armidale/ Uralla. Rainfall is approximately 555mm pa.

Torryburn/Yarrowyck

This locality is approximately 40 kilometres north west of Uralla and 45 kilometres south west of Armidale. Most areas easily accessed via the Thunderbolts Way and Kingstown Road. The locality includes the Mount Yarrowyck Nature Reserve, Granite Mountain, Saddleback Mountain, Mount Rankin, Thunderbolts Mount and Mount Yarrowyck. Watercourses in the locality include the Gwydir River, Dairy, Basin and Cachs Creeks through the locality and Abington Creek along the northern boundary. Land form in this locality is generally undulating to steep granite soils through trap ridges, with some green timbered ridges and semi cleared valleys. Land uses are generally owner occupied farms, with smaller allotments for rural residential or hobby farms within commuting distance to Armidale, Uralla and Inverell. Rainfall is approximately 612mm pa.

State & Local Government Legislation for LGA

Uralla LGA is governed by the Uralla Shire Council LEP 2012 (LEP) gazetted on 23 March 2012. There have been no amendments to the LEP since the previous valuation Base Date 2014. However since the previous General Valuation 2011 the current LEP has been gazetted. The current LEP is generally aligned with the prior planning instrument with most changes relating to changes into the standardised planning format/zone structure.

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 Uralla Shire Council Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act. Uralla Shire Council has development controls including the Uralla Shire Council 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	560m ² (R1) 5,000m ² (R2) 2ha, 15ha, 20ha and 25ha (R5)* 560m ² (RU5)
Rural	40ha, 200ha and 400ha (RU1)* 20ha, 25ha, 40ha and 400ha (RU2)*
Environmental	Council Consent Required (E1) 400ha (E2) 2ha, 5ha and 20ha (E3)* 20ha, 40ha, 200ha and 400ha (E4)*
Business	Council Consent Required (B2, B4 and B6)
Industrial	Council Consent Required (IN1 and IN2)
<i>*See LEP Map for full details</i>	

Market Overview & Sales of Particular Interest

Opteon Property Group (OPG) as Contractors has undertaken significant analysis of the Uralla Shire district property market to provide an accurate and reliable basis of valuation. 129 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 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 Uralla property market.

Residential

Uralla LGA comprises approximately 1,511 residential zoned properties located in Uralla.

Uralla LGA's residential market had approximately 88 sales throughout Base Date 2015 with 87 of these analysed.

The residential market in Uralla town has for the most part increased steadily since the prior General Valuation Date of 2011. While there has been limited new development, demand has remained steady, with sales numbers continuing at low, but consistent levels. The strengthening of the Uralla residential market can be attributed to the town's close proximity to Armidale and its comparative housing affordability. As a result, market movement within Uralla town is closely linked to that of Armidale. While value increases from 2011 to 2015 are generally around 20% - 25%, year to year market movement has been more moderate with increases of 5% - 10% typical per annum.

The exception to this is the rural residential locality of Invergowrie/Saumarez Ponds where values have decreased by a marginal 2.68% since 2011. This is considered to relate to good supply in this sector of the market, with a new 18 lot rural residential subdivision 'Satinvale Estate' located on the western fringe of the locality released in early 2014 plus other competing subdivisions in Armidale LGA resulting in a slight softening of values for this type of holding.

In line with previous trends, town values have continued to strengthen in the last twelve months. Despite continued low sales volumes, available evidence indicates a 5% growth in most areas, similar to that of the Armidale market.

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

Typical land values at the Base Dates for typical residential properties include:

Description	Address	Area	BD11	BD14	BD15	CHG 11-15	CHG 14-15
Lots greater than 8000m ² within Uralla	Warwick St	1.06 ha	\$142,000	\$171,000	\$180,000	+26.76%	+5.26%
Uralla town east of the highway	East St	1,074 m ²	\$65,000	\$76,100	\$80,000	+23.08%	+5.12%

Uralla town west of the highway	Queen St	961 m2	\$69,000	\$80,800	\$85,000	+23.19%	+5.20%
Uralla town surrounds	Gostwyck Rd	5,000 m2	\$110,000	\$126,000	\$133,000	+20.91%	+5.56%
Invergowrie and Saumarez Ponds	Tulong Rd, Saumarez Ponds	2.03 ha	\$149,000	\$145,000	\$145,000	-2.68%	0.00%
Uralla surrounds on the SE & W fringe of town	Kingstown Rd, Uralla	2.1 ha	\$130,000	\$136,000	\$145,000	+11.54	+6.62%

There were two sales over \$600,000 within the Uralla residential market in the last 12 months. Both sales were of well improved rural residential properties located in the Saumarez Ponds locality.

Village

Uralla LGA comprises approximately 198 village zoned properties located throughout the Shire.

Uralla LGA's village market had 5 sales throughout Base Date 2015, all of which were analysed.

There has been varying movement in the Uralla village market since the 2011 General Valuation. The remote village locations of Bundarra and Kingstown are generally less influenced by the flow on effect of the stronger Armidale property market, and sale volumes are typically subdued, with overall reductions in value between 10% - 20%; while the lower valued Kingstown experienced no change in values. The majority of this movement occurred during 2013 when there was a good supply of available properties, and vendors were required to lower expectations to realise transactions considered to be a local correction in values after previous large increases.

In the last twelve months values have generally been stable in the villages with only Kentucky experiencing a reduction of approximately 10% in-line with reductions in small rural holdings/hobby farms in this locality.

The values and sale volumes in Kingstown and Bundarra villages have remained stable in the past twelve months, in line with the surrounding rural properties.

Typical land values at the Base Dates for typical village properties include:

Description	Address	Area	BD11	BD14	BD15	CHG 11-15	CHG 14-15
Bundarra Village surrounds to the south	Thunderbolts Way	2.20 ha	\$44,000	\$40,000	\$40,000	-9.09%	0.00%
Bundarra Village	Tomline St	1,041 m2	\$19,900	\$16,000	\$16,000	-19.6%	0.00%
Kingstown Village*	Kingstown Road	2,979 m2	\$8,500	\$8,500	\$8,500	0.00%	0.00%
Kentucky Village*	Eastern Avenue	4,073 m2	\$19,000	\$19,000	\$17,100	-10.00%	-10.00%

**It is noted that Kingstown and Kentucky Village are zoned RU1 Primary Production not RU5 Village but included here for comparison to other 'villages'*

There were no sales of significance within the Uralla village market in the last year.

Commercial/Industrial

Uralla LGA comprises approximately 90 commercial and industrial zoned properties.

Uralla LGA's commercial and industrial markets had 6 sales throughout Base Date 2015, all of which were analysed.

Similar to the Uralla town market, commercial and industrial values have increased steadily since the prior General Valuation of 2011. Sales volumes have remained consistently low; however given the relatively small size of these market segments, this is not unusual. Increases between 2011 and 2015 are typically around 20%, however on a year by year basis increases are more moderate, ranging from 5% - 10%. This is directly attributable to the improving residential market of Uralla, upon which these sectors are reliant, the strengthening/consolidation of the commercial area, and the shortage in supply of industrial land.

As in previous years, there has been limited commercial sales evidence and no industrial sales in Uralla within the past 12 months. Available sales evidence generally indicates a 5% increase in values, similar to that of the surrounding residential values for the twelve month period.

Typical land values at the Base Dates for typical commercial and industrial properties include:

Description	Address	Area	BD11	BD14	BD15	CHG 11-15	CHG 14-15
Uralla CBD	Bridge St	656 m ²	\$80,000	\$92,400	\$97,000	+21.25%	+4.98%
Uralla CBD fringe	Bridge St	2023 m ²	\$65,000	\$75,100	\$80,000	+23.08%	+6.52%
Uralla business along highway	Bridge St	2082 m ²	\$90,000	\$94,500	\$105,000	+16.67%	+11.11%
Industrial land outside town limits	Rowan Ave	1.921 ha	\$100,000	\$110,000	\$115,000	+15.00%	+4.55%
Industrial land in town	Bridge St	3062 m ²	\$90,000	\$104,000	\$110,000	+22.22%	+5.77%

There was one commercial sale of significance in Uralla within the past 12 months over \$650,000 being a well located commercial property with 3 potential tenancies and dual road frontages.

Rural

The Uralla LGA comprises approximately 1,159 rural and environmental management/living zoned properties.

There were approximately 31 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 21 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 5 sales of these properties recorded, and 4 out of the 5 sales analysed showed an increase of at least 7%.

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 located in the Kentucky area indicated a modest reduction in value for these properties. There were 2 market sales recorded, and both sales showed a reduction of at least 9%. This trend appears to be at odds with the generally steady trend for these types of properties throughout the shire and the Northern Tablelands and appears to represent a local correction rather than a significant downward movement in values.

3. In contrast, the market for the poorer quality and inferior located grazing land, rural retreats, lifestyle grazing holdings throughout the shire, small well located farmlets close to Uralla and Armidale 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.

The market trend over the four year period from prior General Valuation 1 July 2011 to current General Valuation 1 July 2015 for most rural land categories was steady with no market movement observed apart from that outlined above in the last 12 months, however there were some areas in which a modest movement in market values was recorded.

1. Following a modest reduction in values for better quality well located partly arable grazing land situated generally east of the New England Highway during the year ending 1 July 2013, a small increase was evident during the 12 month period to 1 July 2015, and the net result was a slight downward movement in the market over the four year period.
2. The market for the better quality partly arable grazing land located generally between Kingstown and Bundarra, north west of Uralla was stable throughout the period until a slight upward movement was observed during the 12 months to 1 July 2015.
3. The market for hobby farms located in the Kentucky area was stable throughout the period until a modest downward movement was observed during the 12 months to 1 July 2015.
4. A slight reduction in the market for hobby farms and rural residential properties close to Bundarra village was observed during the year ending 1 July 2013, and as a result values at the end of the four year period were slightly lower than that at prior General Valuation 1 July 2011.

Typical land values at the Base Dates for typical rural properties include:

Description	Address	Area	BD11	BD14	BD15	CHG 11-15	CHG 14-15
Small level corner site located approx. 10 km north of Uralla	Arding Rd, Arding	145.4 m2	\$5,000	\$5,000	\$5,000	0.00%	0.00%
Cleared gently sloping vacant site having no assumed dwelling entitlement, located approx. 3km north west of Uralla.	Thunderbolts Way, Rocky River	2,428m2	\$5,000	\$5,000	\$5,000	0.00%	0.00%
Near level cleared rural residential site located approx. 13 km NE Uralla, approx. 10 km SW Armidale	Wattle Drive, Saumarez	2.308 ha	\$185,000	\$185,000	\$185,000	0.00%	0.00%
Cleared sloping rural residential site located approx. 3 km north west of Uralla	Thunderbolts Way, Rocky River	2.466 ha	\$125,000	\$125,000	\$125,000	0.00%	0.00%
Gently sloping cleared rural residential holding located on south western fringe of Bundarra village	Barraba Rd, Bundarra	4.047 ha	\$47,800	\$42,700	\$42,700	-10.67%	0.00%
Cleared gently sloping granite hobby farm located on the eastern outskirts of Kentucky village, approx. 17 km south of Uralla	Terrible Vale Rd, Kentucky	9.472 ha	\$150,000	\$150,000	\$135,000	-10.00%	- 10.00%
Sloping mostly timbered trapsoil lifestyle holding located approx. 19 km west of Armidale	Bundarra Rd, Invergowrie	14.98 ha	\$95,000	\$95,000	\$95,000	0.00%	0.00%
Gently sloping cleared basalt soil hobby farm located approx. 9 km north east of Uralla	Northeys Rd, Arding	16.68 ha	\$269,000	\$269,000	\$269,000	0.00%	0.00%
Sloping partly timbered trapsoil lifestyle grazing holding with creek frontage, located approx 26 km north of Uralla.	Bundarra Rd, Yarrowyck	40.30 ha	\$175,000	\$175,000	\$175,000	0.00%	0.00%
Partly timbered sloping coarse granite lifestyle grazing holding with creek frontage, located approx. 20 km west of Uralla	Balala Rd, Balala	41.10 ha	\$94,000	\$94,000	\$94,000	0.00%	0.00%

Undulating cleared granite lifestyle grazing holding with creek frontage, located approx. 3 km south west of Uralla	Green Gully Rd, Uralla	47.00 ha	\$279,000	\$279,000	\$279,000	0.00%	0.00%
Level to undulating mostly cleared light granite soil grazing located approx. 7 km west of Bundarra village.	Mount Drummond Rd, Bundarra	360.40 ha	\$327,000 (\$907/ha)	\$327,000 (\$907/ha)	\$327,000 (\$907/ha)	0.00%	0.00%
Undulating to sloping low hills predominantly open partly arable granite soil grazing with scattered light timber and areas of rocky outcrops, Rocky River frontage, located approx 8 km west of Uralla.	Thunderbolts Way, Rocky River	417.10 ha	\$799,000 (\$1,916/ha)	\$799,000 (\$1,916/ha)	\$799,000 (\$1,916/ha)	0.00%	0.00%
Undulating to sloping mostly cleared predominantly loamy trapsoil grazing with some basalt areas, located approx. 20 km south east of Uralla.	Dwyers Range Rd, Mihi	429.70 ha	\$1,090,000 (\$2,536/ha)	\$925,000 (\$2,153/ha)	\$1,020,000 (\$2,374/ha)	-6.42%	+ 10.27%
Gently undulating to sloping mostly cleared partly arable trapsoil grazing, approx. 2 km south of Bundarra village.	Bakers Creek Rd, Bundarra	742.10 ha	\$843,000 (\$1,136/ha)	\$843,000 (\$1,136/ha)	\$885,000 (\$1,193/ha)	+4.98%	+ 4.98%

There was one rural broad acre market sale over \$1,000,000 recorded within the Uralla rural market during the 12 month period and one broadacre market sale over \$4,000,000 since the current Base Date. A 772 ha cleared gently undulating trapsoil grazing holding with Roumalla Creek frontage located in the Kingstown area showed an analysed land value of \$1,458/ha; and more recently a good quality 1,164 ha mainly arable soft trap soil grazing holding located at Gostwyck showed an analysed land value of \$3,051/ha. In the lifestyle/small holding market there were four market sales contracted above \$500,000, including a well located 3.8 ha rural residential property at Saumarez, approx. 12 km south west of Armidale showing a block value of \$227,000; a 21 ha hobby farm located approx. 7 km south east of Uralla showing an analysed block value of \$234,000; and a 57 ha hobby farm with Gwydir River frontage, located approx. 35 km west of Armidale showing an analysed block value of \$229,000.

Significant Issues and Developments

Significant Developments – From Previous Valuation Year (2014)

The only Development Application of note in the last twelve months was for a 60 lot subdivision located on Barleyfields Road just east of the New England Highway. Granted in March 2015, no DP has been registered and no construction work has yet commenced.

It is noted that Uralla Council has recently announced plans to rezone an 81 hectare parcel of land along Rowan Avenue and New England Highway, on the southern fringe of Uralla. Currently zoned RU1 Primary Production, RU2 Rural Landscape and IN2 Light Industrial, it is intended that the 5 hectares of industrial zoned land will be purchased and subdivided by Council with plans to create an industrial estate, and the remaining 76 hectares will be rezoned to RU4 Primary Production Small Holdings.

Significant Developments – From Previous General Valuation Year (2011)

Limited development has occurred within the Uralla Shire since the previous General Valuation apart from complying developments. The only Development Application of note are those outlined above 'From Previous Valuation Year (2014) and a 6 lot subdivision located on Plane Avenue. To date, no DP has been registered and no construction work has commenced.

Significant Value Changes

Minor variations and value changes (generally $\pm 10\%$) in the past 12 months and since the previous General Valuation Date of 2011 have previously been noted in this Report (see Market Overview). There have been some significant value changes due to verification since both the 2011 and 2014 Base Dates which are summarised below:

Significant Value Changes – From Previous General Valuation Year (2011)

- Some properties in the Village of Bundarra had values reduced following review of the Uralla LEP flood map with sales evidence supporting the adopted value levels.
- Rural residential properties along Rocky Abbey Rd were increased following nearby sales evidence which showed that R2 zoned properties on this fringe of Uralla required increases in value.
- Some increases in values to heritage listed properties following the issue of new instruction by LPI for the valuation of heritage listed properties, with development potential to be considered of remainder of sites not directly subject to the listing.
- Some changes in value both increases and decreases, following scheduled verification review using newly available imagery, identifying both inferior/superior rural land including extent of timber. These amended land classifications have been used to calculate land values resulting in some significant changes.
- Heritage listed property in Uralla Environs had value reduced as heritage listing considered to restrict value to current use only, being a utility site with no building entitlement.
- A property in Bundarra Environs had value reduced on review as the property is all grazing licence with no freehold land or dwelling.
- Some grazing properties in the remoter parts of Abington/Yarrowyck rural locality had reductions in value following nearby sales evidence, which showed a greater discount was required for very steep and rough topography, remote location and poor access.
- Some rural properties with no building entitlements due to being under the minimum lot size had reductions in value. Conversely some holdings which previously had no building entitlement assumed had increases as new information confirmed building entitlements. This type of change occurred throughout the LGA including in the localities of Kentucky and Rocky River.
- Overall since the previous General Valuation 2011 there has been a strengthening of between approximately 15% - 20% in commercial and industrial values, however this increase has been gradual over the period with no significant change in any one year. As previously described since the previous General Valuation 2011 there has been consolidation/strengthening in the commercial area with lower vacancies and a good tenancy mix which has strengthened the popularity of Uralla as a destination for boutique shopping and café dining. Industrial values are supported by a shortage in supply, with Council recently announcing plans for an industrial rezoning/subdivision to address this shortage.

Significant Value Changes - From Previous Valuation Year (2014)

As well as the changes outlined above since previous General Valuation which generally occurred in the last twelve months, there have been some increases in value of larger residential sites of good quality land with potential for subdivision due to increases in demand, and a small rural property in Kentucky without building entitlement was increased following its sale to better reflect potential for occupation certificate and added value to adjoining land.

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 rationalized.

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