

FINAL REPORT 2015



Undulating grazing land at Inverell with hills in distance

Inverell 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

Inverell Local Government Area

Inverell Local Government Area (LGA) is located in northern New South Wales, approximately 570 kilometers to the north of the Sydney Central Business (CBD) and 430km south of the Brisbane CBD in the New England Region of New South Wales. Inverell LGA comprises a land area of approximately 8,606 square kilometres that contains some good black soil farming and grazing lands as well as lighter granite and trap rock soils. The LGA is adjoined by four other LGAs – Tenterfield Shire Council to the north-east, Glen Innes Severn Council to the east, Guyra Shire Council to the south and Gwydir Shire Council to the west.

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

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

8,020 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 Inverell property market has remained steady across all sectors.

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	5,467	\$ 336,444,460	\$ 323,307,850	4%
Rural	RU1	2,039	\$ 755,430,160	\$ 706,898,410	7%
Commercial	B1, B2, B5	308	\$ 47,705,810	\$ 47,664,210	0%
Industrial	IN1	146	\$ 14,750,480	\$ 14,767,780	0%
Infrastructure	SP1, SP2	4	\$ 796,000	\$ 787,000	1%
Environmental	E3	6	\$ 1,006,300	\$ 971,400	4%
Public Recreation	RE1, RE2	50	\$ 7,737,300	\$ 7,156,430	8%
Total		8,020	\$ 1,163,870,510	\$ 1,101,553,080	6%

State & Local Government Legislation for LGA

The Inverell LGA is governed by the Inverell Shire Local Environmental Plan 2012 (LEP) which was gazetted on 7 December 2012. There has been one amended to the LEP since the previous valuation being Inverell Local Environmental Plan 2012 (Amendment No 2) permitting detached dual occupancies in the RU1 Primary Production and R5 Large Lot Residential Zones. This amendment became effective from the 2 February 2015.

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 Inverell district property market to provide an accurate and reliable basis of valuation. 372 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. In Inverell LGA this year sales indicated some marginal increases in most residential areas of Inverell Town and some rural localities of better quality grazing, with other sectors including commercial, industrial and villages remaining stable in the twelve months to 1 July 2015.

Market activity levels have been inconsistent throughout the preceding twelve months; though have increased overall when compared on a year by year basis for residential and rural sales with some marginal increases of up to approximately 5% typical. The commercial and industrial markets have experienced limited sales transactions with no discernable change in values.

Significant Issues and Developments

Approval for the construction of Shoptop Housing (12 Apartments) and Alterations/Additions to Vivian Street Shopfront at 53 – 61 Byron Street.

- Approval for 25 Lot Subdivision with Associated Roads and Infrastructure at 165 – 189 Moore Street. This subdivision is now selling in its first stage.

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 Recreational Land

Changes since previous Valuation Year (2014)

Some recreational properties have experienced changes in value due to changes in assessed development potential, including new information from Council regarding possible development in flood liable areas.

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.

No significant changes in other land uses.

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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 the Inverell 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

Inverell LGA area is located in northern New South Wales, approximately 570 kilometres to the north of the Sydney Central Business (CBD) and 430km south of the Brisbane CBD in the New England Region of New South Wales. Inverell LGA comprises a land area of approximately 8,606 square kilometres that predominantly contains some good black soil farming and grazing lands as well as more typical lighter granite and trap rock soils. Inverell LGA is adjoined by four other LGAs – Tenterfield Shire Council to the north-east, Glen Innes Severn Council to the east, Guyra Shire Council to the south and Gwydir Shire Council to the west.

Principal Towns

Inverell

Inverell is the principal town in Inverell LGA. It is located approximately 570 kilometres north of Sydney and 125 kilometres north west of the Armidale CBD. The Central Business District of Inverell is bordered by Campbell, Evans and Mansfield Streets as well as Captain Cook Drive. It features several large national tenants and many individual shops and offices.

Inverell town is enveloped by parkland, residential development, largely single residential dwellings and some townhouse and unit developments. Inverell has full utility services available including a reticulated town water supply, reticulated sewer and telecommunication services. It also has an extensive range of Government Departments, Police Station, Court House, Ambulance Station, Fire Station, SES, Council Chambers, Library and Hospital.

There are two State High Schools, two State Primary School, and one 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 heated swimming pool, tennis courts and a golf course.

Types of Residential Development

Inverell has a broad mix of residential accommodation types. These range from the older brick residences built in the late 1800's to 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 South Inverell. More recent brick veneer residences built from the 1970's to current are generally found in the west to north-west areas of town.

Approximately 65% of properties in the region are owner occupied, 31.1% are owned by investors and 3.9% are government owned dwellings.

Villages

In addition to Inverell Town, there are several small rural villages located within the LGA, being Ashford, Bonshaw, Delungra, Gilgai, Graman and Yetman. The Villages are located throughout the LGA. Most of these villages provide basic amenities to the surrounding rural regions.

Ashford is located approximately 58km from Inverell along the Inverell-Bonshaw Rd. The village has a general store, small supermarket, hotel, police station, fuel and rural merchandise outlets, school, caravan park and sports oval supporting an estimated population of 635 people.

Delungra is a village approximately 33km north-east of Inverell along the Gwydir Highway. The village has a general store, hotel, police station, fuel and rural merchandise outlets, school, sports oval, and grain receive facility. The village has a population of about 575.

Gilgai Village is located approximately 10km south of Inverell. The village provides a primary school, general store, show ground and community hall. It has a population of 289 people.

Yetman Village is located approximately 145km north west of Inverell. The village has a general store, hotel, police station, fuel and rural merchandise outlets, school, and sports oval. The village has a population of about 178.

Graman Village is located approximately 43km north west of Inverell. It provides only basic amenities including general store and hotel.

Bonshaw is approximately 100km north east of Inverell. The village provides only basic amenities including general store/service station and school.

Main Industries

The industrial precincts of Inverell are generally to the north of the town. The precinct on the western side of the Macintyre River is centered along Ring Street; and on the eastern side of the River on Brissett Street and Swanbrook Road. There is also a semi-retail industrial area located adjoining the commercial fringe which is centred along Oliver Street. As is the case with Inverell's commercial centre, the industrial precinct is strong providing regional shopping for the populations of Inverell, Gwydir and Glen Innes Severn LGA's.

There is an area of industrial zoned land in south Inverell just off Tingha Road and fronting Rifle Range Road, but there is currently limited industrial activity in this precinct.

Bindaree Beef, a large meat processor in New South Wales, has their Head Office located at Inverell as well as a meat processing plant. An expansion at Bindaree currently underway is reported to increase staff numbers by up to 600. It is noted that Bindaree Beef's operations are located on rural zoned on the western fringe of the Town.

Significant Retail Centres

The Commercial Business District (CBD) of Inverell includes the traditional ribbon shopping centre fronting mainly Byron and Otho Streets. Major supermarkets are Coles, refurbished Woolworths and IGA which reopened recently in the new Central Plaza Complex. A Big W Store was also constructed recently having opened in the last three years. It is reported that Aldi is also investigating sites in Inverell. The Inverell commercial centre is very strong providing regional shopping for the populations of Inverell, Gwydir and Glen Innes Severn LGA's.

Rural

Inverell LGA contains some highly productive basalt soils in the south-eastern corner of the Shire including the localities of Ben Lomond, Maybole and Paradise. Other areas of better soils include Kings Plain to the north-east and Delungra to the west. However granite and trap rock soils are predominant throughout the remainder of the LGA. Traditionally the New England District has been a strong, fine wool growing and fat lamb producing area, but with the returns from wool production remaining low, more producers have opted for cattle.

Wool production is generally confined to the lower rainfall predominantly granite and trap soil grazing lands located through the centre of the LGA. The eastern higher rainfall country with generally heavier more productive soils is almost exclusively used for cattle grazing. There is also cultivated crop production in the LGA, mostly along the Dumaresq River on the Queensland border and to the black soils to the west of the Shire.

Rural retreat home sites occupy much of the poorer quality land within the district, particularly in Ashford and Pindari localities, where the relative isolation/privacy and the natural bushland settings attract the 'lifestyle' sector of the rural 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 Inverell LGA:

Delungra/Graman

Delungra/Graman locality is approximately 30 - 40km west and northwest of Inverell via sealed roads. Amenities at Delungra village include a general store, hotel, police station, fuel and rural merchandise outlets, school, sports oval, and grain receive facility. Graman village provides only basic amenities including general store and hotel. Topography is generally undulating throughout, with some steeper slopes south and west of Delungra towards the shire boundary and some low hills north of Delungra. The major streams in the area include the MacIntyre River which flows westward between Ashford and Graman, and the Myall Creek which forms the shire boundary south of Delungra. Soils comprise predominantly black, chocolate and red basalt with areas of stony trap soils in the area south of Delungra towards and Myall Creek, and areas of coarse granite along the MacIntyre River at the northern extremity. Elevation ranges from approx 350 - 500m ASL and rainfall is in the range 750 – 800mm pa. The majority of the better quality land is cleared for grazing with some remnant shade and shelter timber remaining, and there are significant areas of green timber on the poorer quality soils south of Delungra and north of Graman.

Yetman/Bonshaw

Yetman/Bonshaw locality is approximately 80 - 100km north of Inverell via sealed roads. Amenities at Yetman village include a general store, hotel, police station, fuel and rural merchandise outlets, school, and sports oval. Bonshaw village provides only basic amenities including general store/service station and school. Topography is generally undulating throughout, with some steeper slopes and low hills south of Bonshaw. The major streams in the area include the Dumaresq River which forms the northern shire and state boundary, the MacIntyre River which flows north and joins the Dumaresq River north of Yetman, and Otle Creek which flows north and forms the western shire boundary north of Coolatai. Soils vary considerably and range from good black and chocolate basalt near the western extremity, grey alluvial river soils along the Dumaresq and Macintyre Rivers, stony trap and coarse granite soils west of Bonshaw, and light sandstone based soils east of Yetman. Elevation ranges from approx 250 - 500m ASL and rainfall is in the range 650 – 700mm pa. The majority of the better quality land is cleared for grazing with some remnant shade and shelter timber remaining, and there are significant areas of fair to poor quality open trap, granite and

sandstone based soil grazing throughout. A large tract of inferior quality timbered land is situated between Yetman and Bonshaw.

Ashford

Ashford locality is approximately 50km north of Inverell via sealed road. Amenities at Ashford include a general store, small supermarket, hotel, police station, fuel and rural merchandise outlets, school, caravan park and sports oval. Topography ranges from undulating areas south and west of the town, undulating to low hills north of the town and generally steeper slopes and hills east of Ashford. The major streams in the area include the Severn River which flows west from the eastern shire boundary until it meets the MacIntyre River north west of Ashford, the Frazers Creek which flows north and joins the Severn River close to Ashford, and the MacIntyre River which is situated towards the southern and western extremities of this locality. The Pindari Dam, a significant irrigation storage dam in the region, is located on the Severn River, approximately 16km east of Ashford. Soils are predominantly light granite and trap with areas of basalt in the Wallangra, Rocky Creek and Bukkulla areas. An area of better quality red brown loam soils is located along the Bonshaw Rd north of Ashford. Elevation ranges from approx 350 - 700m ASL and rainfall is in the range 700 – 750mm pa. The majority of the better quality land is cleared for grazing with some remnant shade and shelter timber remaining, and there are significant areas of fair to poor quality open trap and granite soil grazing throughout. Significant areas of inferior quality timbered land are situated north west of Ashford along the Macintyre River and east of Ashford along the Severn River.

Newstead/Sapphire

Newstead/Sapphire locality comprises an area stretching from Newstead in the south to about Pindaroi in the north, including the localities of Swan Vale, Kings Plains and Sapphire. All of these localities have no amenities. This area ranges from about 20 – 40km east of Inverell, and comprises predominantly undulating to hilly topography, with the steeper country found generally further to the east. The exception to this is the Kings Plains area in the north east which is level to gently undulating. The major streams in the area are Wean Creek, Frazers Creek, Swan Brook and the MacIntyre River. All of these watercourses flow in a westerly direction through the area. Soils are predominantly black and chocolate basalt however there are significant areas of poorer trap soils east of Pindaroi, north of Newstead, and south of Swan Vale. Elevation ranges from approximately 650 – 1200m ASL and rainfall is approximately 825mm pa. The majority of the better quality soils are cleared or lightly timbered and significant areas of green timber are found on the poorer quality and steeper trap soil country east of Pindaroi and south of Swan Vale. Land use comprises mixed farming on the lower slopes closer to Inverell and grazing with fodder cropping in the steeper more elevated areas to the east.

Copeton Dam/Gum Flat/Gilgai

Copeton Dam/Gum Flat/Gilgai locality comprises an area approximately 5 – 20km south, south west and south east of Inverell and includes the Village of Gum Flat, the foreshores of Copeton Dam and land to the west of Copeton Dam to the south west, the Village of Gilgai and surrounding area immediately south of Inverell, and further to the south east the small villages of Stannifer and Old Mill. Gilgai village has a general store/service station and school, Gum Flat has a small school, and sports oval, whilst there are no amenities at Stannifer and Old Mill. The major stream in this area is Copes Creek which runs west into Copeton Dam, the major irrigation storage dam in the region and Inverell's water supply. Topography is generally undulating throughout, with some steeper slopes and hills north-west of Copeton Dam. Soils are predominantly granite and light sandy loams with small areas of good quality basalt immediately south west of Inverell. Elevation ranges from approximately 600 – 700m ASL. The majority of the better quality soils are cleared for grazing and some cropping, and there are large areas of green timber found on the poor quality soils east of Gilgai in the Old Mill and Stannifer areas, as well as along the Copeton Dam foreshores.

Maybole

Maybole locality is approximately 40 – 50km south east of Inverell, and is accessed by sealed and gravel roads from Inverell and Glen Innes. There are no amenities in this rural locality. It is situated on the Waterloo Range which runs in a north south direction through the area, near the intersection of the shire boundaries of Guyra, Glen Innes and Inverell. Topography is predominantly undulating to sloping including steep slopes falling away on the western side of Waterloo Range. The major stream is the MacIntyre River which rises close to Maybole and which flows westward. Soils are predominantly black and chocolate basalt with some small areas of trap soils on the western slopes of Waterloo Range. Elevation ranges from approximately 1,000 – 1400m ASL, and rainfall is approximately 850mm pa. The majority of the grazing land is cleared however there are some timbered areas mainly on the poorer soils or steeper slopes.

State & Local Government Legislation for LGA

The Inverell Shire LGA is governed by the Inverell Shire Local Environmental Plan 2012 (LEP) which was gazetted on 7 December 2012. There has been one amended to the LEP since the previous valuation being Inverell Local Environmental Plan 2012 (Amendment No 2) permitting detached dual occupancies in the RU1 Primary Production and R5 Large Lot Residential Zones. This amendment became effective from the 2 February 2015.

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

The Plan makes local environmental planning provisions for land in Inverell Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act. Inverell LGA has development controls including the Inverell Shire Council Development Control Plan 2013 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	450m ² (R1) 2000m ² , 1ha, 4ha (R5)* By application to council (RU5)
Rural/Environmental Protection	100ha & 200ha (RU1)* 40ha (E3)
Business	By application to council (B1, B2, B5)
Industrial	By application to council (IN1)
<i>* See LEP Maps for full details</i>	

Market Overview & Sales of Particular Interest

Opteon Property Group (OPG) as Contractors has undertaken significant analysis of the Inverell district property market to provide an accurate and reliable basis of valuation. Approximately 320 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 Inverell property market.

Residential

The Inverell LGA comprises approximately 4,515 residential zoned properties.

The Inverell LGA residential market had approximately 213 sales throughout Base Date 2015 with 158 sales analysed.

Overall in the last twelve months market conditions have slightly strengthened in most residential areas, with only the lower cost housing in South Inverell and englobo values remaining stable.

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
Belgravia	Bennett St	885.2 m ²	\$56,800	\$60,000	5.60%
Albion Hill	Short St	689.2 m ²	\$52,000	\$55,000	5.76%
South Inverell	Wynne St	640.9 m ²	\$10,300	\$10,300	0.00%
Newly established Ross Hill	Crestview Pl	950.5 m ²	\$75,000	\$80,000	6.70%
Central Ross Hill	Froude St	670.3 m ²	\$52,700	\$55,000	4.40%
North-east Ross Hill	Oswald St	1,012 m ²	\$56,000	\$59,000	5.40%
Residential Englobo	Brewery St	2.040 ha	\$139,000	\$139,000	0.00%
Large lots surrounding Inverell	Bundanoon Lane	3.015 ha	\$95,800	\$101,000	5.40%

There have been five sales with contract prices above \$600,000 since the prior Base Date in the Residential zones; being one sale in the R1 zone which was a motel and 4 sales in the R5 zone, being larger sites developed with prestige homes.

Village

The Inverell LGA comprises approximately 952 village zoned properties located throughout the Shire.

The Inverell village market had 20 sales throughout Base Date 2015, 18 of which were analysed.

The Inverell village markets have generally remained stable in the last twelve months. This follows the same overall trend from the previous valuation year. The volume of sales in the villages has been typical of recent years.

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

Description	Address	Area	BD14	BD15	CHG 14-15
Ashford Village	Frome St	1,998 m ²	\$10,000	\$10,000	0.00%
Bonshaw Village	Bruxner Highway	4,047 m ²	\$9,000	\$9,000	0.00%
Graman Village	Yetman Rd	3,516 m ²	\$8,000	\$8,000	0.00%
Delungra Village	Burnett St	1,012 m ²	\$20,000	\$20,000	0.00%
Elsmore Village	Elsmore Rd	3,718 m ²	\$30,000	\$30,000	0.00%
Oakwood Village	Yetman Rd	2,156 m ²	\$15,000	\$15,000	0.00%
Gilgai Village	Wood St	1,012 m ²	\$24,000	\$24,000	0.00%
Gum Flat Village	Copeton Dam Rd	6,475 m ²	\$40,000	\$40,000	0.00%
Little Plain Village	Mount Russell Rd	4,047 m ²	\$18,000	\$18,000	0.00%
Mt Russel Village	Castle St	2,023 m ²	\$11,000	\$11,000	0.00%
Wandera Village	Broad St	2,023 m ²	\$16,000	\$16,000	0.00%
Yetman Village	Warialda Rd	2,023 m ²	\$12,000	\$12,000	0.00%
Nullamanna Village	Nullamanna Rd	1.214 ha	\$15,000	\$15,000	0.00%
Bukkulla Village	Ashford Rd	1.214 ha	\$35,000	\$35,000	0.00%
Large lots surrounding Gilgai	15309 Guyra Rd, Gilgai	1.199 ha	\$59,500	\$59,500	0.00%

There have been no sales of significance in the Village zone since the prior Base Date.

Commercial

The Inverell LGA comprises approximately 308 commercial zoned properties predominantly located in Inverell.

The Inverell LGA commercial zone had 11 sales throughout Base Date 2015 until provision of Final Values, all of which were analysed.

The Inverell commercial sector has experienced stable values, with a slightly increased volume of sales than the previous twelve months. Commercial components have been verified in the last twelve months, with some of the large sites in fringe location (particularly not fronting Byron Street) requiring some slight reductions to bring in-line with surrounds, with also some changes in grading between sites of varying sizes.

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

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

Description	Address	Area	BD14	BD15	CHG 14-15
Neighbourhood Businesses	Wade St	720.8 m ²	\$55,000	\$55,000	0.00%
Commercial fringe businesses	Byron St	765.1 m ²	\$110,000	\$110,000	0.00%
Prime business	Byron St	265.6 m ²	\$128,000	\$128,000	0.00%
Business development	Warialda Rd	8,353 m ²	\$210,000	\$210,000	0.00%

There was one sale over \$700,000 in the commercial zone since the prior Base Date, being a multi-tenanted two storey commercial building in a corner commercial location.

Industrial

The Inverell LGA comprises approximately 146 industrial zoned properties located in Inverell.

The Inverell LGA industrial market had 4 sales throughout Base Date 2015 until Final Values were submitted, with all of these sales analysed.

The Inverell industrial sectors similar to the commercial sectors has experienced slow market conditions which have continued over the last twelve months, with limited sales transacting. However the contracted sales showed that values have been maintained to the 2015 Base Date.

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

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

Description	Address	Area	BD14	BD15	CHG 14-15
Sites under 7000m ²	Ring Street	1,012 m ²	\$71,500	\$71,500	0.00%
Sites over 7000m ²	Swanbrook Rd	1.071 ha	\$136,000	\$136,000	0.00%

There have been no sales of significance in the industrial zone since the prior Base Date.

Rural

The Inverell LGA comprises approximately 2,039 rural zoned properties.

There were approximately 75 rural zoned sales considered to be reliable market indicators recorded and analysed during the 12 month period ending 1 July 2015, and this comprised 34 larger broadacre farming and grazing properties, and 41 generally smaller properties being lifestyle, rural retreat, farmlet and rural residential type properties.

Two distinct 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 20 sales of these properties recorded, and the sales showed on average an increase of approximately 5%, however the increases were generally higher than 5% for the better located properties.

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. In contrast, the market for the poorer quality and inferior located grazing land, and the smaller lifestyle, rural retreat, farmlet and rural residential properties have not shown any significant change over the period.

The largely unchanged market in this sector of rural market 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
Farmlet having no dwelling entitlement, located 11 km north of Ashford	Coalmine Rd, Ashford	8.584 ha	\$7,320	\$7,320	0.00%
Rural homesite located 32 km east of Inverell in Newstead/Sapphire locality	Gwydir Highway, Swan Vale	1.916 ha	\$30,000	\$30,000	0.00%
Rural homesite located 5 km west of Inverell	McNeils Rd, Inverell	2.428 ha	\$91,700	\$91,700	0.00%
Mostly timbered near level rural residential holding located 2 km east of Gilgai village	Old Stannifer Rd, Gilgai	4.01 ha	\$75,000	\$75,000	0.00%
Sloping mostly cleared red basalt soil acreage located 7 km south west of Inverell	Copeton Dam Rd, Inverell	19.84 ha	\$175,000	\$175,000	0.00%
Gently undulating timbered lifestyle grazing holding located 20 km south east of Inverell	Old Stannifer Rd, Gilgai	45.23 ha	\$110,000	\$110,000	0.00%
Sloping mainly arable red basalt farmlet located 17 km north west of Inverell	Oakwood Rd, Mount Russell	83.34 ha	\$220,000	\$220,000	0.00%

Undulating to hilly partly timbered retreat holding with river frontage, located 22 km south of Yetman village in Yetman/Bonshaw locality	Bedwell Downs, Yetman	122.40 ha	\$95,900	\$95,900	0.00%
Mostly cleared undulating light soil lifestyle grazing holding with creek frontage located 30 km north of Inverell	Nullamanna Rd, Pindaroi	181.5 ha	\$118,000	\$118,000	0.00%
Cleared undulating mostly arable black basalt mixed farming land with creek frontage located 12 km south of Delungra, in Delungra/Graman locality	Strattons Lane, Delungra	242.4 ha	\$484,000 (\$1,997/ha)	\$484,000 (\$1,997/ha)	0.00%
Cleared undulating to low hills, predominantly partly arable red basalt and lighter sandstone soils located 19 km south east of Inverell in Gilgai locality	Stannifer Rd, Stannifer	289.2 ha	\$338,000 (\$1,169/ha)	\$356,000 (\$1,230/ha)	5.33%
Near level mostly arable grey plains soils with frontage to Dumaresq and MacIntyre Rivers located approx 19 km east of Boggabilla, in Yetman/Bonshaw locality	Keetah Rd, Twin Rivers	420.9 ha	\$643,000 (\$1,528/ha)	\$675,000 (\$1,604/ha)	4.98%
Undulating mostly cleared partly arable black and chocolate basalt grazing located approx. 40km east of Inverell in Newstead/Sapphire locality	Waterloo Rd, Kingsland	487.6 ha	\$771,000 (\$1,581/ha)	\$810,000 (\$1,661/ha)	5.06%
Undulating partly timbered mostly coarse granite soil grazing located approx. 7 km south west of Ashford in Ashford locality.	Graman Rd, Ashford	893.4 ha	\$220,000 (\$246/ha)	\$220,000 (\$246/ha)	0.00%
Moderate sloping to steep open basalt grazing with frontage to Macintyre River and having timbered grazing areas throughout. Located approx 50 km south east of Inverell in Maybole locality	Querra Creek Rd, Wandsworth	859.9 ha	\$1,870,000 (\$2,175/ha)	\$1,960,000 (\$2,279/ha)	4.81%
Sloping cleared basalt farming and grazing with creek frontage located 3 km north west of Inverell	Loxton Rd, Inverell	1175.2 ha	\$2,860,000 (\$2,434/ha)	\$3,000,000 (\$2,553/ha)	4.86%

There were two rural broadacre sales over \$3,000,000 within the Inverell rural market since the prior Base Date, both sales being large holdings of 3,547ha and 4,028ha respectively. One of these sales was in the Ashford locality being a 3,547ha mixed farm near Wallangra showing an analysed land value of \$1,539/ha; and the other sale in the Delungra locality being a 4,028ha mixed farm showing an analysed land value of \$1,630/ha.

In the lifestyle/small holding market there were two sales contracted above \$525,000 being a good quality hobby farm of approximately 20ha at Gum Flat showing an analysed block value of \$172,000; and a 2ha rural residential site with large prestige home and pool 5km south of Inverell showing an analysed block value of \$100,000.

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 the construction of Shoptop Housing (12 Apartments) and Alterations/Additions to Vivian Street Shopfront at 53 – 61 Byron Street.
- Approval for 25 Lot Subdivision with Associated Roads and Infrastructure at 165 – 189 Moore Street. This subdivision is now selling in its first stage.

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 recreational properties have experienced changes in value due to changes in assessed development potential, including new information from Council regarding possible development in flood liable areas.
- 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.

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 6.6.1. 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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