



ASPECT

PROPERTY CONSULTANTS

Final Report

OBERON LGA

Contract 610433

Base Date 1 July 2015

1. Executive Summary

1.1. LGA Overview

The Oberon LGA is located in the Central Tablelands region of New South Wales approximately 180km north-west of Sydney by road, and 1,113m above sea level. It covers an area close to 362,630 hectares. Oberon LGA is bounded by the Lithgow LGA to the north, the Bathurst Regional LGA to the west, the Upper Lachlan LGA to the south and the Wollondilly and Blue Mountains LGA's to the east.

Oberon LGA has a population of approximately 5,077 people according to the 2011 Census of which approximately 2,500 live in the town of Oberon. The LGA has a number of smaller towns and villages including Tarana, Black Springs, O'Connell and Burruga.

1.2. Number of Properties Valued This Year and the Total Land Value in Dollars

The Oberon Local Government Area (LGA) comprises Residential, Rural, Commercial, Industrial, Infrastructure, Environmental, National Parks, Tourist, Forestry, Private Recreation and Transition zones.

3,710 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 were issued to owners for the Base Date of 1 July 2012. In general terms the Oberon LGA property market has remained relatively stable across most sectors with a slight increase in village values.

Valuation changes in the Local Government Area and percentage changes between the Local Government Valuation years of 1 July 2012 and 1 July 2015 and the Land Tax Valuation year of 1 July 2014 are as follows:

Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Land Value (2014)	LT 2014-GV 2015 % Change	Prior Local Government Valuation (2012)	GV 2012-GV 2015 % Change
Commercial	B2, B6	85	\$7,614,800	\$7,655,000	-0.53%	\$7,590,600	0.32%
Environmental	E1	14	\$1,194,800	\$1,222,800	-2.29%	\$1,222,800	-2.29%
Industrial	IN1, IN2	87	\$10,415,411	\$11,546,701	-9.80%	\$10,964,301	-5.01%
Residential	R1, R5	1,374	\$153,405,390	\$148,702,910	3.16%	\$132,902,200	15.43%
Recreation	RE2	2	\$541,000	\$541,000	0.00%	\$541,000	0.00%
Rural	RU1	1,956	\$647,691,310	\$621,460,900	4.22%	\$617,879,495	4.82%
Forestry	RU3	45	\$9,339,620	\$9,339,620	0.00%	\$10,390,960	-10.12%
Village	RU5	123	\$3,451,730	\$3,451,730	0.00%	\$3,422,750	0.85%
Transition	RU6	4	\$1,009,900	\$1,009,900	0.00%	\$1,000,900	0.90%
Tourist	SP3	19	\$1,936,800	\$1,936,800	0.00%	\$1,936,800	0.00%
Total		3,710	\$8,36,777,761	\$807,044,361	3.68%	\$788,017,806	6.19%

1.3. State & Local Government Legislation for LGA

The Oberon Local Environmental Plan 2013 gazetted 20 December 2013. There have been two amendments made to the current LEP since the previous valuation period.

2015

No 15 Statute Law (Miscellaneous Provisions) Act 2015. Assented to 29.6.2015.
Date of commencement of Sch 3, 15.7.2015, sec 2 (3).

(441) Oberon Local Environmental Plan 2013 (Amendment No 2). LW 31.7.2015.
Date of commencement, on publication on LW, cl 2.

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

1.4. Market Overview and Sales of Particular Interest

Aspect Property Consultants have undertaken significant analysis of the Oberon district property market to provide an accurate and reliable basis of valuation. 135 market indicator sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the value levels adopted 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. Aspect Property Consultants undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In the Oberon LGA this year, there have been limited re-sales of properties; however those that did occur indicate increases in residential and rural residential properties in Oberon and relatively stable value levels in rural areas from August 2012 to 1 July 2015.

Analysis of Industrial and Commercial Rentals also revealed a stable market.

Examples of sales and re-sales,

- Residential:
 - PID 1264585 – 22/10/2013 (\$145,000), 3/6/2015 (\$220,000). Since the re-sale the property had a weekender built on it between the re-sales, however the analysis showed an increase in land values of 10% for rural residential properties surrounding Oberon.
 - PID 1264674 – 24/9/2013 (\$180,000), 16/7/2015 (\$215,000). The sale shows an increase of 20%, in line with the increase of land values over the period.
 - PID 3220425 – 15/10/2012 (\$240,000), 15/12/2014 (\$278,000). The sale shows an increase in line with the Oberon residential land values over the period.
 - PID 3784785 – 8/4/2014 (\$615,000), 26/6/2015 (\$660,000). The sale shows an increase for rural residential properties surrounding Oberon in line with land value movements over the period.
- Rural
 - PID 1262849 – 26/11/2012 (\$210,000), 1/4/2015 (\$205,000). Indicates that rural residential value levels in the Meadows locality have remained relatively stable over the period.
 - PID 3695546 – 2/10/2012 (\$280,000), 3/12/2014 (\$290,000). The sale shows stable value levels for centrally located rural lifestyle properties.

1.5. Significant Issues and Developments

There have not been any significant developments or applications for developments outside of those that are permissible under the current zoning and therefore no special consideration is required.

1.6. Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since Previous General Valuation (2012)

The Oberon residential market has had significant market increases since the last General Valuation in 2012, with increases of approximately 20% for the town of Oberon. Large lot residential properties surrounding Oberon have received almost a 10% increase in values for the period. Lower value village areas like Black Springs, Burruga and Mount David have remained generally stable over the period.

Changes since Previous Valuation Year (2014)

Sales volumes have slightly decreased in the last twelve months; however residential values generally remained stable over the past year across the Oberon LGA. Large lot residential properties surrounding Oberon have received almost a 10% increase in values for the period. Lower value village areas like Black Springs, Burruga and Mount David have remained generally stable over the period.

Summary of Valuation Changes to Rural Land

Changes since Previous General Valuation (2012)

The Oberon LGA is a well regarded rural residential and hobby farm locality due to its close proximity to Sydney, elevated valley views and generally good services. Some good quality grazing properties are located in the central and northern areas, while the southern portion of the district is mainly timbered and lighter country. The most common rural land use in the Oberon LGA is grazing for farming and recreation for smaller properties or densely timbered properties.

Rural properties, lifestyle grazing/hobby farms, rural-residential and rural retreat holdings throughout the LGA have increased slightly since the last general valuation. With larger properties in the central to northern areas seeing greater increases from 6% to 20% due to their underlying soil types and location, smaller holdings to the north have seen almost a 10% increase due to their location and close proximity to Bathurst. Properties to the south have generally seen a decrease over the period.

Changes since Previous Valuation Year (2014)

The rural property market throughout the Oberon LGA has increased slightly over the past 12 months. With larger properties in the central to northern areas seeing greater increases due to their underlying soil types and location, along with smaller holdings to the north, due to their location and close proximity to Bathurst.

Summary of Valuation Changes to Commercial Land

Changes since Previous General Valuation (2012)

The Oberon commercial market remains thinly traded and the sales indicate a generally stable market. The commercial market and vacancy rates in Oberon have remained stable with limited supply and demand rates for the town.

Changes since Previous Valuation Year (2014)

The Oberon LGA commercial market had 3 suitable market indicator sales throughout the 2015 Base Date. The sales indicate a generally stable market with the 1 sale in the B6 component showing a reduction in values for the small component, and these sales were supported by the use of replacement cost approach studies.

Summary of Valuation Changes to Industrial Land

Changes since Previous General Valuation (2012)

Oberon industrial sales have been generally stable since the prior Gval, this is due to the low supply and demand for industrial properties in the area. Sales volumes have remained consistent over the period with values showing a slight decrease of approximately 5% over the period.

Changes since Previous Valuation Year (2014)

The Oberon industrial market recorded 7 suitable market industrial sales during the 2015 base date. The majority of sales suggested that the industrial market for Oberon had softened over the past 12 months with a 10% decrease applied to the main industrial component in the LGA.

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2. Disclaimer – Purpose of Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 general valuation of the Oberon LGA. The report has been produced on behalf of the Valuer General.

The land values have been specifically made for rating and taxing purposes. Land values produced as part of this process should not be used for any other purpose without the specific agreement of the Valuer General.

Land values must have regard to specific requirements and assumptions in rating and taxing legislation. Consequently these valuations may vary from market levels.

The land values have been determined using a methodology prescribed by the Rating and Taxing Valuation Procedures Manual. The Manual allows mass valuation methodologies that involve assessing large numbers of properties as a group to be utilised where appropriate. Mass valuation methodologies are by their nature likely to be less accurate than individually assessed valuations, however are utilised worldwide for rating and taxing purposes to deliver valuations within an acceptable market range.

Town planning, land use and other market information contained in this report have been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

More information on the valuation process is available from the Land and Property Information website at www.lpi.nsw.gov.au/valuation

Liability limited by a scheme approved under Professional Standards Legislation.

3. LGA Overview

3.1. Location of the District

The Oberon LGA is located in the Central Tablelands region of New South Wales approximately 180km north-west of Sydney by road, and 1,113m above sea level. It covers an area close to 362,630 hectares. Oberon LGA is bounded by the Lithgow LGA to the north, the Bathurst Regional LGA to the west, the Upper Lachlan LGA to the south and the Wollondilly and Blue Mountains LGA's to the east.

Oberon LGA has a population of approximately 5,077 people according to the 2011 Census of which approximately 2,500 live in the town of Oberon. The LGA has a number of smaller towns and villages including Tarana, Black Springs, O'Connell and Burruga.

The city provides a range of commercial, retail, medical, transport, agricultural and tourism facilities, and acts as a basic service centre to the nearby smaller towns. The Oberon LGA's main service centre is Bathurst.

3.2. Principal Towns

Oberon

Oberon is the principal town in the Oberon LGA it has a population of approximately 2,500 people (2011 Census) located in the Central Tablelands. It is situated approximately 180 km west of Sydney and is surrounded by Lake Oberon and grazing country then the Blue Mountains National Park and various other state forests. The town provides a range of commercial, retail, medical, transport, agricultural and tourism facilities.

3.3. Main Industries

The largest sectors in the Oberon LGA are farming forestry and wood products.

The largest employers within the LGA are related to the timber industry and include Highland Pine, Woodchem, Structaflor, Boral Timber and Borg Manufacturing. The timber industry employs approximately 500 people. Agriculture within the LGA is represented by a small number of larger hectare pastoral land holdings, as well as by many small hectare rural lifestyle blocks which contain a wide range of home based primary industries. Cattle, sheep and horticulture are the key primary agricultural enterprises with secondary and tertiary primary industries such as goats, tree nurseries and nut trees establishing themselves within the area with products being sold locally and exported.

3.4. Significant Retail Centres

There is no significant retail centre in Oberon and all of the Commercial properties are located on the main street, being Oberon Street.

The nearest significant retail centre is in Bathurst, a regional city located 46km to the north west of Oberon.

3.5. Type of Residential Development

The majority of the residential development in the Oberon LGA is in the town of Oberon and in several designated rural residential areas through the LGA with varying sizes. A smaller amount of residential development is located in Tarana, Black Springs, O'Connell and Burruga villages.

The Oberon region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Oberon, followed by a number of dwellings located in rural locations on both hobby farms and rural residential properties. Oberon has a very small number of residential unit developments and townhouse style properties.

4. State & Local Government Legislation for the Oberon LGA

Oberon Local Environmental Plan 2013 gazetted 20 December 2013. There have been two amendments to the LEP since the previous valuation, they are:

2015

No 15. Statute Law (Miscellaneous Provisions) Act 2015. Assented to 29.6.2015.
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(441). Oberon Local Environmental Plan 2013 (Amendment No 2). LW 31.7.2015.
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The Oberon Local Government Area is governed by the Oberon Local Environmental Plan 2013 (LEP). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

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

Oberon Council has a Development Control Plan (DCP) in place which is the Oberon DCP and this document governs all development in the Oberon LGA

5. Market Overview & Sales of Particular Interest

Residential and Villages

The majority of the residential development in the Oberon LGA is in the town of Oberon and in several designated rural residential areas through the LGA with varying sizes. A smaller amount of residential development is located in Tarana, Black Springs, O'Connell and Burruga villages.

The Oberon region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in Oberon, followed by a number of dwellings located in rural locations on both hobby farms and rural residential properties. Oberon has a very small number of residential unit developments and townhouse style properties.

Since the last General Valuation in 2012 the Oberon residential market has had significant market increases of approximately 20% for the town of Oberon. Large lot residential properties surrounding Oberon have received almost a 10% increase in values for the period. Lower value village areas like Black Springs, Burruga and Mount David have remained generally stable over the period.

Oberon residential values are heavily reliant on the forestry industry and the Sydney property market, as many potential purchasers are Sydney locals. Oberon has noticed increased sales activity since the booming property market in Sydney, and has benefitted from flow on effects.

Commercial

The Oberon LGA comprises approximately 85 commercial zoned properties all located in Oberon over two zones.

The Oberon LGA commercial market had 3 suitable market indicator sales throughout the 2015 Base Date. The sales indicate a generally stable market with the 1 sale in the B6 component showing a reduction in values (approximately 20%) for the small (2 properties) component. The Oberon commercial market remains thinly traded due to limited supply and demand in the sector.

Industrial

The Oberon industrial market recorded 7 suitable market industrial sales during the 2015 base date. The majority of sales suggested that the industrial market for Oberon had softened over the past 12 months with a 10% decrease applied to the main industrial component in the LGA. The Oberon industrial market remains thinly traded due to limited supply and demand in the sector.

Rural Locations within the LGA

Land values vary throughout the LGA according to land form, location, access, the density of timber, topography and soil types. The following explains the general descriptions of some localities within the Oberon LGA.

The Oberon LGA is a well regarded rural residential and hobby farm locality due to its close proximity to Sydney, elevated valley views and generally good services. Some good quality grazing properties are located in the central and northern areas, while the southern portion of the district is mainly timbered and lighter country. The most common rural land use in the Oberon LGA is grazing for farming and recreation for smaller properties or densely timbered properties.

Rural properties, lifestyle grazing/hobby farms, rural-residential and rural retreat holdings throughout the LGA have increased slightly since the last general valuation. With larger properties in the central to northern areas seeing greater increases of approximately 10% due to their underlying soil types and location, smaller holdings to the north have seen almost a 10% increase due to their location and close proximity to Bathurst. Properties to the south have remained stable as they are less sought after in the market due to their isolation and soil types, however properties ranging from 5 to 60ha in the south saw an increase of 5% over the period.

6. Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

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

New developments/issues in discussion or underway include:

- Over the last 12 months there have been approximately 30 new rural residential lots created over various subdivisions in the O'Connell locality to the north west of Oberon.
- Oberon Council have been granted approval to raise its rates by more than the rate-capping maximum for the next five years, the Oberon LGA will receive increases between 6.5% and 7% over the next five years up until the 2019-2020 ratings year.
- There is a rural residential development of 254 allotments which council are currently in the process of reviewing. The development is located to the west of Oberon on Bracken Glen Land and Abercrombie Road and still within close proximity to the town. The development is set to have town sewer, town water, natural gas, underground power and water and has the NBN tower within close proximity. The development is set to be released in 20 stages with the first and second stages to have 26 and 13 blocks respectively. Stage 1 blocks can be purchased off the plan with prices starting at \$200,000.
- The Oberon abattoir was badly damaged by fire in December 2014, after only opening in February that year. The fire put approximately 20 people out of work, and forced the owners to sell the property, as they were not insured. The Oberon council noted it has an existing use as an abattoir but are unsure of the purchaser's intentions with the site; however they are open to options and hope the use will employ at least 20 people.
- The Oberon Quarry at Langley Heights will be expanded and will be able continue operations for another 30 years after the Department of Planning and Environment gave its approval subject to conditions. The approval extends the life of the quarry beyond its current consent, which is about to lapse. It allows the quarry to extract and process up to 400,000 tonnes of hard rock a year and extends the existing quarry area by one hectare. Managing director Neil Hargraves said this approval will help support the continued employment of up to 20 full-time personnel and will provide employment for an additional 15 truck drivers and contractors.

- The Columbia Aged Care Service Centre in Oberon opened in May 2015. The facility is located on the corner of Albion Street and Tarana Road and has 66 rooms of varying levels to accommodate for high and low care needs. The centre employs roughly 20 people.
- The Oberon library has received a grant of approximately \$120,000 for an extension. The extension is set to connect the library to the Robert Hooper Community Centre and make the building more of a hub for the town of Oberon.
- The secondary department at the St Joseph's Catholic School will close down at the end of this year after only having 25 students enrolled from years 7 to 10 for the 2015 year. This has also been the fate for other K-10 Catholic schools through Central Western NSW.
- Oberon residents are up in arms over the proposed amalgamation with the Bathurst LGA. Residents are worried they will lose their towns identity and miss out on certain aspects as they will be run by Bathurst. They have rallied through the streets of Bathurst in protest to the movement.

Significant Developments – From Prior to Current Local Government Council Rating Valuation

New residential developments in discussion or underway include:

- Proposed wind farm at Paling Yards, Oberon. The proposed wind farm will feature up to 55 Wind turbines, 175 metres tall. Associated infrastructure includes electrical cable network, onsite substation, control room and facilities buildings, kiosks, access tracks and monitoring masts. The project also includes above-ground connection to the 500kV Mt Piper to Bannaby transmission line, 9km north east of the site. The NSW state government is currently reviewing submissions on the Paling Yards Wind Farm proposal.
- The Oberon Local Environmental Plan 2013 gazetted 20th December 2013.

7. Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

There have been no significant value changes from the prior to current Annual Valuation in the Oberon LGA. The largest change in values being a 19.15% decrease in the EOB Enterprise Corridor component, this is a result of 1 sale in a component of 2 properties which were both reduced with a component factor of 0.81. Industrial values have also been reduced by 10% in line with market evidence.

Significant Value Changes – From Prior to Current Local Government Council Rating Valuation

Since the last General Valuation in 2012 residential values have seen significant increases of approximately 20% in the town of Oberon, while large lot residential properties have also seen an increase of 10% over the period. Villages have remained relatively stable over the period and generally rural areas have seen a slight increase since the last general valuation.

Rural areas in the northern section of the LGA have seen greater increases than other areas due to their close proximity to Bathurst, with 3 of the 4 components seeing increases from 6.64% to 14.88%. Larger central properties have also been popular over the period seeing an increase of approximately 20%.

8. Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of Aspect Property Consultants and outlines 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.

9. Author

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19th October 2015