

Snowy River Shire

Final Report 2015

Date: 22 October 2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Snowy River Local Government Area

The Snowy River Council area is located in the sub-alpine and alpine regions of south-east NSW. Snowy River LGA comprises a land area of approximately 6,059 square kilometres comprising undulating to hilly rural grazing land, timbered lifestyle areas and retreat bush land. The Local Government Area (LGA) is adjoined by four other LGAs – Cooma-Monaro to the north and east, Tumut and Tumbarumba to the west, Bombala and the Victorian border to the south.

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

The Snowy River Local Government Area comprises Residential, Rural, Commercial, Industrial, Infrastructure/Special Purposes, Environmental and Public Recreation zones. 5,388 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 2014. The Snowy River LGA property market generally has remained static across all sectors with various minor fluctuations.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2013 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 (2013) \$	% Change
Residential	(R1, R2, RU5)	2261	265,161,610	265,113,310	+0.02	267,828,795	-0.72
Rural	(RU1, R5)	2146	452,422,990	452,602,190	-0.04	452,215,440	+0.08
Commercial	(B1, B2)	58	23,916,100	23,456,100	+1.96	22,957,100	-2.17
Industrial	(IN1)	67	7,488,600	7,488,600	0	7,475,600	+0.17
Infrastructure	(SP1, SP2, SP3)	31	62,777,470	62,777,470	0	62,815,370	-0.06
Environmental	(E1, E2, E3)	786	264,240,661	264,237,361	+0.00	264,896,701	-0.25
Public Recreation	(RE1, RE2)	39	3,333,500	3,333,500	0	3,273,650	+1.83
Total		5388	1079,340,931	1079,008,531	+0.03	1081,462,656	-2.83

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Snowy River Environmental Plan 2012 gazetted 13 December 2013.

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

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

QVA Contractors have undertaken significant analysis of the Snowy River LGA property market to provide an accurate and reliable basis of valuation. A total of 97 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. QVA Contractors 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 Snowy River LGA, this year sales and resales of properties indicated

little variance in values throughout the year with only slight movement from August 2014 to 1 July 2015 for properties zoned residential. Rural properties apart from minor fluctuations remained constant.

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.

The market generally has recovered from the global financial crisis and modest price gains were made during 2011-13 for Jindabyne Township and peripheral lifestyle properties. The Jindabyne market remains steady apart from minor fluctuations with no change warranted from 2014 levels; demand for lifestyle acreage in the Jindabyne periphery remains firm.

The expected downturn in demand from Canberra buyers appears not to have impacted the market to a noticeable extent. The snow season was sound with average snow falls

The rural market for larger grazing properties appears to be steady with reasonable rainfall over the period. The market for smaller rural/lifestyle properties continues to be firm with demand generally exceeding the limited supply.

SIGNIFICANT VALUE CHANGES

Summary of Valuation Changes to Residential Land

Changes since previous General Valuation (2013)

There has been a small decrease to residential values over the review period. Jindabyne is the principal urban area, with a smaller township of Berridale and villages of Adaminaby, Dalgety and Lake Eucumbene villages (Anglers Reach and Old Adaminaby). There has been a steady volume of sales in Jindabyne and Berridale and limited sales in the villages. Values generally have decreased slightly; values in Berridale show some fluctuation which may warrant a reduction in the next valuation.

Changes since previous Valuation Year (2014)

There has been some minor fluctuations but overall no change to existing values. The number of sales has declined slightly in the period.

Summary of Valuation Changes to Rural Land

Changes since previous General Valuation (2013)

Rural values have essentially remained steady over the period with firm demand for good quality grazing land across the LGA. Values vary substantially based on the wide variation of land type from arable granite and basalt grazing to rough, rocky timbered grazing. There has been a small reduction on total value largely as a result of verification adjustments to correct relativities in values.

Changes since previous Valuation Year (2014)

Values have largely remained static with a small reduction arising from several objection recommendations and verification.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2013)

There has been very limited sales of commercial land in the LGA with the bulk of properties located in Jindabyne town centre. Values have remained steady over the period.

Changes since previous Valuation Year (2014)

As above there is limited sales evidence to indicate any significant market movement. Business activity in Jindabyne appears to be solid with traders and retail premises servicing the local and tourism trade.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2013)

There has been limited sales evidence with values remaining steady over the period.

Changes since previous Valuation Year (2014)

There has been limited sales evidence with values remaining steady over the period.

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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 Snowy River LGA. The report has been produced on behalf of the Valuer General.

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

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

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

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

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

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

LGA OVERVIEW

LOCATION OF THE DISTRICT

The Snowy River Shire area is located in the sub-alpine and alpine regions of south-east of NSW. Snowy River LGA comprises a land area of approximately 6,059 square kilometres that includes undulating rural grazing land, timbered lifestyle areas, rough bush retreats and the alpine resorts and ski-fields of Thredbo and Perisher. Jindabyne is the main centre of activity, 60 km west of Cooma and 180 km south-west of Canberra. The Local Government Area (LGA) is adjoined by four other LGAs – Cooma-Monaro to the north and east, Tumut and Tumbarumba to the west, Bombala and the Victorian border to the south.

PRINCIPAL TOWNS

Jindabyne

Jindabyne is the major town in the LGA, located on the shores of Lake Jindabyne, located 180 km south-west of Canberra and is the centre for commercial activities. Approx 50% of the population reside in the wider area including permanent residents, seasonal residents and workers and visitors. The town comprises hotels, modern medical clinic, commercial clubs, primary and secondary schools, retail and service premises. During the winter and summer tourist seasons the population swells considerably.

Berridale

Berridale is a small township between Jindabyne and Cooma with a population of 1,727. The Shire Office and Town Hall is located in the town; there are various tourist accommodation premises, a hotel, primary school and a small retail centre. The town provides cheaper accommodation for workers in both Jindabyne and Cooma.

Adaminaby

Adaminaby is a small township on the northern edge of the LGA, 52 km north-west of Cooma. The town has a small population of 234 and caters for the surrounding farming community and a large tourist market based largely on Lake Eucumbene boating and fishing. There is a primary school, hotel, commercial club and various retail premises.

Dalgety

Dalgety is a village located on the Snowy River, 33 km south-west of Jindabyne; a small permanent population of 75. There is a primary school, hotel and café.

Lake Eucumbene villages of Old Adaminaby & Anglers Reach

These are 2 villages located on the shores of Lake Eucumbene with only a small number of permanent residents with the majority of homes used as holiday homes and holiday rentals.

Kosciuszko National Park

A feature of Snowy River Shire is the prominent place played in the local economy by the Kosciuszko National Park which includes the NSW ski fields. The park also provides a variety of other recreational opportunities for visitors. Together they are a major driver in the local economy encompassing accommodation facilities in the Park and in Jindabyne, Adaminaby and Berridale, as well as Cooma.

Snowy River has a significant number of tourist accommodation properties in the Snowy Mountains. Thredbo is the largest settlement used for winter and summer use and Perisher Valley comprising four separate ski areas also has a significant number of lodges and hotels used mainly in the ski season. All properties in Thredbo, Perisher Valley, Charlotte Pass, Smiggin Holes and Guthega are held under non renewable sub-leases and there are no freehold land sales in the Kosciuszko National Park.

Freehold sales outside of the National Park are considered the most reliable source and guide to market trends for freehold valuations. Ski lodges are subject to NPWS controls and the long standing approach of permissible beds times rate per bed is the preferred valuation method. Accommodation houses in the Park are held under non renewable sub-leases and thus there are no sales of freehold land.

MAIN INDUSTRIES

Most of the employment in the Shire is concentrated in the Jindabyne region based on servicing the tourist and related industries, National Parks, Snowy Hydro, a relatively large permanent population and surrounding farming community. There is no major service centre located in the LGA with a hospital and government offices located in Cooma. A new medical centre has opened in Jindabyne and there is a reliance on ambulance and helicopter retrieval services.

The LGA has significant tourist accommodation and other tourist/recreational infrastructure, a large part of which is located in Kosciuszko National Park.

SIGNIFICANT RETAIL CENTRES

The Jindabyne business district is the primary retail centre in the LGA. The centre contains a supermarket, various restaurants and cafes, 3 hotels, large hardware store and various specialty stores. The other townships and villages contain only a very small number of retail and business premises.

TYPE OF RESIDENTIAL DEVELOPMENT

Jindabyne comprises a modern country town servicing a significant permanent population, the surrounding agricultural sector, Snowy Hydro industries and major tourist infrastructure. The town originates from the late 1950s when it was relocated on commencement of the Snowy Hydro scheme and construction of Lake Jindabyne. Housing construction ranges from modest 1950/60s public housing cottages, better quality 1970/1990s brick veneer to more recent good quality brick and timber homes. There are a number of near new, architectural designed, high quality homes in elevated positions overlooking Lake Jindabyne. Tourist and holiday accommodation is significant with the population increasing in summer and winter holiday seasons. There appears to be steady demand for building lots in several estates in Jindabyne and East Jindabyne.

Berridale has some building activity while the villages show very limited activity.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Snowy River Environmental Plan 2012 gazetted 13 December 2013.

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These include:

Zone	Minimum Allotment Size
R1, R2	600m ²
R5	2 ha
B1, B2, IN1	By Council Consent
RU1	40 ha
RU5	By Council Consent
E1, E2, E3	By National Park & Council Consent
SP1, SP2, SP3	By Council Consent

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

The market in Jindabyne appears to be firm with a steady number of sales in the 2015 period. The number of sales in zones R1, R2 & R5 has increased slightly from 47 in 2014 to 48 in 2015. There has been some minor fluctuations, however the market overall has been constant and a factor of 1.0 has been adopted.

The market in Berridale has shown some fluctuation and an examination will be completed in 2016 verifications to confirm whether current levels of value and relativity between precincts are appropriate. A factor of 1.0 has been adopted.

Several submarkets operate in Snowy River. Within the wider Jindabyne area, land with good lake views, located close to services, or having other favoured attributes tends to hold up reasonably well in a period of downturn, a reflection of a core of potential buyers willing to buy higher priced properties. This contrasts with the run of the mill residential market where good prices were paid in previous years whilst supply and demand were in balance, however given the marked reduction in buyers, sales slumped and values declined in 2008 to early 2009 to a considerable extent. Values rose to a small extent for parts of Jindabyne in 2009/10 and were relatively static for 2010 to 2013.

A sample of residential sales is shown below:-

PROPERTY	LAND m2	SALE DATE	ALV \$	LV 2014 \$	FACTOR
16 Girvin Pl East Jindabyne	525	10/10/2014	155,000	153,000	1.01
28 Bogong St Jindabyne	746	20/11/2014	197,000	197,000	1.00
20 Twynam St Jindabyne	659	03/09/2014	127,200	126,000	1.01
60 Jerrara Dr East Jindabyne	3944	23/12/2014	317,000	316,000	1.00
27 Gungarlin St Berridale	853	27/01/2015	45,000	48,400	0.93
37 Gungarlin St Berridale	784	09/04/2015	48,400	46,200	1.05

VILLAGES

There is limited sales evidence in the other villages; the market appears to be stagnant overall and a factor of 1.0 has been adopted. The number of sales RU5 has increased from 64 in 2014 to 73 in 2015.

A sample of residential sales is shown below:-

PROPERTY	LAND m2	SALE DATE	ALV \$	LV 2014 \$	FACTOR
16 Druitt St, Adaminaby	980	08/05/2015	42,200	41,900	1.0
5 Peninsula Rd, Anglers Reach	822	16/12/2014	60,000	61,100	0.98
7 Rutherford St, Dalgety	2,023	05/11/2014	47,000	47,000	1.00
13 Rainbow St, Old Adaminaby	664	27/03/2015	67,000	66,300	1.01

COMMERCIAL

Most of the commercial properties are in Jindabyne town centre and are held by owner-occupiers. There are two commercial components with 58 properties; a mixed commercial/residential precinct in Netting Circuit and Poley Cow Lane, previously zoned Business have been rezoned General Residential. There are a relatively small number of business premises in the townships of Berridale and Adaminaby.

There has been only 1 sale in the sector with no indication of a change warranted to 2014 levels of value.

INDUSTRIAL

Industrial properties are centred in the relatively small Leesville Industrial Estate servicing Jindabyne comprised essentially of locally based businesses. There is a small estate subdivision to the east of Berridale and several properties at Pine Valley (4 Mile) at the junction of Snowy Mountain and Kosciuszko Road, the latter close to and more related to Cooma.

There were 2 recorded sales in the Leesville component in the past year which indicated no change warranted to 2014 levels of value. Similarly the Berridale and Cooma industrial precincts were returned at 2014 levels.

RURAL

Demand for larger rural grazing properties continues to be primarily from adjoining and neighbouring landholders increasing their scale of operations. This demand is centred on the better quality land and soil types. There have been no sales of larger 400 ha plus grazing properties in the LGA.

The majority of rural sales are in the 100 ha to 300 ha range comprising poorer quality timbered grazing to bush land. They are mostly purchased as lifestyle/retreat properties not based on primary production potential.

A sample of rural sales is shown below:-

PROPERTY	LAND Ha	SALE DATE	ALV \$	LV 2014 \$	FACTOR
4743 The Snowy River Way Dalgety	253.3	10/2014	264,000	264,000	1.00
1553 Matong Rd Jimenbeum	272	04/2015	109,700	105,000	1.04

Sales of rural homesites and lifestyle properties comprise a major component of the market in the LGA. Demand appears to steady with values generally static at 2014 levels.

Hobby farms and rural home sites in the Crackenback to Little Thredbo area is a small but nevertheless important sub-market covering buyers wanting to be close to the prime NSW ski fields. Values appear to remain firm but are susceptible to weakening in the economic climate.

Like most rural Shires, properties sell for a mix of uses. Hobby farm/rural home site/ rural retreat properties make up an important part of the market and have a wide buyer spread and in most parts of the shire. The pattern is much the same as previous periods with buyers often paying above "farm values" and being willing to acquire land with poor access and remotely located.

A sample of rural/lifestyle sales are shown below:-

PROPERTY	LAND Ha	SALE DATE	ALV \$	LV 2014 \$	FACTOR
Barry Way Moonbah	12.87	03/2015	100,000	100,000	1.00
1991 Jimenbuem Rd Numbla Vale	16.98	12/2014	75,500	73,000	1.03
McGuffickes Rd Jindabyne	40.48	11/2014	202,900	200,000	1.01
159 Werralong Rd Dalgety	113.3	03/2015	141,400	140,000	1.01

RURAL LOCATIONS WITHIN THE LGA

Land values vary throughout the LGA according to land form, location, access and soil types. The following are broad sectors of the LGA with descriptions and sample PIDs in each sector:-

LOCALITY	GENERAL DESCRIPTION	AREA Ha	2015 \$/H	2015 LV \$	2014 LV \$
Numbla Vale, Paupong, Matong, Beloka	Grazing area to the south & west of Dalgety, southern sector of the LGA, mostly larger broad-acre holdings Undulating to hilly native grassland; granite & basalt soils. Part arable, some rocky outcrops. Sheep & wool growing, some crop growing on arable land. Sample PID – Jimenbeum Rd Numbla Vale, undulating , part arable, 12 km south of Dalgety.	623	540	337,000	337,000
Moonbah, Ingebyra	Grazing area to the south of Jindabyne, south-western sector of the LGA, mix of larger broad-acre & smaller rural/lifestyle properties. Undulating to hilly native grassland, granite & basalt soils. Large areas of bush/retreat, rocky outcrops. Influence from lifestyle purchasers due to proximity to Jindabyne. Sample PID – Barry Way Moonbah, 17 km south of Jindabyne, undulating native grassland, scattered light timber & bush patches.	214	2065	443,000	443,000
Adaminaby	Grazing area around Adaminaby, northern sector of the LGA, mostly larger broad-acre holdings with some small rural/lifestyle properties. Undulating to hilly native grassland, granite & basalt soils. Sample PID - 11 km east of Adaminaby, undulating to hilly, mostly clear grassland, scattered light timber	1119	581	650,000	650,000
Middlingbank, Cootralantra, Rocky Plains	Grazing area generally between Berridale & Adaminaby, mix of larger broad-acre & smaller				

	<p>rural/lifestyle properties. Undulating to hilly, clear to timbered grazing, scattered bush, granite & basalt soils, extensive rocky outcrops.</p> <p>Sample PID – Middlingbank RD, grazing property 23 km north of Berridale, undulating to hilly, undulating native grassland, scattered timber, rocky outcrops</p>	603	846	510,000	510,000
Crackenback	<p>Rural/lifestyle area west of Jindabyne to Kosciuszko National Park, undulating to steeply hilly, clear to timbered grazing, bush retreat areas, rocky outcrops. Strongly influenced by lifestyle purchasers & proximity to ski resorts.</p> <p>Sample PID – Alpine Way hobby farm/lifestyle property 9 km south-west of Jindabyne, undulating to steep hills, clear to bush.</p>	535	1114	596,000	596,000
East Jindabyne, Avonside, Berridale	<p>Grazing lifestyle area on the eastern sector of the LGA, undulating to hilly, clear to timbered grazing, to bush. Granite & basalt soils, extensive rocky outcrops. Mix of larger broad-acre holdings & smaller rural/lifestyle properties.</p> <p>Sample PID - grazing/lifestyle property 19 km east of Jindabyne, undulating to hilly, timbered grazing to bush, clear patches, lifestyle influence</p>	379	1622	615,000	615,000

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

Development application details are downloaded from the Shire web site and noted in QVAIS. There appears to have been no approvals of regional significance in the period.

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT LOCAL GOVERNMENT COUNCIL RATING VALUATION

Development application details are reviewed. There appears to have been no significant approvals in the period.

The market generally has recovered from the global financial crisis and modest price gains were made during 2011-13 for Jindabyne Township and peripheral lifestyle properties. The Jindabyne market remains steady with some minor fluctuations but overall no change warranted from 2014 levels; demand for lifestyle acreage in the Jindabyne periphery remains firm.

The expected downturn in demand from Canberra buyers appears not to have impacted the market to any noticeable extent. The snow season appeared to be sound with average snow falls.

The impact of climate change is expected to cause a gradually diminishing snow fall each year with resultant impact on the ski-tourism market. Tourism authorities and operators are addressing this issue by promoting mountain biking and hiking in the resorts.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have not been any significant value changes from the prior to current Annual Valuation. There have been minor alterations to values identified in verification to correct relativities between particular properties.

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT LOCAL GOVERNMENT COUNCIL RATING VALUATION

There have not been any significant value changes from the prior to current Local Government Valuation. There have been minor alterations to values identified in verification to correct relativities between particular properties.

The market generally has recovered from the global financial crisis and modest price gains were made during 2011-13 for Jindabyne Township and peripheral lifestyle properties. The Jindabyne market remains steady apart from minor fluctuations with no change warranted from 2014 levels; demand for lifestyle acreage in the Jindabyne periphery remains firm.

The expected downturn in demand from Canberra buyers appears not to have impacted the market to a noticeable extent. The snow season was sound with average snow falls.

The impact of climate change is expected to cause a gradually diminishing snow fall each year with resultant impact on the ski-tourism market. Tourism authorities and operators are addressing this issue by promoting mountain biking and hiking in the resorts.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

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

AUTHOR

Report Prepared by:

A handwritten signature in black ink, appearing to read 'K Williams'.

Keith Williams
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Date 22st October 2015