

FINAL REPORT 2015



'Booomimbah', University of New England

Armidale Dumaresq LGA

Contract Area New England

Contract No 742342

Prepared for LPI

Under Rating & Taxing Procedure Manual 6.6.2

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Executive Summary

LGA Overview

Armidale Dumaresq Local Government Area

The Armidale Dumaresq Local Government Area (LGA) is located in the New England Tablelands Region of New South Wales, approximately 550 kilometres north of the Sydney Central Business District (CBD) and 460 kilometres south-west of the Brisbane CBD. The Armidale Dumaresq Council comprises a land area of approximately 4,235 square kilometres that predominantly includes the higher undulating lands of the Great Dividing Range, but it also includes large areas of eastern fall gorge country and some lower escarpment lands associated with the coastal hinterlands. Armidale Dumaresq LGA is adjoined by seven other LGAs – Guyra Council to the north; Uralla Council to the west; Walcha Council to south; and Clarence Valley, Bellingen, Nambucca and Kempsey Councils to the east.

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

Armidale Dumaresq LGA comprises Residential, Village, Rural, Commercial, Industrial, Infrastructure, Environmental and Recreation zones.

10,298 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 Armidale property market has generally experienced slight increases in values, with the exception being the commercial market which has experience slight reductions in some locations.

Valuation changes in the Local Government Area and percentage changes between the Land Tax Valuation years of 1 July 2014 and 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, R2, R5, RU5	7,735	\$ 1,070,320,570	\$ 1,023,623,740	5%
Rural	RU1, RU3, RU4	1,764	\$ 869,380,690	\$ 835,250,970	4%
Commercial	B2, B3, B4, B5, B7	328	\$ 119,342,250	\$ 120,682,950	-1%
Industrial	IN1, IN2	186	\$ 60,036,200	\$ 61,054,400	-2%
Infrastructure	SP2	46	\$ 15,930,990	\$ 15,345,950	4%
Environmental	E3, E4	127	\$ 36,665,310	\$ 35,364,230	4%
Public Recreation	RE1, RE2	112	\$ 27,211,300	\$ 26,911,580	1%
Total		10,298	\$ 2,198,887,310	\$ 2,118,233,820	4%

State & Local Government Legislation for LGA

The Armidale Dumaresq LGA is governed by the Armidale Dumaresq LEP 2012 (LEP) gazetted on 30 November 2012. Minor changes to the LEP were made on September 2014 with some properties added to Part 1 - Heritage Items. Properties affected were checked and values changed as required.

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 has undertaken significant analysis of the Armidale Dumaresq LGA property market to provide an accurate and reliable basis of valuation. 473 sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the grading across components. Analysed sales reports are provided to Land and Property Information on a consistent basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. OPG as Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with Replacement Cost Approach used when appropriate.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In the Armidale Dumaresq District this year sales and resales of properties indicated generally minor variance in values throughout the year. As a result, urban sales in close proximity to Armidale City including residential rural residential, large lot residential and hobby farm sales occurring prior to 31 December 2014 have had a positive adjustment of 5% in-line with component factors recommended to recognize the increasing market values from the prior Base Date. For rural broadacre sales in components with an increase, sales in the period of 1 July 2014 to 31 December 2014 have had a marginal positive adjustment of 2.5% to the Base Date.

Overall in the last twelve months residential, rural residential and hobby farm values in and immediately surrounding Armidale have generally strengthened by around 5%, while the village markets have remained stable. Commercial and industrial values have generally stabilised, with the exception being the Armidale CBD where vacancy rates remain high resulting in a slight reductions in values. Rural grazing values have experienced varied movement with no change to poorer quality and inferior located grazing land, rural retreats, hobby farms and smaller rural residential properties throughout the shire; marginal increases of approximately 5% to RU4 rural residential sites and hobby farms located close to Armidale City; and increases of approximately 5% for of better quality mixed farming and grazing land throughout the LGA.

Significant Issues and Developments

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 14 lot residential subdivision located on Erskine Street granted in February 2015. Work is yet to commence.
- 10 lot rural residential subdivision located on the western side of Kellys Plains Rd was approved in February 2015. Work is yet to commence.
- Approval for a 5 lot subdivision on The Boulevarde was granted in April 2015. Work is yet to commence.
- A 5 lot rural subdivision situated on the eastern fringes of Armidale on Long Swamp Rd was approved in June 2015. Work is yet to commence.
- Approval for a 15 lot residential subdivision of a partially flood liable lot located on Taylor St was granted in August 2015. Work is yet to commence.

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, which are summarised below:

- Several industrial zoned properties along Drew St were reduced following new information on required site frontage and minimum lot sizes revealing some land has no potential for independent industrial development. Values were reduced to reflect existing uses as highest and best use.
- An englobo site was increased due to the change in instructions for heritage valuations, with part site development now considered possible, with the listing only applying to the house and trees. Value increased to allow for development potential of that part of the site unaffected by the heritage listing.
- Several recreational zoned properties were increased to reflect future development potential, while others were reduced due to flooding issues.

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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 Armidale Dumaresq 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

Armidale Dumaresq LGA is located in the New England Tablelands Region of New South Wales, approximately 470 kilometres north of the Sydney CBD and 460 kilometres south-west of the Brisbane CBD. Armidale Dumaresq LGA comprises a land area of approximately 4,235 square kilometres that predominantly includes the higher undulating lands of the Great Dividing Range, but it also includes large areas of eastern fall gorge country and some lower escarpment lands associated with the coastal hinterlands. Armidale Dumaresq LGA is adjoined by seven other LGAs – Guyra Council to the north; Uralla Council to the west; Walcha Council to south; and Clarence Valley, Bellingen, Nambucca and Kempsey Councils to the east.

Principal Towns

Armidale City

Armidale City is the principal town in Armidale Dumaresq LGA and is a prominent regional centre. It is located approximately 470 kilometres to the north of the Sydney CBD and 110 kilometres north-east of Tamworth CBD. The Central Business District of Armidale City is bordered by Rusden, Allingham, Dumaresq and Marsh Streets. It features three large retail complexes with anchor tenants in addition to specialty shops.

Armidale City is enveloped by parkland and residential development, largely comprising single residential dwellings and some townhouse and unit developments.

Armidale City 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. Armidale City was chosen as a first release site for the National Broadband Network project in late 2010 with the rollout now nearing completion.

There are three established private schools located within the developed area of the City.

Community based facilities available in Armidale include a golf course, numerous sporting clubs, recreational playing fields, parks and reserves, showground, racecourse, public swimming pools, tennis and squash courts.

Types of Residential Development

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

A large proportion of accommodation surrounding the University of New England (UNE), on the north-western edge of the City, is rental accommodation, primarily owned by investors and occupied by students and staff of the university.

Approximately 60% of properties in the region are owner occupied, 35% are owned by investors and 5% are government owned dwellings.

Villages

In addition to Armidale City, there are three small rural villages located within the Shire, being Ebor, Hillgrove and Wollomombi. All these Villages are located to the east of Armidale City.

Ebor is located approximately 80 kilometres from Armidale, and it comprises a small village, half in Armidale Dumaresq Shire and half in Guyra Shire. The village has a post office, coffee shop, hotel/motel and a primary school, supporting an estimated population of 160.

Wollomombi is approximately 41 kilometres east of Armidale located just off the New England Highway before the Kempsey Road (Big Hill) turnoff. Within Wollomombi is a general store and post office. It has a population of about 20 people.

Hillgrove is a village approximately 30 kilometres east of Armidale. It is located on the edge of a gorge and has a strong mining history being located adjacent to the Hillgrove Gold/Antimony Mine which is currently not operating. The village has a population of about 95.

Main Industries

Armidale City is a prominent regional centre with three industrial precincts. The main industrial precinct is located to the western edge of the City, approximately 2.7 kilometres from the GPO. A broad range of uses from bulky goods and light industrial to heavy industrial are carried out in the area. In recent years the popularity of this area has increased, and there are few vacant or unoccupied sites available.

The second industrial precinct, located on the south-eastern fringe of the City known as Acacia Park Estate has very limited exposure compared to the main industrial precinct. It has previously been occupied by heavy industrial uses, but with the lack of available industrial land in the main industrial precinct, this area has experienced increased demand and corresponding increased values in recent years.

The Council operates a regional livestock selling centre just west of the main industrial area of Armidale. This centre caters for sheep and cattle, for both domestic and international markets. It is one of the largest selling yards in the region, apart from the Tamworth Livestock Selling Centre.

There is industrial zoned land to the south of Armidale Airport which is planned to fulfill future industrial land requirements for the City. The Armidale Dumaresq Council engaged *AECgroup* to undertake an assessment of the Industrial Land sector in the Armidale Dumaresq LGA. As a result of the study it has been announced that over approximately the next 30 years, the Armidale Dumaresq Council will apply to rezone approximately an additional 140 hectares of land for industrial uses. Most of this land being located along the New England Highway adjoining and opposite the Armidale airport. Work is currently being undertaken to extend services to this land.

Significant Retail Centres

Armidale City Central Business District provides the main retail centre for Armidale Dumaresq LGA. It features three large commercial complexes including Centro Armidale which opened in late 2007 with major tenants including Woolworths and Big W; Armidale Plaza anchored by Kmart, Target Country and IGA; and the East Mall anchored by Coles.

The commercial precinct also includes a pedestrian mall, professional suites, offices and government administration and satisfactory public car parking. The Armidale CBD is a regional shopping centre, and attracts consumers from Guyra, Inverell, Glen Innes, Bundarra, Uralla and Walcha.

An Aldi is currently in the early stages of construction on the south-east fringe of the Armidale CBD, with construction to be completed in 2016.

Armidale also has two further commercial precincts located on the fringes of the City.

Located towards the north-east of the City, adjacent to the University and the New England Highway bypass is a B7 zoned Business Park which has been set aside for future 'technology park' style commercial development to support the large university campus. There is currently only one developed premise in this precinct.

A further precinct is located on the eastern fringe of the City on the Grafton Rd and is zoned B5 – Business Development. It is proposed that this area be used for a mix of warehouse and bulky goods premises. At present, the only development in this precinct is Bunnings.

Rural

The Armidale District includes some highly productive basalt soils, but are mostly trap and granite soils, as well as large areas of eastern fall land being mostly National Park. Traditionally the Armidale and greater New England District has been a strong, fine wool growing and fat lamb producing area, but in more recent times with the returns for wool production remaining low, many producers have changed to predominantly cattle production. There is very little in the way of cultivated crop production or intensive horticulture in the District, apart from some limited areas of viticulture.

Rural land use throughout the District is a mix of larger grazing enterprises, and more traditional grazier operated smaller holdings. There is an expanding precinct of small rural-residential sites, hobby farms and small lifestyle farms surrounding Armidale. Rural retreat homesites occupy much of the poorer quality land within the district, particularly around the Lower Creek and Carrai Plateau areas, and fringe gorge country where expansive views, relative isolation/privacy and the natural bushland settings are attractive features for rural retreats.

Rural Locations within the LGA

Land values vary throughout the LGA according to land form, location, access and soil types. The following are general descriptions of some localities within the Armidale Dumaresq LGA:

Ebor (part)

Ebor locality is approximately 80km to the east of Armidale City on the Shire boundary with Guyra, Clarence Valley, Bellingen, Nambucca and Kempsey LGAs. This locality is approximately equidistance between Armidale City and Coffs Harbour. The New England National Park is located to the east and Guy Fawkes River Nature Reserve to the west of this locality. Amenities such as post office, coffee shop, hotel/motel, service station and a primary school are provided by the nearby Ebor Village. East of Ebor village is the head waters of the Guy Fawkes River which feeds the Boyd, Nymboida and Mann Rivers eventually running into the Clarence River. Ebor locality is highly regarded and safe eastern fall grazing country. Elevation varies but is around 1300 metres above sea level, and average rainfall is in the vicinity of 1217mm.

Generally the locality comprises good quality basalt soils with some areas of granite. Ebor rural land benefits from some of the highest elevation and rainfall in the Shire. Land form varies generally from gently undulating to sloping grazing with some steeper slopes/hills. Quality soils and high rainfall result in the Ebor locality in general being highly pasture improved with many rural holdings operating as fattening or backgrounding operations.

Thalgarrah/Lyndhurst

Thalgarrah, Lyndhurst, Wollomombi are the main rural localities situated north east of Armidale, generally from the Gara River on the western boundary around to the Grafton Road (Waterfall Way) running east west from Armidale, adjoining the Guyra Shire boundary which follows the Aberfoyle River in the north. The Oaky River and Macleay Range (Snowy Range) form the most western boundary.

Amenities include the Wollomombi General Store. The closest primary public school is in Guyra Shire at Wongwibinda just to the north, there is also the Thalgarrah Environmental Education Centre. There are no other public amenities in these localities.

Wollomombi River, Chandler River and Gara River are central to the district's water supply with numerous spring fed creeks (Ponds Creek, Station Creek, Four Mile Creek, Pint Pot Creek, Bakers Creek, Balaclava Creek and Lambs Valley Creek). Cathedral Rock National Park is in the south west corner of the locality.

This locality generally comprises granite and trap soils throughout with some areas of basalt. Land forms vary from alluvial flats to undulating semi cleared grazing country some arable, with also some areas of green timbered ridges. Property sizes are typical of the New England, mostly smaller owner operated rural farms with some larger rural amalgamations. In closer proximity to Armidale there are a number of smaller lifestyle/ hobby farms Rainfall is approximately 759mm*.

Kelly's Plains/Dangarsleigh

The localities of Kelly's Plains and Dangarsleigh including Armidale and Castledoyle are located approximately 10km south and south east of Armidale City; and 15km north east of Uralla Town. Saumarez Creek and Salisbury Waters form the south and western boundary of this locality with the Uralla Shire Council and Oxley Wild Rivers National Park forms the south east boundary. These localities are accessed via Dangarsleigh, Castledoyle, Long Swamp Road, and Old Gostwyck Roads.

Generally comprising granite and trap soils throughout with some areas of basalt. Land forms vary from level to undulating mostly cleared grazing country, though some areas of arable land. Oxley Wild Rivers National Park is steep gorge country with Dangars Falls at the head. Imbota Nature Reserve previously Eastwood State Forest, is central to the locality.

Property sizes are typical of the New England, mostly smaller owner operated farms with some larger rural amalgamations, with smaller rural residential subdivisions/lifestyle blocks along the main arterial roads within close proximity to Armidale. Rainfall is approximately 765mm*.

Hillgrove/Metz

Hillgrove and Metz localities are situated approximately 20km east of Armidale City, with most areas readily accessible from the Grafton Road. Oxley Wild Rivers National Park is located south east of the locality; Hillgrove Gold/Antimony Mine is situated centrally within the locality. Gara River runs through the locality and into the Gara Falls Reserve and Oxley Wild Rivers National Park which is eastern falls gorge country.

Generally comprising granite and trap soils throughout. Land forms vary from level to undulating, running through to Gara Falls Reserve Gorge. Mostly cleared to semi cleared grazing country with stands of shelter timber for livestock. Rural holdings are generally smaller owner operated farms with some larger rural amalgamations. Rainfall is approximately 725mm*.

Enmore

Enmore locality is approximately 30km south-east of Armidale City, on the Shire boundary with both Uralla and Walcha LGAs. This locality is approximately equidistance between Armidale City and Uralla Town. Enmore State Forest is located to the east, with Blue Mountain Creek forming the southern boundary running through Hole Creek Nature Reserve. Mt Enmore is central to the Locality with an elevation of 1188m.

Generally comprising granite and trap soils throughout with some basalt intrusions. Land forms vary from near level to undulating hills. Mostly cleared to semi cleared grazing country with stands of shelter timber for livestock. Rural holdings are generally smaller owner operated farms with some larger rural amalgamations. Rainfall is approximately 712mm*.

Boorolong

The Boorolong locality is situated 20km south-west of Guyra town and 25km north-west of Armidale City bordering both Guyra and Uralla LGA borders. Laura Creek forms part of the north western boundary adjoining the Baldersleigh locality. The main northern railway line (now decommissioned) runs along the eastern boundary. Toms, Boorolong and Saumarez Creeks also form part of the southern locality boundary.

The Barlow, Abington, Toms and Boorolong Creeks also run through the locality. The Boorolong Nature Reserve is in the north east of the locality. Access direct to Armidale City is via Boorolong Road.

Generally comprising granite and trap soils throughout with some areas of basalt. Land forms vary from gently undulating to steeper mountains including Browns, Wallaby Rocks, Mill Ridge, Cockys Dread, Ping and Parlour Mountains.

Topography is generally undulating semi cleared grazing country with some arable land, and some green timbered hills and mountains. Property sizes are typical of the New England, mostly smaller owner operated farms with some larger rural amalgamations. In closer proximity to Armidale in this locality are smaller lifestyle/ hobby farms. Rainfall is approximately 700mm*.

Lower Creek /Carrai

The Lower Creek/Carrai locality is located approximately 80km east of Armidale City and 90km west of Kempsey on the Kempsey/Armidale Dumaresq LGA border. Lower Creek is to the north of the Macleay River which forms the boundary between these areas running west to east, with Carrai to the south. The area is accessed by Big Hill Road from the west and Kempsey Road from the east. These rural localities have no immediate amenities.

Generally comprising lighter trap and granite soils though some heavy alluvial river/creek flats. Land forms vary from alluvial flats along Georges Creek, Smiths Creek, Dyke River and Macleay River to undulating/steep cleared grazing. There are some productive rural grazing holdings, generally small holdings, along the valley floors rising into cleared grazing hills. The remainder of the district is generally undulating to steep green timber rural lifestyle holdings/rural retreats of varying size. Access to these properties is often poor along fire trails or only partly formed Crown roads.

The New England National Park, Cunnawarra National Park, Lower Creek State Forest, Styx River State Forest and Georges Creek Nature Reserve form the north and western boundaries of these localities, with Oxley Wild Rivers National Park, Carrai State Conservation Area and Carrai National Parks forming the south, east and west boundaries. Rainfall is approximately 1078mm*.

Black Mountain

Black Mountain locality is located approximately 10km south of Guyra and 25km north of Armidale. Armidale is the main service center for this locality. The New England Highway is central to the locality running north south and provides good access. The Main Northern Railway also passes north south through the locality. This locality includes Black Mountain Village which has a primary school. Land form in the locality comprises of gently undulating grazing that is lightly to moderately timbered in areas with steeper green timber ranges including Duval State Forest and Boorolong. Soils are mostly basalt running through granite. With larger granite boulders evident in the steeper green timbered areas including the State forests. Rainfall is approximately 618.1mm

** approximate rainfalls for each locality are the closest open station as reported by the Bureau of Meteorology utilising the mean average for all years.*

State & Local Government Legislation for LGA

Armidale Dumaresq LGA is governed by the Armidale Dumaresq LEP 2012 (LEP) gazetted on 30 November 2012.

Minor changes to the LEP were made on September 2014 with some properties added to Part 1 - Heritage Items. Properties affected were checked and values changed as required.

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 Armidale Dumaresq Council Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act. Armidale Dumaresq Council has development controls including the Armidale Dumaresq Development Control Plan 2012 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	500m ² (R1) 4000m ² (R2) 2ha (R5) 1000m ² (RU5)
Rural/Forestry	200ha (RU1) Council Consent required (RU3) 40ha (RU4)
Business	Council Consent required
Industrial	Council Consent required 1000m ² (IN1) 1000m ² (IN2)

Market Overview & Sales of Particular Interest

Opteon Property Group (OPG) as Contractors has undertaken significant analysis of the Armidale Dumaresq LGA property market to provide an accurate and reliable basis of valuation. 473 sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the grading across components. Analysed sales reports are provided to Land and Property Information on a consistent basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. OPG as Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with Replacement Cost Approach used when appropriate.

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

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 Armidale Dumaresq property market.

Residential

Armidale Dumaresq LGA comprises approximately 7,604 residential zoned properties located in Armidale City.

The Armidale Dumaresq LGA residential market had approximately 476 sales throughout Base Date 2015 with 393 sales analysed.

Armidale City residential values are supported by stable employment from major employers in the City such as the large public sector, private schools and UNE, and also supported by the surrounding rural community for which Armidale City is the service centre.

Overall the residential market in Armidale has increased steadily in the past twelve months. Development of residential land has continued at a stable rate, with the release of new 120 lot subdivision 'The Foothills' on Link Rd and the final stage of 'Grandview Crescent Estate'. With the release of these new subdivisions, the number of vacant sales has increased on the previous year, while improved sales have remained at similar volumes.

Sales evidence typically indicates a 5% increase in values with some exceptions. Due to the release of 'The Foothills' and the subsequent oversupply of vacant land, englobo values have remained stable. Some areas of Armidale City have also had no change to values as indicated by vacant land sales, including lower cost housing areas of limited demand/popularity, and higher valued areas in St Patrick's Estate.

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 (approximate)	BD14	BD15	CHG 14-15
Established East and West Armidale	Dumaresq St	646 m ²	\$115,000	\$120,000	+4.35%
West Armidale in close proximity to UNE	Claude St	733 m ²	\$110,000	\$115,000	+4.55%
Established Central South Armidale	Faulkner St	735 m ²	\$153,000	\$160,000	+4.58%
North East precinct (north Erskine St)	Fittler Cl	736 m ²	\$120,000	\$125,000	+4.17%
Ben Venue/ North Hill	Johnson Ave	809 m ²	\$110,000	\$115,000	+4.55%
Established North Hill	Jeffrey St	809 m ²	\$132,000	\$140,000	+6.06%
East and West fringe of Armidale	Alexander St	897 m ²	\$65,000	\$65,000	0.00%
Newer Residential areas in North Armidale	Nyssa St	897 m ²	\$118,000	\$125,000	+5.93%
St Patrick's Estate	Donegal Tce	932 m ²	\$180,000	\$180,000	0.00%
Established South Hill	Bowman Ave	1005 m ²	\$115,000	\$120,000	+4.35%
North West Armidale (north of Donnelly St)	Blake St	1062 m ²	\$78,000	\$82,000	+5.13%

Armidale City – Low Density including parts St Patricks Estate	The Avenue	2016 m ²	\$209,000	\$230,000	+10.05%
Englobo Land	Burgess St	1.5 ha	\$304,000	\$304,000	0.00%
Armidale City Fringe – Large Lots	Translator Rd	2 ha	\$277,000	\$290,000	+4.69%

In the last 12 months there were 25 residential sales over \$600,000. Most of these sales were high valued single occupancy dwellings including some heritage homes; but also included one sale of a unit complex, one caravan park, one motel, and one englobo parcel.

Village

Armidale Dumaresq LGA comprises approximately 131 village zoned properties located throughout the Shire.

The Armidale Dumaresq LGA village market had 5 sales throughout Base Date 2015, all of which were analysed.

The Armidale village markets have generally remained stable in the last twelve months. While sale volumes have increased in Hillgrove Village due to the planned reopening of the Hillgrove mine, no increase in value has been seen at this stage.

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

Description	Address	Area	BD14	BD15	CHG 14-15
Ebor Village	Ebor St	2023 m ²	\$35,000	\$35,000	0.00%
Hillgrove Village	Queen St	1676 m ²	\$20,000	\$20,000	0.00%
Wollomombi Village	Wollomombi Village Rd	2226 m ²	\$22,000	\$22,000	0.00%

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

Commercial

Armidale Dumaresq LGA comprises approximately 328 commercial zoned properties located in Armidale City.

The Armidale Dumaresq LGA commercial market had approximately 17 sales throughout Base Date 2015, all of which were analysed.

The general sentiment in the Central Business District of Armidale remains poor with a number of store closures and high vacancies remaining, particularly along Beardy Street. Hanna's Department Store located in Hanna's Arcade recently closed after nearly 100 years in business.

Commercial sales activity continues to be low, with the majority of sales generally being well tenanted investments leased to major national or government tenants with a strong secure rental return. These sales are of limited assistance in determining land values, with lease premiums paid for the return. However, there have also been two vacant commercial sales which support the existing values.

Due to the low volume of reliable commercial sales, feasibility studies based on rental values have been conducted which indicate prime commercial values have experienced a slight reduction, though fringe commercial values remained stable in the last twelve months.

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

Description	Address	Area	BD14	BD15	CHG 14-15
CBD	Beardy St	516 m ²	\$260,000	\$250,000	-3.85%
CBD	Beardy St	2914 m ²	\$950,000	\$950,000	0.00%
CBD Fringe	Rusden St	686 m ²	\$180,000	\$180,000	0.00%
CBD Fringe	Allingham St	4471 m ²	\$560,000	\$560,000	0.00%
Neighbourhood Commercial Sites	Niagara St	1335 m ²	\$150,000	\$150,000	0.00%
Grafton Rd Bulky Goods precinct	Canambe St	1.6 ha	\$400,000	\$400,000	0.00%
Armidale Technology Park	Madgwick Dr	8 ha	\$650,000	\$650,000	0.00%

There were 4 commercial sales within the last 12 months over \$1,000,000. These properties were sold on a return basis, each being well improved and occupied by either a government or strong national tenant.

Industrial

Armidale Dumaresq LGA comprises approximately 186 industrial zoned properties located in Armidale City.

The Armidale Dumaresq LGA industrial market had approximately 5 sales throughout Base Date 2015, all of which were analysed. Three of these sales were between related parties and therefore not considered market indicators.

The Armidale industrial market is traditionally very strong with a semi retail influence in some high exposure areas of the main industrial precinct including Miller and Mann Streets.

The release of new industrial land in the locality of the Armidale Airport will add to the industrial supply and could result in changes to values in the existing industrial precincts as the dynamics of the industrial property market evolve.

The industrial sales contracted show values have remained stable since the previous Base Date. Due to a lack of reliable sales, feasibility studies have been undertaken which also indicate no change in values.

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

Description	Address	Area	BD14	BD15	CHG 14-15
Armidale Industrial Precinct	Wright Pl	1473 m ²	\$300,000	\$300,000	0.00%
Acacia Park	Seaton St	2906 m ²	\$108,000	\$108,000	0.00%
Fringe Industrial sites	Grafton Rd	2.8ha	\$220,000	\$220,000	0.00%

In the past 12 months there were 2 sales over \$500,000 within the Armidale industrial market. One sale was a related party transaction, while the other was of a warehouse/retail building sold to former tenant.

Rural

Armidale Dumaresq LGA comprises approximately 1,891 rural, forestry and environmental management/living zoned properties.

There were approximately 53 rural zoned sales considered to be reliable market indicators recorded and analysed during the 12 month period ending 1 July 2015, and this comprised 10 larger broadacre grazing properties, and 43 generally smaller properties being lifestyle, rural retreat, farmlet and rural residential type properties.

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

1. The sales of better quality mixed farming and grazing land throughout the LGA indicated a modest increase in values for these properties. There were approximately 9 sales of these properties recorded, and all of these sales showed an increase of at least 6%.

The increase in values and generally improved market sentiment in this sector of the market is seen as being the result of improved commodity prices, particularly beef cattle over recent months, a significant improvement in seasonal conditions since November 2014, historically low interest rates, and the flow on effect of increased property sales activity throughout rural NSW generally.

- 2 The sales of RU4 (Rural Small Holdings) zoned rural residential sites and hobby farms located close to Armidale have indicated a modest increase in values for these properties. There were 25 market sales recorded, and the majority of sales showed increases of at least 5%. This trend appears to be at odds with the general trend for these types of properties elsewhere in the shire and throughout the Northern Tablelands and appears to represent a local correction rather than an indication of a general market movement. However it is noted that this increase is in-line with Armidale City residential value increases in the same period.
- 3 In contrast, the market for the poorer quality and inferior located grazing land, rural retreats, hobby farms and smaller rural residential properties throughout the shire showed no significant market movement. The sale of a large grazing holding located in the Macleay River valley, the first such sale in this locality for some years, showed a significant reduction in value, and is seen to indicate a reduction in values is warranted in this specific locality rather than a reflection of the market generally. The largely unchanged market for these properties is 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
Small cleared gently sloping rural residential site located approx. 27km south east of Armidale	Blue Knobby Rd, Enmore	1454 m ²	\$14,200	\$14,200	0.00%
Long narrow cleared sloping rural residential site located approx. 3km north west of Armidale	Old Inverell Rd, Armidale	2 ha	\$215,000	\$225,000	+ 4.65%
Near level cleared basalt soil grazing held under licence, having gully Fawkes River frontage, no legal access, located approx. 750m east of Ebor village	Waterfall Way, Ebor	4 ha	\$10,100	\$10,100	0.00%
Gently sloping cleared good quality hobby farm located approx. 3 km west of the Armidale residential area	Bundarra Rd, Armidale	16 ha	\$346,000	\$365,000	+ 5.49%
Undulating to sloping mainly cleared light soil lifestyle grazing with Dyke River frontage, located approx. 80km east of Armidale	Lower Creek Rd, Lower Creek	41 ha	\$114,000	\$114,000	0.00%

Sloping mostly cleared trap soil lifestyle grazing holding located approx. 37km north east of Armidale	Lyndhurst Rd, Thalgarrah	42 ha	\$198,000	\$198,000	0.00%
Mostly cleared sloping trap soil hobby farm located approx. 13 km north east of Armidale CBD	Brookside Rd, Thalgarrah	43 ha	\$332,000	\$332,000	0.00%
Undulating to sloping mostly timbered retreat holding with views from elevated areas, located approx. 57km east of Armidale	Williams Rd, Jeogla	154 ha	\$92,300	\$92,300	0.00%
Gently undulating cleared mostly arable basalt grazing located 15 km south east of Armidale	Dangars Falls Rd, Dangarsleigh	154 ha	\$693,000 (\$4,500/ha)	\$693,000 (\$4,500/ha)	0.00%
Sloping mostly cleared light soil grazing with Macleay river frontage located approx. 95km south east of Armidale	Kempsey Rd, Lower Creek	182 ha	\$253,000 (\$1,390/ha)	\$202,000 (\$1,110/ha)	-20.15%
Sloping mainly cleared elevated basalt grazing with guy Fawkes River frontage located approx. 7km south east of Ebor, approx. 80km east of Armidale	Majors Point Rd, Ebor	243 ha	\$1,170,000 (\$4,819/ha)	\$1,230,000 (\$5,062/ha)	+ 5.13%
Undulating mainly cleared granite and trap soil grazing located approx. 19km east of Armidale	Grafton Rd, Metz	277 ha	\$658,000 (\$2,375/ha)	\$691,000 (\$2,495/ha)	+5.01%
Mostly open undulating to hill trap soil grazing with Abington Creek frontage, located approx. 32 km west of Armidale	St Elmo Rd, Boorolong	570 ha	\$514,000 (\$902/ha)	\$514,000 (\$902/ha)	0.00%

There were five rural broadacre market sales over \$2,000,000 within the Armidale rural market during the 12 month period since the prior Base Date. These included –

- 5,444 ha partly open grazing, partly rough timbered hill grazing holding with Macleay river frontage located at Lower Creek indicating an average analysed land value of \$790/ha;
- 1262 ha mostly cleared trap soil grazing holding at Aberfoyle indicating an average analysed land value of \$2,434/ha;
- 667 ha partly arable trap, basalt and granite soil grazing holding at Enmore indicating an average analysed land value of \$2,578/ha;
- 598 ha mostly cleared basalt, trap and granite soil grazing holding at Wongwibinda indicating an average analysed land value of \$2,363/ha; and
- 509 ha cleared partly arable basalt soil grazing holding at Donald Creek indicating an average analysed land value of \$3,538/ha.

In the lifestyle/small holding market there were eight market sales contracted above \$750,000, including –

- a well-established 73 ha mainly cleared hobby farm with highway frontage located 11 km north of Armidale showing an analysed block land value \$434,000;
- 62 ha undulating cleared basalt soil hobby farm located approx. 4.5 km west of the Armidale CBD indicating an analysed block land value of \$759,000;
- 40 ha cleared level basalt soil hobby farm located at Dangarsleigh 10 km south of Armidale indicating an analysed block land value of \$400,000;
- 10 ha sloping partly timbered hobby farm located 4.8 km north west of Armidale CBD indicating an analysed block land value of \$336,000;
- and a 6.3 ha small hobby farm with highway frontage and future subdivision potential due to part R1 zoning, located 3.3 km north of Armidale CBD indicating an analysed block land value of \$492,000.

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 14 lot residential subdivision located on Erskine Street granted in February 2015. Work is yet to commence.
- 10 lot rural residential subdivision located on the western side of Kellys Plains Rd was approved in February 2015. Work is yet to commence.
- Approval for a 5 lot subdivision on The Boulevarde was granted in April 2015. Work is yet to commence.
- A 5 lot rural subdivision situated on the eastern fringes of Armidale on Long Swamp Rd was approved in June 2015. Work is yet to commence.
- Approval for a 15 lot residential subdivision of a partially flood liable lot located on Taylor St was granted in August 2015. Work is yet to commence.

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 the 2014 Base Date, which are summarised below:

- Several industrial zoned properties along Drew St were reduced following new information on required site frontage and minimum lot sizes revealing some land has no potential for independent industrial development. Values were reduced to reflect existing uses as highest and best use.
- An englobo site was increased due to the change in instructions for heritage valuations, with part site development now considered possible, with the listing only applying to the house and trees. Value increased to allow for development potential of that part of the site unaffected by the heritage listing.
- Several recreational zoned properties were increased to reflect future development potential, while others were reduced due to flooding issues.

Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of OPG Contractor and outlines that the Verification process and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and lists of high value and high risk properties is also provided in the Valuation Analysis Report. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value basis' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or reascertainment process were individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 6.6.2. Worksheets have been maintained on all properties where calculations are required. We have also ensured that adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

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