



ASPECT

PROPERTY CONSULTANTS

Final Report

*ORANGE LGA
Contract 993731
Base Date July 2015*

1. Executive Summary

1.1. LGA Overview

Orange LGA is located in the Central West region of New South Wales, about 260 kilometres west of Sydney. Orange LGA is bounded by the Cabonne LGA in the north, east and west and by the Blayney LGA in the south.

The City of Orange has a population of approximately 36,000 people according to the 2011 Census of which the majority live in the City itself. The LGA has a number of smaller suburbs and localities which include Ammerdown, Bletchington, Bloomfield, Bowen, Calare, Canobolas, Clifton Grove, Glenroi, Guying, Huntley, Lucknow, March (part), Millthorpe (part), Narrambla, Orange, Orange South, Shadforth, Spring Creek, Spring Hill (part), Spring Terrace (part), Springside, Suma Park, Summer Hill and Warrendine.

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

The Orange Local Government Area (LGA) comprises Residential, Rural, Commercial, Industrial, Infrastructure, Tourist, Environmental and both Private and Public Recreation zones.

17,416 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 Orange LGA property market has remained relatively stable across most sectors with a slight increase in values experienced in commercial, residential and rural and a large increase in special use tourist values in the last 12 months.

Valuation changes in the Local Government Area and percentage changes between the Council 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)	% Change	Prior Local Government Valuation (2012)	% Change
Commercial	B1, B2, B3, B4, B5, B6, B7	650	\$306,834,270	\$304,822,170	0.66%	\$301,644,570	1.72%
Environmental	E3, E4	581	\$233,347,530	\$233,742,780	-0.17%	\$235,613,050	-0.96%
Industrial	IN1, IN2	462	\$200,083,940	\$198,186,110	0.96%	\$192,736,630	3.81%
Residential	R1, R2, R3, R5	14,932	\$2,004,642,330	\$1,933,291,360	3.69%	\$1,914,426,470	4.71%
Recreation	RE1, RE2	302	\$29,962,720	\$29,960,520	0.01%	\$29,948,020	0.05%
Rural	RU1	226	\$91,297,500	\$87,618,200	4.20%	\$86,488,200	5.56%
Village	RU5	202	\$19,014,860	\$18,949,760	0.34%	\$17,743,530	7.17%
Special Uses	SP2, SP3	59	\$18,188,320	\$16,706,320	8.87%	\$16,295,320	11.62%
Total		17,416	\$2,904,202,470	\$2,824,108,220	2.84%	\$2,795,819,790	3.88%

1.3. State & Local Government Legislation for LGA

The Orange Local Environmental Plan 2012 gazetted 24 February 2012. There have been 4 amendments made to the current LEP since the previous valuation, they are:

- | | | |
|-------------|-------|---|
| 2014 | (474) | Orange Local Environmental Plan 2011 (Amendment No 3) LW 25.7.2014. Date of commencement, on publication on LW, cl 2. |
| | (513) | Standard Instrument (Local Environmental Plans) Amendment Order 2014. LW 15.8.2014. Date of commencement, on publication on LW, cl 2. |
| | (807) | Orange Local Environmental Plan 2011 (Amendment No 5). LW 12.12.2014. Date of commencement, on publication on LW, cl 2. |
| 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). |

The Orange Local Government Area is governed by the Orange Local Environmental Plan 2012 (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 Orange district property market to provide an accurate and reliable basis of valuation. 558 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 Orange LGA this year, there have been some re-sales of properties; however those that did occur indicate stable land values with only slight movement from August 2014 to 1 July 2015 for some areas zoned Residential. Some commercial properties and hobby

farms also had a very slight increase in values throughout the year. Values generally remain stable since last years base date and feasibility studies that were carried out also reflected this.

Examples of sales and re-sales,

- Residential:
 - PID 3811601 – 2014 (\$140,000), 2015 (\$145,000). Indicates that value levels in Orange have remained relatively stable over the past 12 months.
 - PID 3799911 - 2014 (\$140,000), 2015 (\$147,000). Indicates that value levels in Orange have remained relatively stable over the past 12 months.
 - PID 3375023 – 2014 (\$145,000), 2015 (\$185,000). Indicated an increase in land values in the AGP component and particularly for corner allotments.
 - PID 1269800 – 2010 (\$250,000), 2015 (\$325,000). The re sale includes an updated kitchen and also indicates an increase in land values in line with the value movement over this period.
 - PID 1271019 – 2011 (\$190,000), 2015 (\$190,000). Indicates that value levels in Orange have remained relatively stable over the 4 year period.
 - PID 1270430 – 2010 (\$260,000), 2014 (\$271,000). Indicates that value levels in Orange have remained relatively stable in the South Orange (AGS component) area over the 4 year period.
 - PID 1268495 - 2011 (\$292,000), 2014 (\$292,000). Indicates that value levels in Orange have remained relatively stable over the 4 year period.
 - PID 3681351 – 2013 (\$195,000), 2014 (\$210,000). Indicated an increase in land values in the ALN component over the 18 month period.
 - PID 3125594 – 2012 (\$147,000), 2015 (\$135,000). The resale over the subject is indicative of the unappealing slope of the lot, not value movement in the Wentworth estate.
 - PID 1273292 – 2011 (\$105,000), 2015 (\$97,000). Indicated a slight decrease in land values, in line with the value movement that has been adopted over the subject.
 - PID 1267581 – 2011 (\$425,000), 2015 (\$432,500). Indicated an increase in land values and land values have been increased in line with sales evidence in the component and the sale over the subject.
 - PID 1268190 – 2011 (\$245,000), 2014 (\$310,000). Indicates an increase in land values in the Spring Hill area over this period.
 - PID 1268202 – 2011 (\$215,000), 2015 (\$240,000). Indicates an increase in land values in the Spring Hill area over this period.

Commercial:

- PID 3505217 – 2012 (\$2,225,000), 2015 (\$2,825,000). Indicated an increase in a commercial land values in fringe locations in the Orange CBD.
- PID 3496600 – 2011 (\$367,000), 2015 (\$401,500). Indicated an increase in a commercial land values in fringe locations in the Orange CBD, in line with adopted land values.

Industrial:

- PID 1269109 – 2012 (\$1,335,000), 2014 (\$1,400,000). Indicated minimal value movement in the INL industrial component.

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. Refer to section 6 for detailed information on developments occurring within the LGA.

1.6. Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since Previous General Valuation (2012)

The Orange residential market has remained stable in certain areas whilst several residential locations have witnessed growth in the Orange market since the last General Valuation in 2012. Central Orange, East Orange, North of Phillip Street and the Club/Vines Estate have increased by 15-20% since 2012. North of Calare has experienced growth of approximately 6% in the last 3 years. Large central residential allotments and western fringe rural residential allotments experienced an increase over the last 3 years.

Sales volumes over the past 3 years of both improved and vacant residential properties in Orange have fluctuated with the median value gradually increasing and then stabilising for the last 2 years.

The continued strong performance in the construction of new dwellings in the north Orange housing estates has remained firm despite the rental market softening and prices for newly

constructed dwellings softening as supply exceeds demand. The demand is supported by out of town investors.

The affects of the unstable employment opportunities in this period have affected the demand of rental properties and consequently weakening the investment market. However the current market appears to be stable and new residential estates are still experiencing slight increases in land values.

Changes since Previous Valuation Year (2014)

Sales volumes have generally remained stable in the last twelve months, and residential values generally remained stable over the past year across the Orange LGA.

Increases of 10-12% occurred in the East Orange (excluding Glenroi and the low cost north eastern fringe of Orange) and increases similarly of 10% in the Suma Heights and Patterson Gardens Estate areas. The ADP (north of Phillip Street) component experienced an increase in land values of 10% with some varying movement in The Gardens Estate of up to 25% increases. Values in the villages of Spring Hill and Lucknow have also remained stable.

The new Taranagulla, Golden Downs and Canobolas Meadows rural residential estates located on the western fringe of the Orange city has been met with good demand and achieving the good purchase prices following their release in the last 12 months. Rural residential properties within close proximity to the Orange town centre or the city fringe are generally met with good demand. The sales evidence indicates an increase in land values, with the exception of the values in Dean Drive which experienced a slight decrease, however there values still remain strong.

Summary of Valuation Changes to Rural Land

Changes since Previous General Valuation (2012)

The Orange LGA is a well regarded rural locality due to its good quality grazing properties and some cultivation country, located within close proximity to Orange. Rural properties in the Orange LGA are below average size for the Central West region, mostly due to the overall smaller size of the Orange LGA. The most common rural land use in the Orange LGA is grazing and with a significant number of hobby farms and rural residential properties.

The rural property market has experienced increases of approximately 5-15% since the last general valuation. Lifestyle grazing/hobby farms, rural-residential and rural retreat holdings throughout the LGA remain strong.

Increased demand for rural holdings from has been pushed by investors and the limited supply of rural properties within the Orange LGA. The hobby farm market has been supported by good demand from locals and the lack of affordability in major coastal cities particularly Sydney, which has pushed homeowners and investors inland where value for money is far superior. Strong commodity prices, cattle prices and a lower Australian dollar have also assisted in driving demand.

Changes since Previous Valuation Year (2014)

The rural property market has experienced increases of approximately 5% over the past 12 months predominantly in the fringe areas of the Orange LGA. The rural residential and hobby farm land values remained stable in the Orange LGA over the last 12 months.

Summary of Valuation Changes to Commercial Land

Changes since Previous General Valuation (2012)

The Orange LGA commercial market has recorded approximately 96 sales since July 2012 in the B3 Commercial Core zone and 125 across all commercial zonings. 2012 saw a slight increase in values in the Orange CBD of 6-9%, however throughout 2013 to 2014 commercial property experienced downward pressure on rents, resulting in stable land values.

Commercial office rents have generally experienced downward pressure due to the scaling back to the Newcrest Mining Operations in Cadia Valley and the planned closure of the Electrolux manufacturing plant in 2016.

Changes since Previous Valuation Year (2014)

The Orange LGA commercial market has recorded approximately 41 sales (all commercial zones) for the 2015 base date period; this represents a slight increase in sale volumes. The sales indicate an increase in demand for good quality investment properties with medium to long term leases in place. Demand has been driven by the limited supply of the quality investment properties, low interest rates and a strong retail rental market. Vacancy rates on the main street remain low.

Commercial office space continues to feel the pressure of the over supply in the market of office accommodation.

Commercial values generally remained stable over the past 12 months with significant increases experienced in specific fringe locations such as Kite Street, as demand for fringe properties increased and 5-20% throughout the remainder of the fringe areas such as Lords Place and Anson Street.

Summary of Valuation Changes to Industrial Land

Changes since Previous General Valuation (2012)

The Orange LGA industrial market has recorded approximately 57 sales since July 2012. The sales indicate mixed results throughout the various industrial estates.

The Narrambla Estate has experienced increases of 15-20% over the past 3 years; the estate is benefited by its convenient location and exposure on the northern distributor.

The south east Orange industrial areas such as the Edward street precinct (Electrolux area) experienced an overall decrease of 10% and the nearby Leewood industrial estate experienced a 5% decrease.

The industrial market has been impacted by the scaling back to the Newcrest Mining Operations in Cadia Valley, influencing numerous industries and businesses and the planned closure of the Electrolux manufacturing plant in 2016.

Changes since Previous Valuation Year (2014)

The Orange LGA industrial market has recorded 24 industrial sales during the 2015 base date; this is a significant increase in sale volumes since the 2014 base date and in line with the sale volumes of the 2013 base date.

Industrial land values have generally remained stable with the exception of a 10-25% increase experienced in the central industrial areas on McLachlan Street and Peisley Street. The Narrambla Estate experienced mixed results with land values remaining stable to the larger allotments and southern portions of the estate and 2-15% decreases applied to the smaller allotments located in the north of the estate.

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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 Orange 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

Liability limited by a scheme approved under Professional Standards Legislation.

3. LGA Overview

3.1. Location of the District

Orange LGA is located in the Central West region of New South Wales, approximately 260 kilometres west of Sydney. Orange LGA is bounded by the Cabonne LGA in the north and the Blayney LGA in the south. Orange LGA has a population of approximately 36,000 people according to the 2011 Census of which the majority live in the city itself. The LGA has a number of smaller suburbs and localities which include Ammerdown, Bletchington, Bloomfield, Bowen, Calare, Canobolas, Clifton Grove, Glenroi, Guying, Huntley, Lucknow, March (part), Millthorpe (part), Narrambla, Orange, Orange South, Shadforth, Spring Creek, Spring Hill (part), Spring Terrace (part), Springside, Suma Park, Summer Hill and Warrendine.

Orange LGA is well-known as being a fruit growing district and produces apples, pears, and many stone fruits such as cherries, peaches, apricots and plums. In recent years, a large number of vineyards have been planted in the area for rapidly expanding wine production. The growth of this wine industry, coupled with the further development of Orange as a gourmet food capital, has ensured Orange's status as a prominent tourism destination. The Cadia gold mine, located approximately 20 kms south of Orange is also a large employer within the Orange LGA. The mine is the second largest open cut mine in Australia.

3.2. Principal Towns

Orange

Orange is the principal city in the Orange LGA and is located approximately 250km north west of Sydney and is situated on the Mitchell Highway. The city has a population of approximately 38,000 and services the surrounding area with an estimated population of 100,000. Orange is predominantly an agricultural service centre with a range of government services, commerce, industry, health, education and tourist attractions.

3.3. Main Industries

The mining sector plays a key role in the growth of Orange, representing nearly a quarter of the entire economy. However, there is also some diversity with other prominent industries including health care, public administration, manufacturing and education and training. The major employers in the area include Newcrest Mining, Orange Local Health Service, NSW Department of Education and Training, Charles Sturt University and the NSW Department of Primary Industries.

3.4. Significant Retail Centres

The Orange Central Business District (CBD) provides the main service centre for the Orange LGA whilst also supporting other regional LGA's including Cabonne and Blayney. Orange Central Square and the Orange City Centre, both located within the CBD, are the largest retail centres within the Orange CBD.

3.5. Type of Residential Development

The Orange LGA contains a mix of rural, residential, commercial and industrial properties, with the majority of the development located in and around the City of Orange.

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

4. State & Local Government Legislation for the Orange LGA

The Orange Local Environmental Plan 2012 gazetted 24 February 2012. There have been 4 amendments made to the current LEP since the previous valuation, they are:

- | | | |
|-------------|-------|---|
| 2014 | (474) | Orange Local Environmental Plan 2011 (Amendment No 3)
LW 25.7.2014. Date of commencement, on publication on
LW, cl 2. |
| | (513) | Standard Instrument (Local Environmental Plans)
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commencement, on publication on LW, cl 2. |
| | (807) | Orange Local Environmental Plan 2011 (Amendment No 5).
LW 12.12.2014. Date of commencement, on publication on
LW, cl 2. |
| 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). |

The Orange Local Government Area is governed by the Orange Local Environmental Plan 2012 (LEP). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

Orange City Council has development controls in place that affect the subdivision and erection of dwellings which impacts on land values, namely the Orange Development Control Plan 2004.

5. Market Overview & Sales of Particular Interest

Residential and Villages

The Orange LGA contains primarily residential properties within the Orange city, 2 villages Lucknow and Spring Hill and rural properties, all encompassed within a comparatively small area of approximately 30,000 hectares.

The residential property market has progressively improved following the Global Financial Crisis. Reductions in mining activity in the region over the past 3 years has lead to a softening in demand throughout 2014/15, with an increase in supply of homes for sale and for lease evident. However, there appears to be increased activity in the last 6 months with renewed activity from both investors and owner occupiers supported by the low interest rate environment, although currently the median for house prices and vacant land has generally remained stable.

East Orange has experienced an increase in demand and values particularly in the new Patterson Gardens Estate, as a result of its more affordable price ranges and closer proximity to the CBD.

The significant high value sales are predominately central heritage properties on the well regarded Byng Street and rural residential properties on the western fringe of Orange.

The residential and rural residential englobo market has been active over the past 12 months, despite weakening demand for vacant residential land from locals demand from interstate markets and two-tier marketers has remained strong. Demand for rural residential properties close to the Orange CBD has remained strong over the last 12 months with 3 new subdivisions on the western fringe of Orange being released in the last 12months and all selling close to asking prices.

Commercial

The Orange LGA commercial market has recorded approximately 39 sales (all commercial zones) for the 2015 base date period; this represents a slight increase in sale volumes. However for specific commercial premises only (coded business) sale volumes remained stable, with a significant increase in the median sale price. Demand for good quality investment properties with secure leases in place has been strong over the past 12 months. Demand has been driven by the limited supply of the quality investment properties, low interest rates and a strong retail rental market.

Commercial office space continues to feel the pressure of the over supply in the market of office accommodation.

Commercial values have generally remained stable over the past 12 months with significant increases experienced in specific fringe locations such as Kite Street, as demand for fringe properties increased and 5-20% throughout the remainder of the fringe areas such as Lords Place and Anson Street.

There have been four significant sales recorded over \$2,000,000 since the 2014 base date in the Orange CBD. These include a large two storey retail and office space building located at 171 Lords Place, a long term government leased office premises located at 327 Summer Street, the Best and Less two storey retail and office site located at 162 Summer Street and a multi tenanted two storey office located at 84 Kite Street. The indicated yield range is 6.83% to 9.88%, the higher yields reinforce the higher risk involved with office accommodation and multiple tenancies in the current market.

Industrial

The Orange LGA industrial market has recorded 24 industrial sales during the 2015 base date; this is a significant increase in sale volumes since the 2014 base date and in line with the sale volumes of the 2013 base date.

Industrial land values have generally remained stable with the exception of increases experienced in the central industrial areas on McLachlan Street and Peisley Street. The Narrambla Estate experienced mixed results with land values remaining stable to the larger allotments and southern portions of the estate and decreases applied to the smaller allotments located in the north of the estate.

Rural Locations within the LGA

The Orange LGA rural market recorded 7 RU1 zoned sales since the 2014 base date, a slight increase following 5 sales in the 2014 base date period. Rural properties in the Orange LGA are below average size for the Central West region, mostly due to the overall smaller size of the Orange LGA. The most common rural land use in the Orange LGA is grazing and with a significant number of smaller rural home sites and hobby farms.

Demand for rural residential properties and hobby farms have remained strong over the past 12 months with 3 rural residential estates being released and selling well. Sale volumes have increased over the past 12 months.

Increased demand for rural holdings has been pushed by investors, owner-occupiers and the limited supply of rural properties within the Orange LGA. The hobby farm market has been supported by good demand from locals and the lack of affordability in major coastal cities particularly Sydney has pushed homeowners and investors inland where value for money is far superior. Strong commodity prices, cattle prices and a lower Australian dollar have also assisted in driving demand.

6. 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.

New developments in discussion or underway include:

- Orange City Council purchased the old Orange Base Hospital and aim to develop the 2.1 hectare site to include commercial opportunities, higher residential densities, apartment living and terrace housing. The sale price of the site was \$3.3 million, of which \$2.3 million was retained by Council to cover the costs of demolition and remediation.
- Orange City Council proposes to develop an industrial business park at Orange Airport. Originally the business park was to include approximately 318 hectares, however, after concerns from Spring Hill residents about the misgivings of the proposal the development plan was downsized by 118 hectares. The Orange City Council has started acquiring properties in this area this year.
- 1517 Forest Road, Orange has had concept plans approved in October 2014 for the development of a private hospital which will include an emergency, out-patients and general hospital department, a motel with approximately 42 rooms, neighbourhood retail shops, consultancy rooms, a child care centre and residential apartments.
- Orange City Council is in the process of developing a Master plan to guide the future of the village of Lucknow and increase housing density in the village. The current Master plan has been prepared to draft stage and was placed on public exhibition for comment until early July 2015.
- Orange City Council rejected a planning proposal to rezone land in North Orange in 2012 to allow for a petrol station and a fast food restaurant. In alignment with this, the Western Joint Regional Planning Panel has also rejected the proposal in October 2015, stating that the land shall remain zoned as general residential as they do not believe that the traffic issues such as the complex geometry of the intersections at the site had been resolved.
- Work has is in process on the \$25 million redevelopment of the Wontama nursing home facility in Orange, the redevelopment will see the current high-care residential buildings become a new, updated centre which will also include a cafe, chapel and hairdresser with more activity spaces available for residents.

- The 276 hectare area named the “Shiralee Village” was previously zoned RU1 and has been rezoned R2 by the Orange City Council. The master plan introduces provisions relating to design requirements for development in the Shiralee Master Planned area, being land bounded by the Railway line, Pinnacle Road, Hawke Lane and the suburb of Bloomfield and now forms part of Orange Development Control Plan 2004.
- Commencement of the Orange Regional Museum on the corner of Byng Street and Peisley Street began in mid 2014, the \$8 Billion project is planned to be completed early 2016.
- Construction of the Southern Distributor began in 2014 and a portion between Forest Road and Anson Street opened September 2015.
- The Ronald McDonald House accommodation located on the new Orange Base Hospital site was officially opened in April 2015, following construction starting in 2013 and a long fundraising period of 10 years.
- The Great Western Hotel on Peisley Street was renovated in 2012 – 2013, costing an approximate \$400,000 and comprising 10 new rooms and 2 disabled rooms.
- The Apex House and Anson Cottage (apart of the old Orange Base Hospital site) were purchased by CareWest and were approved for refurbishment which commenced in 2014 and is still ongoing.

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

New developments in discussion or underway include:

- The Northern Distributor was opened in August 2012, connecting the Bathurst side of the Mitchell highway to the western/Molong side of the Mitchell Highway and Forbes Road.
- Construction began on the North Orange Shopping Centre in 2012; it is now complete and comprises a Woolworths Supermarket and various specialty stores to accommodate the growing residential development in North Orange as well as passing traffic on the Northern Distributor. In addition to the North Orange Shopping Centre there have also been a McDonalds and two Child Cares centre constructed in the same vicinity, just off the Northern Distributor.
- Construction of the Macquarie Pipeline commenced in early 2014, the 39km water pipeline is from the Macquarie River to Orange.

- Phillip Street DCP was approved and adopted by the Orange City Council in December 2014, the area is located north of the Northern Distributor and Ophir Road intersection and is now zoned R2 Low Density Residential.
- The Daydawn Place DCP was on public exhibition in December 2014, the proposal was for approximately 37 rural residential properties, and covers an area south east of the lower portion of Ophir Road. The proposed DCP was deemed unsuccessful during 2015.

7. Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

The special uses tourism component, zoned SP3, has had significant value changes from the prior to current Annual Valuation. This 161.79% increase was a result of a sale in the 3 property component and unsettled sales within the component suggesting a rate range of \$155-\$165/m².

Orange commercial CBD fringe areas experienced varying degrees of increases from as small as 5% up to 70% on the smaller lower values properties, the larger increases related to properties of smaller size and lower value; hence the increase appears more dramatic as a percentage.

Increases of 10-12% occurred in the East Orange area (excluding Glenroi and the low cost north eastern fringe of Orange) and increases similarly of 10% in the Suma Heights and Patterson Gardens Estate areas. The ADP (north of Phillip Street) component experienced an increase in land values of 10% with some varying movement in The Gardens Estate of up to 25% increases. Values in the villages of Spring Hill and Lucknow have also remained stable.

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

Since the last General Valuation in 2012, most values have generally experienced a slight increase or remained stable. The previous valuation year experienced minor value changes but generally remained stable.

Various properties in certain areas within the LGA have overall increased and decreased at differing rates, these are listed below.

- Growth has been evident in some commercial locations with most areas seeing a 5-10% increase whilst the Gateway Business Park saw a 5.97% decrease and commercial fringe areas such as smaller properties on Kite Street experiencing up to 50-70% increase.
- Significant increases were experienced in specific CBD fringe locations such as Kite Street, as demand for fringe properties increased and a 5-20% increase applied throughout the remainder of the fringe areas such as Lords Place and Anson Street.
- Increase of 7 – 16% to hobby farm properties in the Clifton Grove and Orange fringe locations.

- Growth of 12.40% occurred in the village of Spring Hill.
- Specific Orange areas such as Central Orange, East Orange, North of Phillip Street and the Club/Vines Estate have increased by 15-20% in the period since 2012.
- Orange residential areas north of Calare have experienced growth of approximately 6% in the last 3 years.
- Large central residential allotments and western fringe rural residential allotments experienced an increase over the last 3 years.
- The Narrambla Estate experienced mixed results; general increases of 15-20% over the past 3 years have occurred and some decreases have occurred in the northern portion of the estate in line with sales evidence at the 2015 base date. The estate is benefited by its convenient location and exposure on the Northern Distributor.
- A 10-25% increase was experienced in the central industrial areas of McLachlan Street and Peisley Street.

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 bases 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

Report Prepared by:



Christopher C. Attenborough
Registered Valuer 4012 FAPI, CPV
B.Com (Land Economy)
Contract Services Manager
Aspect Property Consultants