



Final Report 2015
Deniliquin Council – District 057
Base Date 1 July 2015

LG
ValuationServices



Maps

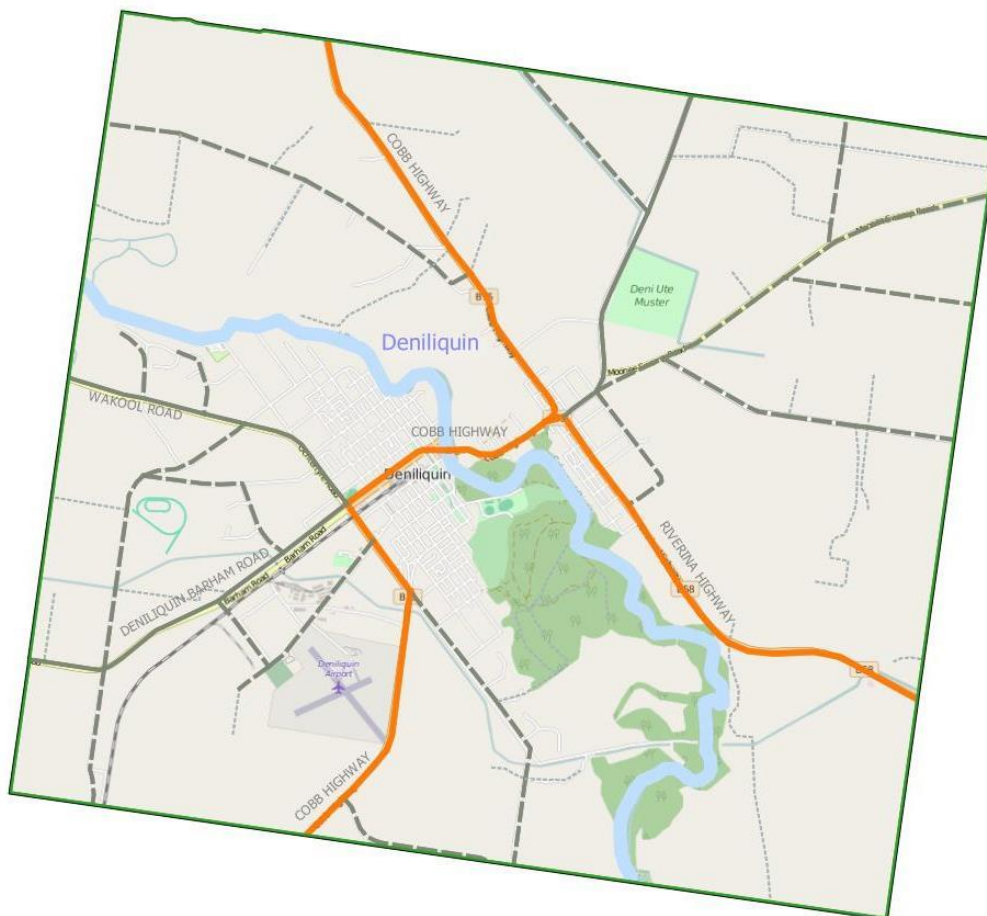


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Executive Summary

LGA Overview

Deniliquin Shire is situated in the Southern Riverina district in NSW, approximately 300 kilometres north of Melbourne and approximately 710 kilometres south west of Sydney. Deniliquin Shire occupies approximately 143.2 square kilometres with a population of 7,327 (2012) with the Edwards River traversing the township on the edge of the world's biggest Red gum forest.

Located approximately 5 kilometres south of Deniliquin CBD is Deniliquin airport that provides services for passengers, training and freight facilities and services to the rice and cotton industries. Deniliquin is also the home of the famous Deniliquin Ute Muster that attracts approximately 25,000 people annually to the region.

Deniliquin Council is unique in its positioning as it is a residential, commercial and industrial shire surrounded by two larger rural Local Government Shires - Murray Shire to the south and Conargo Shire to the north. It is a service centre for a very productive agricultural area and includes secondary industry in the form of a rice mill and timber milling capabilities and is the largest town in the Riverina behind Albury and Wagga.

However, this council area suffers along with the larger local government areas when natural disasters impact on the Southern Riverina region, as it is primarily dependent on servicing agricultural pursuits. This then has a major impact on the sale of properties both residential and commercial.

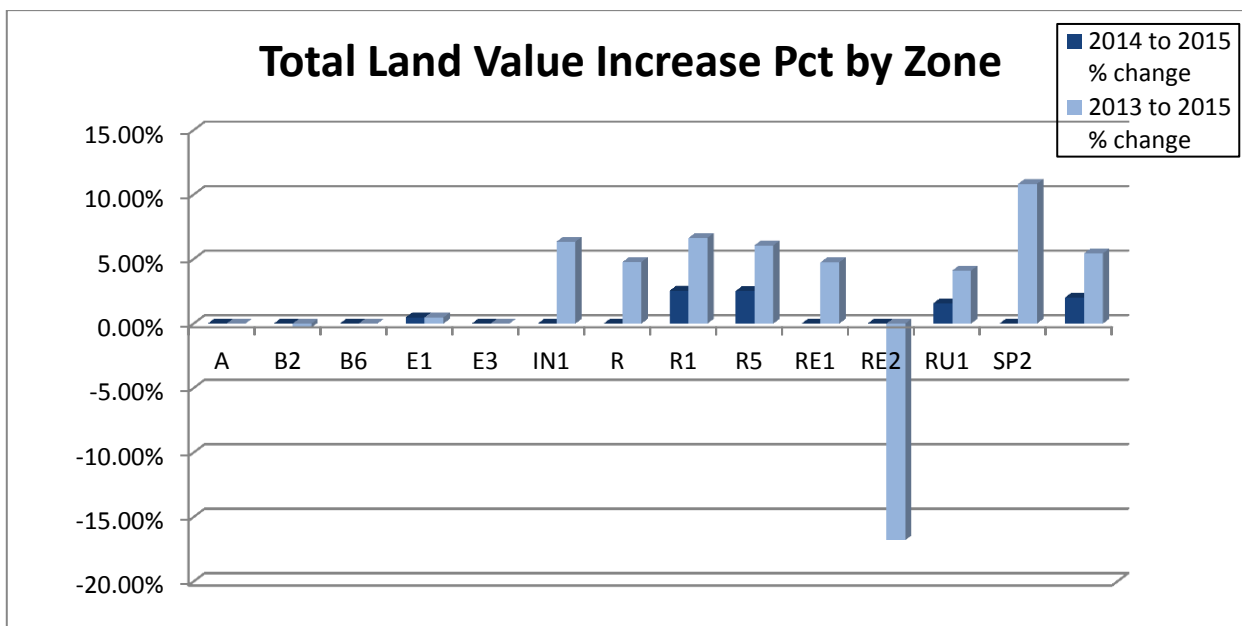
In 2015 3,989 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Deniliquin Shire property market has remained steady across all sectors with many experiencing a slight increase in values.

Valuation changes in the local government area and percentage changes between the council valuation years of 1 July 2013 and 1 July 2015 are as follows;

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

Zone	Zone Code	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
Residential	A	63	\$4,831,600	\$4,831,600	0.00%	\$4,831,600	0.00%
Local Centre	B2	207	\$15,587,910	\$15,587,880	0.00%	\$15,635,180	-0.30%
Enterprise Corridor	B6	18	\$1,307,500	\$1,307,500	0.00%	\$1,307,500	0.00%
National Parks & Nature Reserves	E1	9	\$39,300	\$39,110	0.49%	\$39,110	0.49%
Environmental Management	E3	6	\$226,500	\$226,500	0.00%	\$226,500	0.00%
General Industrial	IN1	214	\$15,564,050	\$15,564,030	0.00%	\$14,633,500	6.36%
Non Urban	R	52	\$1,046,300	\$1,046,160	0.01%	\$998,530	4.78%
General Residential	R1	2,846	\$162,451,100	\$158,384,400	2.57%	\$152,321,440	6.65%
Large Lot Residential	R5	336	\$34,457,200	\$33,605,540	2.53%	\$32,485,150	6.07%
Public Recreation	RE1	52	\$2,314,500	\$2,314,360	0.01%	\$2,209,570	4.75%
Private Recreation	RE2	10	\$2,423,000	\$2,423,000	0.00%	\$2,912,000	-16.79%
Primary Production	RU1	170	\$22,484,400	\$22,132,970	1.59%	\$21,595,850	4.11%
Infrastructure	SP2	6	\$990,400	\$990,400	0.00%	\$893,500	10.84%
Grand Total		3,989	\$263,723,760	\$258,453,450	2.04%	\$250,089,430	5.45%

Total Land Value at General Valuation 1 July 2015 = \$ 263,723,760
Total Land Value Based Date 1 July 2014 = \$ 258,453,450
Percentage change from 1 July 2014 to 1 July 2015 = 2.04 %
Percentage change from 1 July 2013 to 1 July 2015 = 5.45 %



State and local government legislation for Deniliquin Council

Deniliquin Shire Local Environment Plan was implemented 2013. There have been no amendments to the Local Environment Plan since that time. The plan is based on the standardised Local Environment Plan prescribed by the New South Wales legislation.

State and local government legislation for LGA

Zone Code	Zone Name	Number of Current Properties
A	Residential	63
B2	Local Centre	207
B6	Enterprise Corridor	18
E1	National Parks & Nature Reserves	9
E3	Environmental Management	6
IN1	General Industrial	214
R	Non Urban	52
R1	General Residential	2,844
R5	Large Lot Residential	336
RE1	Public Recreation	52
RE2	Private Recreation	10
RU1	Primary Production	169
SP2	Infrastructure	6
Total		3,986

General LGA Overview

Location of the District

Deniliquin is located at the intersection of the Riverina and Cobb Highway approximately 710 kilometres south west of Sydney. The town is divided in two parts by the Edward River an anabranch of the Murray River with the main district located on the south bank.

It is 80 kilometres from the Victorian border town of Echuca and significantly is a town Council surrounded by the larger rural local government areas of Murray and Conargo.

In 1868, Deniliquin was constituted as The Municipality of Deniliquin, and the first Municipal Election was held on 23 February 1869. In 1993 the enactment of the Local Government Act (NSW) saw the name of the council changed from the Municipality of Deniliquin to the Deniliquin Council.

History shows Deniliquin was established as a convergence of stock routes between the colonies of Queensland, New South Wales and the Victorian gold rush centres and became an important river crossing.

The town services a productive agricultural district with prominent rice, wool and timber industries. At the 2012 census the population of Deniliquin was 7,327 people.

Main Industries

Deniliquin is a service centre for the surrounding agricultural region. The region includes both dry land and irrigated areas. The dry land areas support grazing, in particular beef cattle and wool growing. Deniliquin is home to many famous Merino studs and the saltbush plains produce quality medium class wool.

The irrigated areas produce a range of high yield crops. Rice was a major crop until the recent drought. The largest rice mill in the Southern hemisphere is in Deniliquin, producing large packs and bulk rice for export markets but for some years during the drought (2007 – 2011) was closed depressing the local employment market.

Deniliquin is also the headquarters of Murray Irrigation Limited, an irrigator owned private company and one of the largest privately owned irrigation supply companies in the world. Murray Irrigation manages the operations of the Berriquin, Deniboota, Denimein and Wakool Irrigation Areas in the Murray Valley. These areas produce 50 per cent of Australia's rice crop, 20 per cent of NSW milk production, 75 per cent of NSW processing tomatoes and 40 per cent of NSW potatoes.

Sawmills in the area process timber harvested from the River Red gum forests lining the Edward and Murray floodplains.

As the largest town in the south western Riverina, there is a range of government and commercial services to residents of the town and the surrounding area.

Festivals

Deniliquin has built up a reputation as a fun town hosting the annual *Play on the Plains Festival* which includes the annual Ute Muster since 1999. Adding to this since 2013 it has held an annual Easter Blues and Roots festival.

General Rural Overview

Activity in the Southern Riverina property market, which has been relatively subdued in recent years, has improved over the past 12 months. Prior to this period the market in this region had generally struggled following the drought.

For a time following the drought, primary producers were focusing on paying down debt incurred during the drought and in some cases replenishing stock numbers and/or fodder supplies.

During this period, some of the less efficient farmers were forced, or made the decision, to sell up. Given demand was low, prices reduced slightly in accordance.

More recently, good seasonal conditions and high cattle and commodity prices appear to be improving primary producer optimism and influencing reasonable demand for Southern Riverina rural properties.

This has resulted in farmers in certain districts looking to expand and increasing demand.

Cropping and Grazing

The market for good quality cropping and grazing land in the Southern Riverina has enjoyed steady growth over the past 3 years, with sound commodity prices, low interest rates driving competition for such holdings. Most competition has been observed to be between expansionist neighbours, who continue to seek additional economies of scale from their existing investment in plant and equipment. High quality cropping country is now at record levels through much of the Riverina, and similarly, high quality sheep country (as well as country versatile enough to run cattle) is also very strongly traded.

Opportunities for new entrants through this region are limited, due to few holdings of sufficient size to immediately be a viable stand-alone operation, being offered to the market.

Therefore, whilst values for well-located holdings of reliable country have strengthened appreciably, the very dry start to the 2015 summer created moderate market enthusiasm, and produced upward price pressure for the next 6 months.

Market Overview and Sales of Particular Interest

Significant issues and developments

- The Deniliquin Mitre 10 sold in April 2015 for \$1,090,000 with a 5 year lease in place with additional options.
- 3 properties sold in River Street in the past 12 months. \$900,000 was the highest purchase price, which is a record for this highly regarded Edwards River location.

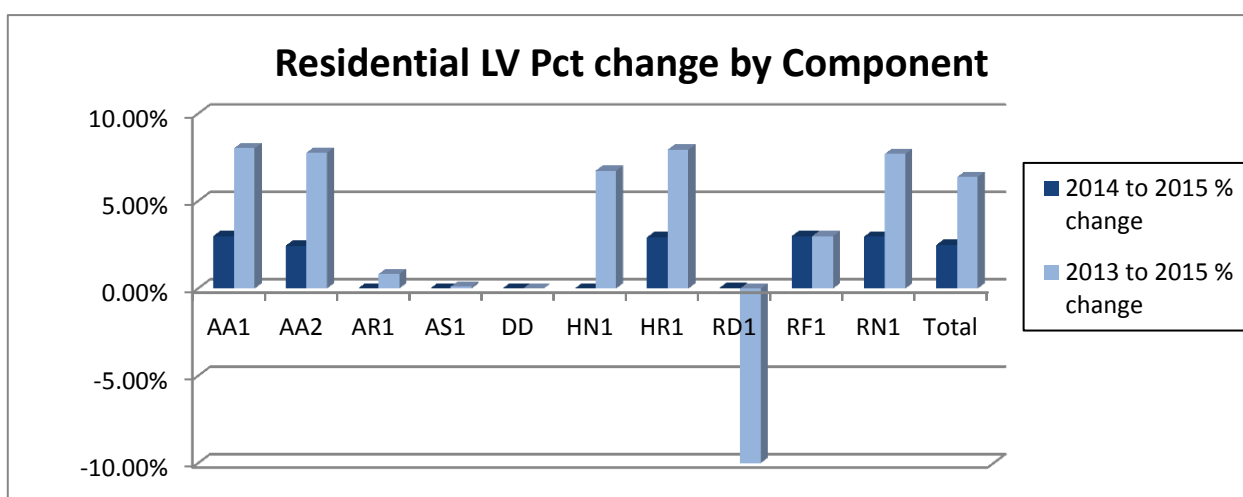
Significant value changes

- Overall Change – There has been minimal 2% increase across residential, rural residential, rural and industrial components, with the balance showing no change.

Summary of valuation changes to residential land

- Residential – There has been slight growth through all residential components in Deniliquin township. A good number of these sales were centrally located including; Henry, Harfleur, Cressy and George Streets.

Code	Component	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
AA1	SOUTH DENILIKUIN RESIDENTIAL	2,042	\$112,689,100	\$109,399,490	3.01%	\$104,313,730	8.03%
AA2	SOUTH DENILIKUIN LARGE LOTS	88	\$11,068,100	\$10,803,410	2.45%	\$10,270,400	7.77%
AR1	NORTH DENILIKUIN RIVER FRONTAGE	36	\$10,980,800	\$10,980,780	0.00%	\$10,890,780	0.83%
AS1	SOUTH DENILIKUIN RIVER FRONTAGE	28	\$6,319,300	\$6,319,280	0.00%	\$6,312,280	0.11%
DD	DAVIDSON ST. INDUSTRIAL	63	\$4,831,600	\$4,831,600	0.00%	\$4,831,600	0.00%
HN1	NORTH DENILIKUIN LARGE LOT RESIDENTIAL	68	\$4,847,400	\$4,847,280	0.00%	\$4,541,640	6.73%
HR1	SOUTH DENILIKUIN LARGE LOT RESIDENTIAL	219	\$18,070,600	\$17,555,160	2.94%	\$16,740,410	7.95%
RD1	SOUTH WEST DENILIKUIN RESIDENTIAL	265	\$3,671,600	\$3,670,400	0.03%	\$4,079,010	-9.99%
RF1	LARGE LOT RESIDENTIAL - RIVER FRONTAGE	49	\$11,539,200	\$11,203,100	3.00%	\$11,203,100	3.00%
RN1	NORTH DENILIKUIN RESIDENTIAL	387	\$17,722,200	\$17,211,040	2.97%	\$16,455,240	7.70%
Total		3,245	\$201,739,900	\$196,821,540	2.50%	\$189,638,190	6.38%

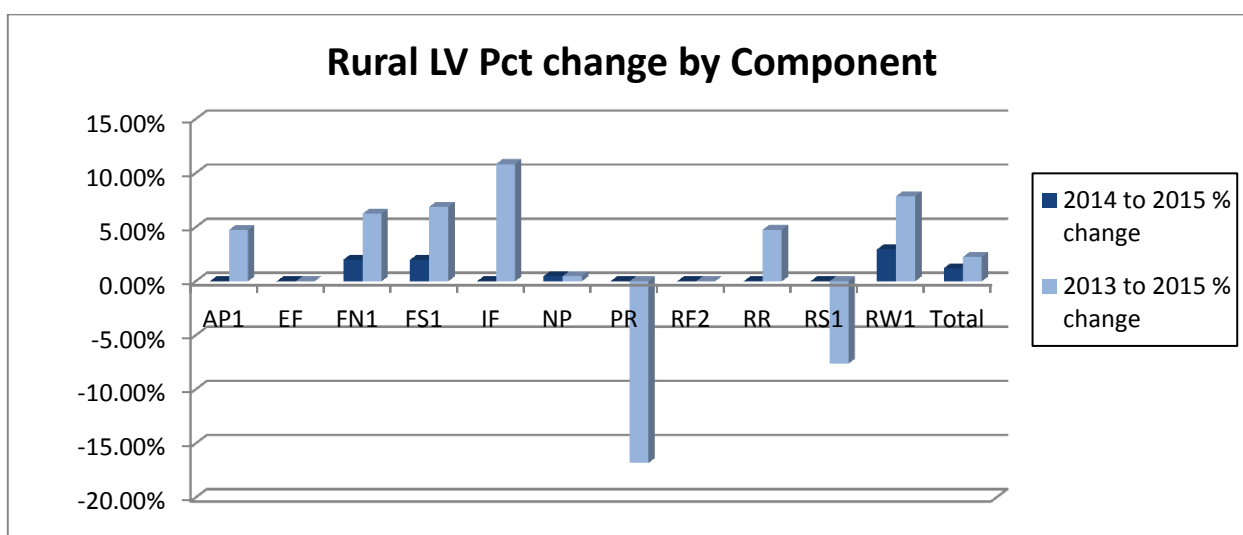


Summary of valuation changes to rural land

- Rural – Rural farmlets, irrigation properties and dryland properties have all increased by 2% in line with the residential. This is slightly under rural increase in adjoining shires of Conargo, Berrigan and Murray that indicate approximately 5%. This is due to the low number of genuine rural holdings within the shire.

- Rural Residential – has increased by approximately 2% across the rural residential sector. This is consistent with the residential growth within the past 12 months.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
AP1	PUBLIC RECREATION	52	\$2,314,500	\$2,314,360	0.01%	\$2,209,570	4.75%
EF	ENVIRONMENTALLY SENSITIVE LAND - FLOODPRONE	6	\$226,500	\$226,500	0.00%	\$226,500	0.00%
FN1	NTH DENILIQUN HOMESITES/FARMLETS <40HA	69	\$6,299,200	\$6,175,490	2.00%	\$5,928,870	6.25%
FS1	STH DENILIQUN HOMESITES/FARMLETS <40HA	24	\$2,243,900	\$2,199,900	2.00%	\$2,099,200	6.89%
IF	INFRASTRUCTURE	6	\$990,400	\$990,400	0.00%	\$893,500	10.84%
NP	NATIONAL PARK & RESERVES	9	\$39,300	\$39,110	0.49%	\$39,110	0.49%
PR	PRIVATE RECREATION	10	\$2,423,000	\$2,423,000	0.00%	\$2,912,000	-16.79%
RF2	RIVER FRONTAGE	30	\$6,413,300	\$6,413,280	0.00%	\$6,413,280	0.00%
RR	RESIDENTIAL OFF DAVIDSON ST.	52	\$1,046,300	\$1,046,160	0.01%	\$998,530	4.78%
RS1	RURAL DRYLAND	7	\$1,131,800	\$1,131,800	0.00%	\$1,225,000	-7.61%
RW1	RURAL IRRIGATION	40	\$6,396,200	\$6,212,500	2.96%	\$5,929,500	7.87%
Total		305	\$29,524,400	\$29,172,500	1.21%	\$28,875,060	2.25%



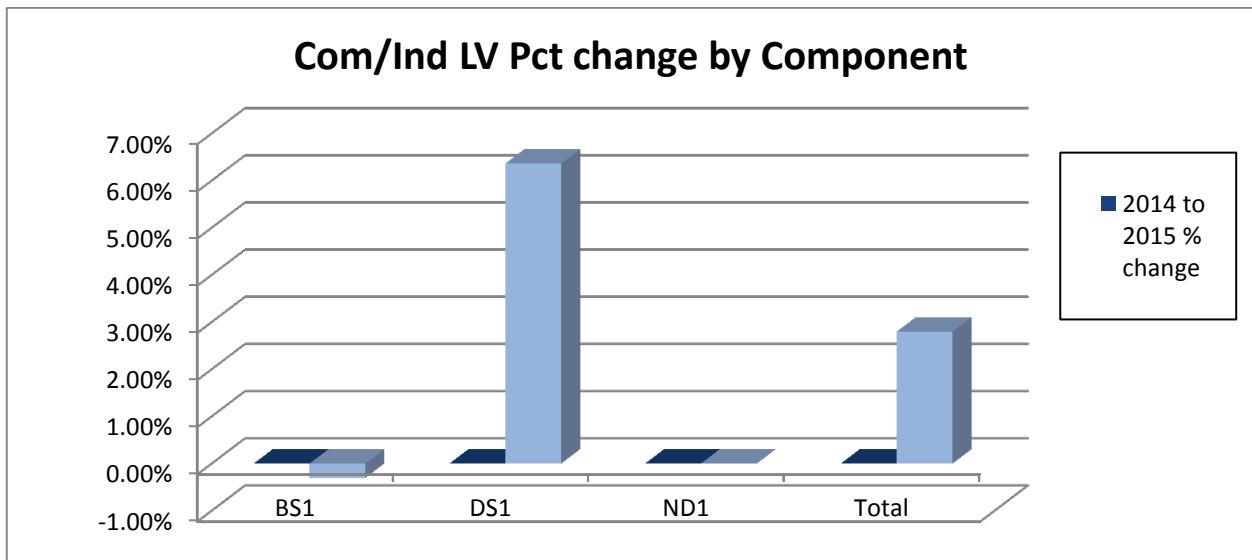
Summary of valuation changes to commercial land

- Commercial – No change within this commercial market. There has been very limited sales evidence. In previous year this market has shown a slight decline.

Summary of valuation changes to industrial land

- Industrial – Limited industrial sales have occurred since the previous revaluation. The market for industrial properties/blocks has remained flat. The majority of industrial properties being owner occupied.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
BS1	SOUTH DENILIQUN COMMERCIAL	207	\$15,587,910	\$15,587,880	0.00%	\$15,635,180	-0.30%
DS1	DENILIQUN INDUSTRIAL	214	\$15,564,050	\$15,564,030	0.00%	\$14,633,500	6.36%
ND1	NORTH DENILIQUN COMMERCIAL	18	\$1,307,500	\$1,307,500	0.00%	\$1,307,500	0.00%
Total		439	\$32,459,460	\$32,459,410	0.00%	\$31,576,180	2.80%



Evidence of Statistical Checks (COD, MVP, PRD) and Comparison of Average Value Changes (COACV)

Zone Code	Zone Name	Number of Current Properties	Number of Market Sales	COD	MVP	PRD	COACV
A	Residential	63	1	0.00	92.03	1.00	0
B2	Local Centre	207	2	0.21	92.12	1.00	0
B6	Enterprise Corridor	18	0				
E1	National Parks & Nature Reserves	9	0				
E3	Environmental Management	6	0				
IN1	General Industrial	214	3	1.38	99.66	1.00	0
R	Non Urban	52	0				
R1	General Residential	2,844	79	6.96	98.34	0.99	-1.42
R5	Large Lot Residential	336	2	0.24	99.76	1.00	-18.66
RE1	Public Recreation	52	0				
RE2	Private Recreation	10	0				
RU1	Primary Production	169	0				
SP2	Infrastructure	6	0				

a) Coefficient of Dispersion (COD)

The COD is used to measure the uniformity of land values relative to prices (sales). The COD is a measure of the accuracy of the grading within a zone, component or group of properties. Therefore if value levels are inconsistent the variation between those values and the sales evidence used will be outside the required parameter.

b) Mean Value Price Ratio (MVP)

The MVP measures the accuracy of values relative to sales price. It is calculated by dividing, in each instance where there is an analysed sale of land, the land value by the adjusted land value at the valuation date, aggregating the results and dividing the total by the number of analysed sales, then expressing the result as a percentage.

c) Price Related Differential (PRD)

The PRD measures the vertical equity of valuations, that is the extent to which high and low valued properties are assessed uniformly relative to the sales data. A low PRD indicates the valuations are progressive, that is high valued properties, are over-valued in relation to low valued properties, whereas a high PRD indicates the values are regressive, that is high valued properties are under-valued relative to low valued properties.

Overview of Quality Assurance Process

LG Valuation Services has been provided with a detailed Valuation Analysis Report from NSW LPI, which details the Quality Assurance Process of Contractors 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 will also be 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 re-ascertainment process will be 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.

1 July 2015 Quality Statement

Quality Check	Yes/No
All properties have been valued.	Yes
The land values are consistent with each other.	Yes
The land value basis has been correctly determined and recorded for each land value.	Yes
All statutory concession valuations and allowances have been supplied, including: Allowances for profitable expenditure on and off the land under Section 14L of the Valuation of Land Act Subdividers allowances under Section 14T of the Valuation of Land Act Heritage Values under Section 125 of the Heritage Act Mixed Development and Mixed Use Apportionment Factors under Sections 14X and 14BBA of the Valuation of Land Act Coal Allowances under Section 14F(4) of the Valuation of Land Act Unutilised value allowances under Section 62K of the Land Tax Management Act	Yes
All land value apportionments have been provided and calculations are correct.	Yes
Land values for those properties that have considerably higher values in relation to the average for a land use and land values of high risk properties have been reviewed and are correct. For example, regional shopping centres, large scale industrial and unit developments, large rural properties etc. The review procedures are to be provided if requested.	Yes
Land values that result in substantial changes in valuation parities or unusually large value variations from the last valuations issued for either land tax or council rating have been checked and are correct.	Yes
Adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.	Yes
Analysed sale properties where the sales ratio does not lie within the range 0.85 to 1.00 have been reviewed and an explanation provided as to why the current land value should be adopted.	Yes
A Zone/Component code integrity check has been made.	Yes

The current and proposed planning controls that affect the valuations have been taken into account.	Yes
Where the land value of a property has been amended on objection or reascertainment, the alignment of values with surrounding properties, or properties of a similar property type, has been checked.	Yes
Statistical checks and Component Data Tables have been prepared, reviewed and anomalies or results outside the specified parameters have been rationalised and reported.	Yes
All land values are able to be supported by market evidence	Yes
The annual verification program requirements, including percentages of properties verified per risk rating, has been completed and correct risk codes have been applied.	Yes
Where applicable, all internal quality assurance processes identified within Part D of the contract (Tender Response) have been undertaken	Yes

I certify that the above information is an accurate account of the activities undertaken, reviews completed and quality control checks in place for Deniliquin Council.

Author

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12 November 2015

Disclaimer – Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Deniliquin Council. 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 valuation 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 enquires 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.