

Narrandera Shire

Final Report 2015

Date: 20th October 2015

EXECUTIVE SUMMARY

SHIRE OVERVIEW

Narrandera Shire Area

The Narrandera Shire is located in the Riverina region of New South Wales, approximately 550 kilometres south-east of the Sydney Central Business. Narrandera Shire comprises a land area of approximately 4,140 square kilometres that predominantly includes village/hobby residential commercial/industrial & rural land types. The Shire is adjoined by nine others and one Local Government Area. The shires are Carrathool and Bland to the north, Coolamon to the east, Lockhart and Urana to the south, Leeton and Murrumbidgee to the west and Griffith to the north-west, while Wagga Wagga Local Government Area borders Narrandera Shire to the south-west.

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

The Narrandera Shire comprises Residential, Rural, Industrial, Infrastructure, Environmental and Public Recreation zones.

3,751 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 2013. The Narrandera property market has remained steady across most sectors with primary production sectors experiencing a slight increase in values; one villages & a newer residential precinct in Narrandera township showing slight decreases in values. The Narrandera Shire is a highly regarded rural locality due to its reasonably temperate climate, soil quality, and its reasonably reliable rainfall.

Valuation changes in the Shire and percentage changes between the Council Valuation years of 1 July 2013 and the Land Tax Valuation year of 1 July 2014 are as follows:

Properties Valued and Total Land Value							
Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2013)	% Change
Residential	(Z, R5, RU5)	2587	\$107,088,210	\$108,313,667	-1.13%	\$108,580,135	-1.37%
Rural	(R, RU1, RU3, RU4)	1080	\$489,011,270	\$467,247,620	4.65%	\$467,425,950	4.61%
Industrial	(IN1, IN2)	62	\$3,715,900	\$3,694,800	0.57%	\$3,656,900	1.61%
Infrastructure	(SP2)	4	\$761,500	\$762,500	-0.13%	\$762,500	-0.13%
Environmental	(E1, E2, E4)	15	\$774,810	\$798,910	-3.01%	\$803,210	-3.53%
Public Recreation	(RE1)	3	\$165,500	\$165,500	0.00%	\$165,500	0.00%
Total		3751	\$602,517,190	\$580,982,997	3.71%	\$581,394,195	3.63%

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Narrandera Shire is governed by the Narrandera Local Environmental Plan 2013 (LEP) which was gazetted on the 28th June 2013. There have been no amendments to the LEP since the previous valuation. The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

QV Australia has undertaken significant analysis of the Narrandera district property market to provide an accurate and reliable basis of valuation. A number of 107 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. QV Australia 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 Narrandera District this year sales of residential properties indicated little variance in values throughout the year, with only two areas showing a small reduction. Rural Primary Production properties had a slight increase in values throughout the year. Business & Industrial Analysis demonstrated no increase in values.

SIGNIFICANT ISSUES AND DEVELOPMENTS

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

SIGNIFICANT VALUE CHANGES

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2013)

Sale volumes have increased slightly in the last twelve months with residential values generally remaining stable over the past year, with exceptions in Grong Grong village & reasonably new Camellia Estate precinct in north Narrandera showing slight falls in values. We saw a marginal increase in the volume of total reliable, market sales for residential property in the Shire.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2013)

The Narrandera Shire is a highly regarded rural locality due to its reasonably temperate climate, soil quality, and its reasonably reliable rainfall. The most common rural land use in the Shire is mixed farming with cropping and livestock being the main enterprises with cereal & oil seed production, seasonal hay & silage production, with a small number of predominantly grazing properties and a significant number of smaller rural home sites and hobby farms.

The broad acre rural property market has experienced increases of approximately 5% over the past 12 months. This trend has been consistent across lifestyle grazing and hobby farms, rural-residential and rural retreat holdings throughout the Shire.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2013)

The Narrandera Shire comprises approximately 147 commercial properties in the RU5 residential zone, predominantly located in Narrandera township, in addition to a few commercial use properties in the villages of Grong Grong and Barellan. Narrandera Shire commercial market had approximately 5 market sales throughout 2014/15. The majority of the sales occurred in Narrandera town centre, with these sales showing no movement in values this year.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2013)

Narrandera township has three small Industrial zones, two established south of the railway with a new Driscoll road Industrial precinct to the north of the railway and north-east of the CBD. There have been no industrial sales this year. Since the last Annual Valuation in 2013 there has been no increase in industrial land values.

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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 2014 Valuation of Narrandera. The report has been produced on behalf of the Valuer General.

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

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

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

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

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

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

LGA OVERVIEW

LOCATION OF THE DISTRICT

The Narrandera Shire is located in the Riverina region of New South Wales, approximately 550 kilometres south-east of the Sydney Central Business District. Narrandera Shire comprises a land area of approximately 4,140 square kilometres that predominantly includes Residential, Business, Industrial, Lifestyle & Primary Production land types. The Shire is adjoined by eight other shires and one Local Government Area. The shires are Carrathool and Bland to the north, Coolamon to the east, Lockhart and Urana to the south, Leeton and Murrumbidgee to the west and Griffith to the north-west. The Local Government Area of Wagga Wagga borders Narrandera Shire to the south-west.

PRINCIPAL TOWNS

Narrandera

Narrandera is the principal town in the Narrandera Shire, with a population of about 3900, and incorporates the flood prone area of Gillenbah south of the river. It is located approximately 96 kilometres to the north-west of the Wagga Wagga Central Business District. The Primary Retail Centre in Narrandera Shire is located in the Narrandera Township on East Street. Services including supermarkets, cafés and retail shops are provided here. The town provides offices for six banks, rural services and Hospital & medical services. It also provides the services of an airport with direct flights to Sydney. Narrandera is popular for its wide tree lined streets, recreational activities around Lake Talbot, and historic buildings.

Narrandera is enveloped by residential development, largely single residential dwellings and some small residential unit developments.

Barellan

Barellan is a village of around 300 people, located approximately 60 kilometres north of Narrandera. It primarily acts as a service centre for the agricultural area surrounding the village, with attendant silos and a local beer production business. The town provides educational services through the local public school, offering classes for students from kindergarten to year twelve. A small tourist feature in the form of a giant tennis racquet is located in the village, celebrating former resident Evonne Goolagong, and also in the local rural museum. The village also features a functioning hotel and pub, and several recreational areas such as the Barellan Swimming Pool.

Grong Grong

Grong Grong is a village located approximately 22 kilometres east of Narrandera on the busy Newell Hwy, with a population of around 150. It has a small business centre featuring a general

store and post office, hotel and motel, stock and station agent and mechanic. Services provided to the area include the Grong Grong Bush Fire Brigade. The village also features a number of recreational areas providing facilities for sporting clubs and venues for several events known for drawing visitors to the area.

Binya, Moombooldool and Kamarah

Binya is a small village approximately 76 kilometres north-west of Narrandera. It features a general store and post office, and a public school for students between kindergarten and year six. Moombooldool lies approximately 68 kilometres north-east of Narrandera. It sits on a goods train railway line. Kamarah, approximately 59 kilometres north-east of Narrandera, also sits on a goods line.

MAIN INDUSTRIES

Major Enterprises within the Shire include cereal & oil seed crops, hay, cattle, fat lambs, horticulture (particularly producing citrus, grapes, potatoes and nuts), timber, transport services, education and health, Grant's Sawmill, RTA, NSW Fisheries, Narrandera Flour Mill (Manildra Group), and Local Government.

SIGNIFICANT RETAIL CENTRES

Narrandera Township provides the main retail centre for the Narrandera Shire. It features several chain stores, including Betta Electrical, Custom Music, Mitre 10, an IGA and a Coles supermarket. Independent stores provide the bulk of the shopping centre, providing for custom in eateries, boutique and beauty fields.

TYPE OF RESIDENTIAL DEVELOPMENT

The Narrandera Council Shire contains a number of rural settlements, with the majority of development located in and around Narrandera township area. A smaller amount of residential development is located within smaller surrounding villages.

The Narrandera Council region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in towns or villages, followed by a large number of such dwellings located in rural locations on both hobby and larger farms. Narrandera town has a number of small residential unit developments and townhouse style properties. Approximately 75% of properties in the region are owner occupied and 25% are owned by investors.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Narrandera Local Environmental Plan 2013 gazetted 28 June 2013. There have been no amendments to the LEP since the previous valuation.

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

The Plan aims to make local environmental planning provisions for land in the Narrandera Shire in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Narrandera Council has development controls including the Narrandera Development Control Plan 2013 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	Undefined (RU5) 1ha, 2ha (R5)
Rural/Forestry	400ha (RU1) 200ha (RU4) 200ha, 400ha (E1) 400ha (E2) 2ha (E4)
Industrial	Undefined (IN1, IN2)

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

The Narrandera Council Shire contains a number of village settlements, with the majority of development located in and around Narrandera township area.

The Narrandera Council region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in towns or villages, with a large number of such dwellings also located in rural locations on both hobby and larger farms. Narrandera Township has a number of small residential unit developments and townhouse style properties located close to town. Approximately 75% of properties in the region are owner occupied and 10% are owned by investors.

Residential development within the Council area is primarily situated within Narrandera township and in the villages in Narrandera shire of Grong Grong, Barellan, Binya, Moombooldool and Kamarah townships.

A high proportion of development in these centres comprise privately owned single residences that vary in size, quality, style and construction. Additionally, there are a small number of medium density residential developments, within the Narrandera township and some tourist parks available for holiday accommodation.

Narrandera has full utility services availability including a reticulated town water supply, reticulated sewerage and telecommunication services. The Villages of Grong Grong and Barellan have town water supply and telecommunications services. Narrandera Shire Council also has an extensive range of Government services including one State High School (Narrandera High School), two State Primary Schools (Narrandera Public School and Binya Public School) and one Infants School. One State school provides education for kindergarten to year twelve (Barellan Central School). Emergency services include Police, NSW Fire Brigade, Rural Fire Service and Ambulance, one Hospital (Narrandera District Hospital), Council Chambers and administrative offices for various government agencies.

Additional community based facilities available within the shire include various denominational churches, library, a Catholic Primary School, child care centres, an aged care facility, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis courts and golf courses.

Sales volumes have increased slightly in the last twelve months with residential values generally remaining stable for the past year. Exceptions are in Grong Grong village and the reasonably new Camellia Estate precinct in north Narrandera showing slight falls in values. Village hobby around Barellan and Grong Grong has fallen slightly, while Hobby in Karawatha Drive on the outskirts of Narrandera showed a slight increase in values. We saw a marginal increase in total reliable, market sales volume for residential property in the Shire. This level of sales activity has

coincided with a steady demand for residential property across the town. Generally, the slight increase in activity occurred in the established parts of Narrandera township. Narrandera residential values are supported by employment from major employers in the agricultural service & processing industries, Manildra Group being a major private employer. The public sector and town are also supported by the surrounding rural communities for which Narrandera is the regional service centre.

Recent residential development in the Shire has largely been focused in the Camellia Estate in the central precinct of Narrandera which has seen slow but increased residential development over the past five years. Development has been seen along Powell & Lettie Street, Anzac Cr & Keisling Drive. A large proportion of sales in the emerging estates are land owners engaging builders with some house and land packages, attracting mostly local owner occupiers and small numbers of investors within and from out of town. The value levels adopted are supported by both vacant and improved sales analysis.

VILLAGES

There are a small number of residential dwellings located in various towns within the Shire. The Narrandera Shire villages & their surrounding hobby block component markets have generally remained stable in the last twelve months, apart from the village of Grong Grong with its slight decline in value.

Since the last Annual Valuation in 2013, village values have generally been stable with the land values remaining largely unchanged. This follows the same overall trend from the previous valuation year and supports that the current market levels are generally static. The past 12 months has seen a widespread of residential sales over the region, including both vacant and improved sales in the residential components. The predominant sale type was improved residential properties with purchase prices generally reflective of the age, style and condition of the dwelling and any ancillary ground improvements. No distinct trend appears in relation to increases or decreases of value in the eastern, southern or northern parts of the Shire, with the western section displaying similar results apart from Grong Grong.

COMMERCIAL

The Narrandera Shire encompasses approximately 147 commercial properties, predominantly located in Narrandera town. In addition are a small number of commercial properties in the villages of Grong Grong and Barellan. The Narrandera Shire commercial market had approximately 5 market sales throughout 2014/15. These sales indicate a relatively stable

market with a lack of variance in land values. The majority of the sales occurred in Narrandera town centre, indicating no change to values.

INDUSTRIAL

Narrandera township has three small Industrial zones, two well established zones south of the railway and the new Driscoll Road Industrial precinct to the north of the railway.

There have been no industrial sales this year. The industrial market is buoyed by the local cropping industry via the large Manildra group's manufacturing plant of grain byproducts, with the grain handling business remaining strong in the area. Over the last 12 months there has been no increase in industrial land values.

RURAL

The Narrandera Shire is a highly regarded rural locality due to its temperate climate, elevation, soil quality, and its reasonably reliable rainfall.

The most common rural land use in the Shire is mixed farming of crop and stock enterprises, with the main ventures being cereal and oil seed production. Seasonal hay and silage production also feature, with a small number of predominately grazing properties and a significant number of smaller rural home sites and hobby farms.

The broad acre rural property market has experienced increases of approximately 5% over the past 12 months. This trend has been consistent across lifestyle grazing and hobby farms, rural-residential and rural retreat holdings throughout the Shire.

Increased demand for cattle & sheep has seen an increase in returns and hence an increase in demand and values for rural property in the Shire. The preceding twelve month period has seen a stabilisation in the number of recorded, reliable sales for this property class.

Rural values have steadily increased over the last year due to increased confidence within the industry with good returns & seasonal conditions prevailing, and with no significant change to either predicted for the near future, demand & values should continue along the current trends.

RURAL LOCATIONS WITHIN THE LGA

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

North of the Murrumbidgee River.

This region is located approximately 50 kilometres east of Narrandera and 50 kilometres west & 105km to the north. It is well located, with most areas easily accessed via the Sturt and Newell Highways, Barellan and Kamarah roads, as well as the Burley Griffin Way. Predominant soils range from alluvial river loams rising to grazing red granite loams, to granite & lighter shale soils. Some areas include stony ground and are timbered in parts. In the south Landervale region there is a wet and dry water systems within Lake Coolah and Mejum Swamp, while further north in the Binya and Barellan region drier plains soils start to predominate. Red, light red & sandy red loams make up the majority of soil types throughout the Shire, with all able to grow a variety of the major crop types as well as supporting livestock.

South of the Murrumbidgee river

This smaller area region is located approximately 50 kilometres east of Narrandera & 50km west & 50km to south of the Murrumbidgee river running east/west through Narrandera township. It is well located with most areas easily accessed via the Back Morundah, Sturt & Newell Highways. Predominant soil types range from alluvial river loams to red granite loams, to some smaller areas of lighter ridge granite and shale soils. There are also some rocky and timbered parts throughout, while the red, light red and sandy red loams make up the majority of soil types throughout the Shire. All are able to grow a variety of the major crop types along with running livestock. Two large Crown forest areas covering 5600ha and 3300ha respectively are present, as are a number of smaller, dry, salt affected lake beds that fill under wet seasonal conditions.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have been no significant development applications over the last 12 months. Most of the approved Development Applications are for developments permissible within the current zoning and therefore no special consideration is required.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have not been any significant value changes from the prior to current Annual Valuation.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of QV Australia 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 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 6.6.2. 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.

AUTHOR

Report Prepared by:



Keith Williams
AAPI CPV
Contract Services Manager
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