



ASPECT

PROPERTY CONSULTANTS

Final Report

BLAYNEY LGA

Contract 993731

Base Date July 2015

1. Executive Summary

1.1. LGA Overview

Blayney LGA is located in the Central Tablelands of New South Wales, about 240 kilometres west of Sydney. Blayney LGA is bounded by the Cabonne and Orange LGAs in the north, the Bathurst LGA in the east, Cowra LGA in the south and west.

Blayney LGA has a population of approximately 6,985 people according to the 2011 Census of which the majority live in Blayney and Millthorpe. The LGA has a number of smaller villages including Carcoar, Mandurama, Lyndhurst, Neville, Barry, Newbridge and Kings Plains.

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

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

3,986 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 2011. In general terms the Blayney LGA property market has remained relatively stable across most sectors with a slight increase in values experienced in rural values in the last 12 months.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2011 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 (2011)	% Change
Commercial	B2, B5, B6	158	\$11,752,580	\$11,694,380	0.50%	\$11,646,280	0.91%
Environmental	E3	214	\$83,006,950	\$83,101,950	-0.11%	\$79,722,760	4.12%
Industrial	IN1, IN2	64	\$10,159,425	\$10,044,100	1.15%	\$10,047,100	1.12%
Non Urban/Rural	R	103	\$24,138,000	\$24,186,000	-0.20%	\$22,875,000	5.52%
Residential	R1, R5	1,484	\$114,622,620	\$113,890,470	0.64%	\$109,128,200	5.03%
Recreation	RE1	16	\$1,494,050	\$1,494,050	0%	\$1,465,750	1.93%
Rural	RU1, RU2	1,180	\$531,800,185	\$510,397,405	4.19%	\$493,473,100	7.77%
Forestry	RU3	3	\$62,520	\$168,210	-62.83%	\$168,210	-62.83%
Village	RU5	760	\$59,655,710	\$56,943,690	4.76%	\$53,054,620	12.44%
Infrastructure	SP2	2	\$231,000	\$231,000	0%	\$231,000	0%

Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Land Value (2014)	% Change	Prior Local Government Valuation (2011)	% Change
Total		3,986	\$838,918,040	\$814,146,255	3.04%	\$783,810,020	7.03%

1.3. State & Local Government Legislation for LGA

The Blayney Local Environmental Plan 2012 gazetted 23 November 2012. There have been 2 amendments made to the current LEP since the previous valuation, they are:

2014	(513)	Standard Instrument (Local Environmental Plans) Amendment Order 2014. LW 15.8.2014. 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 Blayney Local Government Area is governed by the Blayney 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 Blayney district property market to provide an accurate and reliable basis of valuation. 134 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 Blayney LGA this year, there have been limited 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. Rural properties also had a very slight increase in values throughout the year. Rental and Commercial Rental Analysis remained stable with slight increases on specific properties based on the sales analysis and verification in those areas. 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 3025370 – 2012 (\$74,000), 2015(\$70,000). Indicates that value levels in Blayney have remained relatively stable over the last 3 year period.
 - PID 1250597 2011 (\$162,000), 2013 (\$166,000). Indicates that value levels in Blayney have remained relatively stable over the period.

- Rural residential:
 - PID 3274534 2011 (\$230,000), 2013 (\$238,000). Indicates that value levels in rural residential have remained relatively stable over the period.

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.

1.6. Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since Previous General Valuation (2011)

The Blayney residential market has generally remained stable with some growth in specific residential locations of the Blayney market since the last General Valuation in 2011, with increases of 1-10% in the central areas of Blayney and a 10-20% increase in the well regarded newer estates such as Johnston Crescent. Lower value areas which have remained stable or experienced a 1-10% decrease in value such as West Blayney. Moderate to strong increases have occurred in well regarded villages such as Millthorpe, Neville, Mandurama and Barry. Carcoar and Lyndhurst experiencing 10-30% decreasing in value over the 4 year period.

Changes since Previous Valuation Year (2014)

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

The Blayney town and the village of Lyndhurst have remained stable, with minor decreases in the northern portion of Lyndhurst over the last 12 months. Mandurama has experience a significant increase of 10-25%, reinforced by vacant land sales evidence over the past 2 years. Millthorpe has generally experienced a slight increase in value over the past 12 months, with a slight decrease experienced in the new subdivision on Unwin Street and Stabback Street.

Summary of Valuation Changes to Rural Land

Changes since Previous General Valuation (2011)

The Blayney LGA is a well regarded rural locality due to its good quality grazing properties and some cultivation country, located within close proximity to Bathurst and Orange. The most common rural land use in the Blayney LGA is grazing and cultivation and a significant number of smaller rural home sites and hobby farms.

The broad acre rural property market has experienced increases of approximately 6% since the last general valuation. Lifestyle grazing/hobby farms, rural-residential and rural retreat holdings throughout the LGA have generally remained stable. Rural holdings located in the south east of the Blayney LGA in the Barry and Neville areas have remained stable.

The western side of the Blayney LGA in the Carcoar, Mandramma, Lyndhurst areas has increased by up to 10% and in some areas 10-25% such as west and south of Lyndhurst, Hobby Yards Road and north of Barry, Kings Plains locale and north of Blayney.

Increased demand for rural holdings from has been pushed by investors and existing owners looking to expand, sales volumes have increased and the general increase in demand has placed upward pressure on values. Strong commodity prices and cattle prices and a lower Australian dollar has also assisted in driving demand.

Changes since Previous Valuation Year (2014)

The rural property market has experienced increases of approximately 5-10% over the past 12 months predominantly in the east of the Blayney LGA. The south east and north areas of the Blayney LGA have remained stable such as Barry and Neville areas; and surrounding Blayney and Millthorpe. The smaller rural holdings such as hobby farm and rural-residential holdings throughout the Blayney LGA have remained stable over the last 12 months.

Summary of Valuation Changes to Commercial Land

Changes since Previous General Valuation (2011)

The Blayney LGA commercial market has recorded approximately 30 sales since January 2011. The sales indicate a generally stable market. The majority of the sales occurred in Blayney town centre, with 5 sales in Millthorpe and 1-3 sales each in Neville, Mandurama, Lyndhurst and Carcoar. The commercial market and vacancy rates in Blayney and Millthorpe have remained stable with the remainder of the villages having already small commercial markets experienced limited activity.

Changes since Previous Valuation Year (2014)

The Blayney LGA commercial market has recorded approximately 6 sales since the 2014 base date. The sales indicate a relatively stable market. 3 of the sales occurred in Blayney town centre, with 2 sales in Millthorpe and 1 in Neville, all sales evidence indicates stable land values.

Summary of Valuation Changes to Industrial Land

Changes since Previous General Valuation (2011)

The Blayney LGA industrial market had approximately 16 sales since January 2011. The sales indicate a relatively stable market with a lack of variance in land values. The majority of the sales occurred in the Blayney industrial areas with one sale each in Millthorpe and Mandurama. Demand for industrial properties in the Blayney LGA is very limited, with limited supply and demand equally.

Changes since Previous Valuation Year (2014)

The Blayney LGA industrial market has not recorded any industrial sales during the 2015 base date. Therefore reinforcing the stable value levels with the minimal market movement since the 2011 base date.

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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 Blayney 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

Blayney LGA is located in the Central Tablelands of New South Wales, approximately 240 kilometres west of Sydney. Blayney LGA is bounded by the Cabonne and Orange LGAs in the north, the Bathurst LGA in the east, Cowra LGA in the south and west. Blayney LGA has a population of approximately 6,985 people according to the 2011 Census of which the majority live in Blayney and Millthorpe. The LGA has a number of smaller villages including Carcoar, Mandurama, Lyndhurst, Neville, Barry, Newbridge and Kings Plains.

Blayney LGA has traditionally been predominantly rural, although in more recent times the town has had some manufacturing industries and several distribution industries provide substantial support to the economy. As well as this there has been substantial mining activity in the north west of the LGA with Cadia mine being a large employer within the LGA.

3.2. Principal Towns

Blayney

Blayney is the principal town in the Blayney LGA and is a farming and administrative centre with a population of 3,355 (2011), in the Central West region of New South Wales. It is situated on the Mid-Western Highway about 240 km west of Sydney and 35 km west of Bathurst.

Millthorpe

Millthorpe is the largest village in the LGA located in Central NSW approximately 3.5 hours from Sydney and Canberra, 30 minutes from Bathurst and 20 minutes from Orange. At the 2011 Census the village had a population of 1,109 people. The entire village is classified by the National Trust and the village centre has cobbled, bluestone bordered streets.

3.3. Main Industries

Blayney LGA has traditionally been predominantly rural, although in more recent times the town has had some manufacturing industries and several distribution industries provide substantial support to the economy. As well as this there has been substantial mining activity in the north west of the LGA with Cadia mine being a large employer within the LGA.

3.4. Significant Retail Centres

The Blayney Central Business District provides the main service centre for the Blayney LGA however it has limited retail development with Bernadi's Marketplace SUPA IGA in Farm Lane, Blayney being the major retail development in the town. Predominantly residents travel to Orange for their retail needs.

3.5. Type of Residential Development

The Blayney LGA contains mostly rural and residential properties, with the majority of the development located in and around Blayney and the village of Millthorpe areas. A smaller amount of residential development is located in Carcoar, Mandurama, Lyndhurst, Neville, Barry, Newbridge and Kings Plains villages.

The Blayney 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 location on both hobby and larger farms. Blayney has a small number of residential unit developments and townhouse style properties.

4. State & Local Government Legislation for the Blayney

LGA

Blayney Local Environmental Plan 2012 gazetted 23 November 2012. There have been 2 amendments to the LEP since the previous valuation, they are:

- | | |
|-------------------|--|
| 2014 (513) | Standard Instrument (Local Environmental Plans) Amendment Order 2014. LW 15.8.2014.
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 Blayney Local Government Area is governed by the Blayney Local Environmental Plan 2012 (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 Blayney Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Blayney Council has development controls in place that affect the subdivision and erection of dwellings which impacts on land values. Blayney Council is currently in the process of preparing a new Development Control Plan (DCP) that will apply to development across the Blayney Shire.

5. Market Overview & Sales of Particular Interest

Residential and Villages

The Blayney LGA contains a variety of residential and residential village properties, with the majority of development located in and around the Blayney town and the village of Millthorpe. The 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 location on both hobby and larger farms. Blayney has a small number of small residential unit developments and townhouse style properties located close to town.

Residential development within the Blayney LGA is primarily situated within the Blayney township and the village of Millthorpe. Smaller residential development is within the small villages of Newbridge, Neville, Barry, Carcoar, Mandurama and Lyndhurst.

Since the last General Valuation in 2011, village values have seen a slight increase with the land values increasing by 12.44%. Since the 2014 base date the Blayney village market has generally remained stable in the last twelve months. The main villages of Millthorpe, Carcoar, Mandurama and Lyndhurst have indicated varying trends.

Values in the township of Blayney have remained stable over the past 12 months despite the increased sales volumes of approximately 55% to date (9/2015) in the town. Residential allotments in this well regarded area of Blayney are still receiving a premium over other properties in the market.

Blayney residential values are supported by employment from major employers in the Cadia Mine (in the adjoining Cabonne Shire), Nestle Pet Food factory, the Carcoar Stock yards, and also supported by the surrounding rural communities. The more affordable markets in the Blayney and surrounding villages attracts numerous commuters using the Blayney LGA as a base for commuting to the adjoining Orange and Bathurst LGA's.

The Millthorpe village has experienced a substantial increase in sale volumes over the past 12 months by up to approximately 80% and values have increased consequently over the last 12 months. The Millthorpe village is located within 30 minutes from Bathurst and 20 minutes from Orange and provides a convenient base for commuters, its historic appeal with the entire village classified by the National Trust and its cobbled, bluestone bordered streets, it attracts good demand.

Commercial

The Blayney LGA comprises approximately 158 commercial zoned properties predominantly located in Blayney. 31 commercial properties are located in the village of Millthorpe, however they are zoned RU5 village.

The Blayney LGA commercial market had approximately five market indicator sales throughout the 2015 Base Date. The sales indicate a generally stable market with a lack of variance in land values. Three of the sales occurred within the town of Blayney, 2 in Millthorpe and one in Neville and these were supported by the use of replacement cost approach studies.

Industrial

Blayney industrial sales have been generally stable with 6 industrial sales recorded in the last 5 years. There has been a decrease in sale volumes and there is very limited relevant commercial/industrial sales in the Blayney town and LGA. Blayney has been impacted by the reduced development of the nearby Cadia mine, positively impacted by the extension of the Nestle Purina Pet Care factory and speculation of the proposed Goat abattoir increasing investment in the LGA. However the market remains stable.

Rural Locations within the LGA

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

Generally the Blayney LGA consists of gently to moderately undulating good quality open grazing country. The areas between Cadia Mine, Carcoar and Blayney predominantly consists of inferior light timbered grazing country. The Bellubula River runs through the centre of the Blayney LGA from the north east, through the Carcoar dam and west to the adjoining Cowra LGA. Mixed appealing property types from hobby farms and rural residential properties to grazing and broad acres properties follow the River, to steeper timbered properties in the Burnt Yards area.

There has been limited activity in the broadacre rural market in Blayney over the valuation period with a slight decrease in sales volumes. However agents consider that purchaser confidence has increased and that Sydney purchasers are having an impact on value levels. Mixed farms in the Carcoar and Blayney localities have experienced an increase in land values of 10% in general with minor handcrafting conducted in the Browns Creek and Burnt Yards areas increasing values by 1-5%. Mixed farms in the south of the Belubula River have experienced a 7% increase in land values.

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 residential developments in discussion or underway include:

- Approval in July 2015 for a 16 lot subdivision at 404 Browns Creek Road, Browns Creek (DA No. 2012/39).
- Approval in March 2015 for a 21 lot subdivision at 653 Browns Creek Road, Browns Creek (DA No. 2006/89/1).
- Approval in August 2014 for an 8 lot subdivision at 665 Forest Reefs Road, Forest Reefs (DA No. 2007/203/2).

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

New residential developments in discussion or underway include:

- The Blayney Local Environmental Plan 2012 gazetted 23 November 2012.
- Approval in October 2012 for a 7 lot subdivision at 131 Browns Creek Road, Blayney.
- Approval in December 2011 for an extension to Nestle Australia at 112 Browns Creek Road, Blayney (DA no 59/2012).

7. Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

The forestry component, zoned RU3, has been the only component to have any significant value changes from the prior to current Annual Valuation. This -62.83% decrease was a result of; the only three properties within the component are held as Occupation Permits, and have been valued on a 14I land value basis. The properties vary in size, and thus the range of values varies substantially. The market for Forest land is very thinly traded, with no sales occurring within the LGA over the review period. A sale of Forest land from the Oberon LGA has been utilised, which we consider to be comparable on a rate/ha basis, as well as sales of other nearby rural holdings for general market movement purposes.

All other components have not been any significant value changes from the prior to current Annual Valuation. Value changes have occurred more consistently over the past 4 years since the previous General Valuation as outlined below.

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

Since the last General Valuation in 2011, most values have generally been stable with only small increases or decreases. This follows the same overall trend from the previous valuation year and supports that the current market levels are generally static.

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 residential locations by a 10-20% increase in the well regarded newer estates such as Johnston Crescent, Blayney.
- Moderate to strong increases have occurred in well regarded villages such as Millthorpe, Mandurama and Barry.
- Carcoar and Lyndhurst experienced a 10-30% decrease in value over the 4 year period.
- Rural properties located in some areas such as west and south of Lyndhurst, Hobby Yards Road and north of Barry, Kings Plains locale and north of Blayney experienced an increase of 10-25%.

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 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 6.6.1. 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

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