

Junee Shire

Final Report 2015

Date: 14th October 2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Junee Shire

The Junee Shire is located in the Riverina Region of New South Wales, approximately 435 kilometres to the south-west of the Sydney Central Business District. Junee Shire comprises a land area of some 2,245 square kilometres that predominantly includes undulating mixed farming land. The Shire is adjoined by four other shires – Temora Shire to the north, Cootamundra Shire to the north-east, Gundagai Shire to the south-east and Coolamon shire to the west – as well as Wagga Wagga Local Government Area to the south.

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

The Junee Shire Area comprises Residential, Rural, Industrial, Infrastructure, Environmental and Recreation zones. 3,090 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. The Junee Shire property market has slightly increased across most sectors. The Junee Shire is a well regarded rural locality due to its reliable rainfall, good soils and proximity to Wagga Wagga. Purchasers are attracted to the facilities of the regional centre and the family friendly community.

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:

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 (2012)	% Change
Residential	(R5 RU5)	2091	\$111,511,520	\$106,232,950	4.9%	\$106,027,080	5%
Rural	(RU1)	955	\$551,578,180	\$525,354,600	4.99%	\$525,440,590	4.97%
Industrial	(IN2)	11	\$1,239,700	\$1,181,300	4.94%	\$1,164,100	6.49%
Infrastructure	(SP2)	20	\$1,838,170	\$1,753,910	4.80%	\$1,753,910	4.80%
Environmental	(E1)	1	\$39,200	\$37,300	5.09%	\$37,300	5.09%
Recreation	(RE1, RE2)	12	\$1,312,100	\$1,279,400	2.55%	\$1,288,500	1.18%
Total		3090	\$667,518,870	\$635,839,460	4.98%	\$635,711,480	5.00%

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Junee Local Environmental Plan 2012 gazetted 28 June 2012. There have been no amendments to the LEP since the previous valuation.

The Junee Shire is governed by the Junee Local Environmental Plan 2012 (LEP). 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 Junee Shire property market to provide an accurate and reliable basis of valuation. 100 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 Junee Shire this year, sales of residential properties indicated a slight increase in values throughout the year. Rural properties also had a very slight increase in values throughout the year. Rental and commercial rental Analysis demonstrated a very small increase in values since last year and feasibility studies that were carried out also reflected this.

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 General Valuation (2012)

Growth has been evident in all residential locations of the market, apart from the Village of Old Junee since the last General Valuation in 2012, with the highest increases in the sought-after quality John Potts Estate and large lot residential. There has been a slight increase for the rest of the town and villages, including overall good demand for the lower value areas which have increased from a low cost base driven by first home buyer and investor demand. With the small number of new residential estates in recent years, supply is keeping up with demand.

Changes since previous Valuation Year (2014)

Sales volumes have increased slightly in the last twelve months with residential values generally increasing over the past year. This has seen a marginal increase in total reliable, market sales volume for residential property in Junee Shire. This level of sales activity has coincided with a steadying of demand for residential property across the town. Generally, the slight increase in activity occurred in the newly developed subdivisions of Junee; the more established areas of town continue remain more tightly held.

Summary of Valuation Changes to Rural Land

Changes since previous General Valuation (2012)

The Junee Shire is a well regarded rural locality due to its reliable rainfall, good soils and proximity to Wagga. The most common rural land use in the Junee Shire is broad acre mixed farming in addition to 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% since the last general valuation. This trend has been consistent across lifestyle grazing/hobby farms, rural-residential and rural retreat holdings throughout the LGA.

Changes since previous Valuation Year (2014)

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/hobby farms, rural-residential and rural retreat holdings throughout the LGA.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2012)

The small commercial sector of Junee is zoned RU5 Village. It is tightly held, mostly owner occupied and there are few sales. Overall values have increased slightly since the last general valuation in line with residential values.

Changes since previous Valuation Year (2014)

The small commercial sector of Junee is zoned RU5 Village. It is tightly held, mostly owner occupied and there are few sales. Overall values have increased slightly over the last 12 months in line with residential values.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2012)

The small area of industrial zoned land is very tightly held. It is located to the north west of the town and comprises mainly agricultural related industries. Overall values have increased slightly since the last general valuation in line with residential values.

Changes since previous Valuation Year (2014)

The small area of industrial zoned land is very tightly held. It is located to the north west of the town and comprises mainly agricultural related industries. Overall values have increased slightly since the last annual valuation in line with residential 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 2015 Valuation of Junee Shire. 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 Junee Shire is located in the Riverina Region of New South Wales, approximately 435 kilometres to the south-west of the Sydney Central Business District. Junee Shire comprises a land area of some 2,245 square kilometres that predominantly includes undulating mixed farming land. The Shire is adjoined by four other shires – Temora Shire to the north, Cootamundra Shire to the north-east, Gundagai Shire to the south-east and Coolamon shire to the west – as well as Wagga Wagga Local Government Area to the south.

PRINCIPAL TOWNS

Junee

Junee is the principal town in the Junee Shire region, with a population of around 4,400. It is located approximately 37 kilometres to the north-east of the Wagga Wagga Central Business District. The Primary Retail Centre in Junee Shire is located in the Junee Township east and west of the Railway line. The older east side comprises Offices, Retail Shops, a Bank, Agricultural Services and the Railway Station and Shops. The west side comprises a Supermarket, Multi Purpose Medical Centre, Hotels, Offices and Retail Shops. The town is historic and boasts one of the finest collections of early Australian architecture with splendid examples of Georgian and Victorian Railway Buildings and Hotels. Junee features multiple attractions that drive a small but thriving tourist industry such as the Junee Licorice and Chocolate Factory, the Roundhouse Rail and Transport Museum, the Broadway Museum and the Monte Cristo mansion. It is also the location of the Junee Correctional Centre. Junee town is enveloped by residential development, largely single residential dwellings and some small townhouse developments.

Illabo

Illabo is a village of around 200 people located approximately 17 kilometres north-east of Junee. It is the host of an annual Country Music Stampede in April. The village features a central Hotel & General Store and a public school catering for Kindergarten to year 6. There is also a grain handling service for the use of the surrounding rural production.

Old Junee

Old Junee is a village situated approximately 7 kilometres north-west of Junee with a population of a little over 100. It is a small settlement on the north side of the railway line and to the west side of the Olympic Highway. It is in close location to the Jail Brake Inn, located on the Olympic Highway.

Wantabadgery

Wantabadgery is a small village approximately 27 kilometres south-east of Junee. It is composed of scattered village dwellings and hobby blocks. There is limited development. The village features a small shop with an off liquor license and several recreational areas including the Lumeah River and Sandy Beach Reserve.

Bethungra

Bethungra is a small village approximately 30 kilometres north-east of Junee. It features a combined service station and general store, and a local tourist destination in the redone old Bethungra school house as the Olde School T-House – a tea and gift store. The village features some historic buildings, including the Shirley Bed & Breakfast which provides accommodation to the area. Bethungra also hosts the Bethungra Dam & Reserve recreation area and the Bethungra Rail Spiral.

MAIN INDUSTRIES

Major enterprises within the Shire include Winter Grains, Hay, Wool, Fat Lamb, and Beef Cattle, together with Heath and Community, Junee Correctional Centre, Industrial, Retail, Agricultural Servicing and abattoir, and Local Government. Rail transport and tourism are minor industries in the area.

SIGNIFICANT RETAIL CENTRES

The Junee Township east and west of the Railway line provides the main retail centre for the Junee Shire region. The older east side comprises Offices, Retail Shops, a Bank, Agricultural Services and the Railway Station and Shops. The west side comprises a Supermarket, Multi Purpose Medical Centre, Hotels, Offices and Retail Shops.

TYPE OF RESIDENTIAL DEVELOPMENT

The Junee Shire contains Junee town which has a majority of development and a number of small villages. The Junee Shire 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. Junee Town has a number of small residential unit developments and townhouse style properties located close to town.

Approximately 76% of properties in the region are owner occupied and 24% are owned by investors.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Junee Local Environmental Plan 2012 gazetted 21 December 2012. There have been no amendments to the LEP since the previous valuation.

The Junee Shire is governed by the Junee 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 Junee Shire in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

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

Zone	Minimum Allotment Size
R1	600m ²
R3	300m ²
R5	1ha
B1, B2, B3, IN1, IN2, IN3	By Council Consent
RU1	200ha

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

The Junee Shire contains Junee town which has a majority of development and a number of small villages.

The Junee Shire 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. Junee Town has a number of small residential unit developments and townhouse style properties located close to town.

Approximately 76% of properties in the region are owner occupied and 24% are owned by investors.

Residential development within the Junee Shire is primarily situated within the town of Junee. Smaller amounts of residential development are located in the Villages of Bethungra, Illabo, Old Junee and Wantabadgery.

A high proportion of development in these centres overall comprises 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 Junee Township.

Junee has full utility service availability including a reticulated town water supply, reticulated sewerage and telecommunication service whilst the Villages have just reticulated town water supply and telecommunication services. Junee Shire also has a range of Government services including one State High Schools (Junee High), four State Primary Schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES and Ambulance, one Hospital (Junee District Hospital), Council Chambers and administrative offices for various Government Agencies.

Additional community based facilities available within the LGA include various denominational churches, a private primary school, child care centres, various aged care facilities, 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 showing a slight increase over the past year. This has seen a marginal increase in total reliable, market sales volume for residential property in Junee Shire. This level of sales activity has coincided with a slight increase in demand for residential property across the town. Generally, the slight increase in activity occurred in the newly developed subdivisions of John Potts Drive and Waratah Street; the more established areas of town continue remain more tightly held.

Junee Town residential values are supported by stable employment from major employers in the corrections, abattoirs and health, and are also supported by the surrounding rural communities for which Junee Shire is the regional service centre. Junee Shire benefits greatly from its proximity to the large regional city of Wagga Wagga.

Recent residential development in the Junee Shire has largely been focused in the council developed John Potts Drive and Kaiser Estate which has seen increased residential development over the past five years, with extensions to both subdivisions, and also the Waratah Street estate which has had a small development. Houses in the Waratah Street estate have been purchased by investors. A large proportion of sales in the emerging estates John Potts Drive and Kaiser Estate have been purchased by local owner occupiers and small numbers of investors from out of town.

Growth has been evident in most residential locations of the market since the last General Valuation in 2012, with the highest increases in sought-after, quality John Potts Drive and Kaiser Estate areas. Lower value areas have increased from a low cost base, driven by first home buyer and investor demand. 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 Villages within the Shire. The Junee Shire Village markets, apart from Old Junee, have generally shown a slight increase in the last twelve months. The main villages of Illabo, Wantabadgery and Bethungra have been in line with this trend. Sales in Old Junee have shown a very slight decrease in land values, off a low land value base.

Since the last General Valuation in 2012, village values have generally been stable with the land values remaining largely unchanged until the last 12 months where sales have supported a slight increase, apart from Old Junee which has had a slight decrease.

The past 12 months has seen widespread 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, western, southern or northern parts of the Shire.

COMMERCIAL

Commercial Land in Junee Shire is located almost entirely within the Junee Township, remaining predominately owner occupied and tightly held. Properties are zoned RU5 Village and there is no separate business zoning. Capital and Rental growth is negligible and there is little possibility of any catalyst that may change these circumstances. Whilst sales volume is very low, pressure on land values has increased from Residential investors and developers seeking better located sites. Overall, values have increased slightly in line with surrounding residential values.

INDUSTRIAL

There is only a very small area of Industrial zoned land located to the north of the Junee Township. The properties are generally used for agricultural grain related industries. There are other light industrial properties scattered throughout the Junee Township and Illabo and these are all within the RU5 Village zone. The properties overall remain owner occupied and very tightly held. Whilst sales volume is very low, pressure on land values has increased from Residential investors and developers seeking better located sites. Overall, values have increased slightly in line with surrounding residential values.

RURAL

The Junee Shire is a highly regarded rural locality due to its reliable rainfall, good soils, and proximity to Wagga Wagga and transport links.

The most common rural land use in the Junee Shire is broad acre mixed farming in addition to 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% since the last general valuation and approximately 5% over the past 12 months. This trend has been consistent across lifestyle grazing/hobby farms, rural-residential and rural retreat holdings throughout the LGA.

Future increases in land values in primary production country are reliant on good commodity prices & seasonal conditions continuing. Increased enquiry is starting to occur generally across the sectors, with neighbouring & nearby owner sales adding to family property areas having been the trend in the sector in recent years. Larger prime blocks have also been sought after by rural investment corporations over recent years.

RURAL LOCATIONS WITHIN THE LGA

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

Gently undulating low hills

This area is to the east and north of the shire and comprises gently undulating good red loams used for cereal crops and supplementary sheep and cattle production. Native vegetation is essentially all cleared apart from isolated stands in Crown Reserve and drainage lines. The most common tree species are white box, yellow box, and grey box on relatively deeper soils of more gently sloped areas. Red stringy bark and red gum occur on relatively rocky and shallow soils of steeper parts.

Wantabadgery Floodplain

The floodplain is a small area to the south east boundary of the shire, on the north side of the Murrumbidgee River. It can be divided into lower and upper floodplains. The narrow lower flood plain along the river channels are almost annually flooded. The extensive upper flood plain is rarely flooded (most recently in 1974 and 2012). Native vegetation of tall woodland has been extensively to completely cleared from the higher flood plain. Trees remain uncleared to partially cleared on the annually flooded lower flood plain and back plain. River red gum dominates. Other species include yellow box, grey box and white box. This area is used for lucerne growing under irrigation and intensive cropping.

Valleys

This area comprises predominately red loams granite hills and slopes with some smaller areas of undulating arable land. The land varies from predominantly grazing with light cropping at Wantabadgery, across further to the north and west at Wantiool and Eurongilly where mixed farming inclined towards cereal crops are prominent, sheep and cattle production also present. Eurongilly is regarded as the best country in the shire. Native vegetation has been extensively to completely cleared, except for some isolated small areas of tall woodland remaining along some roads, creek channels and in crown reserves. Grey box and white box are dominant.

Mt Ulandra and ranges

This area is to the north east of the shire, which includes the Bethungra Spiral area. On the steeper ridges uncleared open forests remains in relatively large areas of nature reserves and state forest. The most common tree species include red gum, red ironbark, red stringybark, and white gum with associated trees of white cypress pine and hill oak. The less steep low hills and lower slopes are used mainly for improved pastures. Fodder crops are grown and both cattle and cross breed sheep for fat lamb production are carried. The steep ridges and upper slopes are used mainly for grazing on natural pastures with merino sheep and some cattle.

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 and therefore no special consideration is required.

New residential developments in discussion or underway include:

- John Potts Drive extension
- Waratah Street subdivision

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT LOCAL GOVERNMENT COUNCIL RATING VALUATION

New residential developments in discussion or underway include:

- John Potts Drive extension
- Kaiser Estate Subdivision
- Waratah Street subdivision

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. Value changes have occurred more consistently over the past 3 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 2012, values have generally been stable with the land values remaining largely unchanged until the last 12 months where we have seen a slight increase in all areas, apart from Old Junee which has slightly declined. Residential property in certain suburbs within the Shire have overall increased and decreased at differing rates:

- Old Junee decreased by 4.98%
- The Johns Potts Estate area has increased by 13.5%
- Large lot residential blocks near Junee have increased by 7%

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:

A handwritten signature in black ink, appearing to read 'K Williams'.

Keith Williams
AAPI CPV
Contract Services Manager
15th October 2015