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Final Report For The Valuer-General's Office

The Local Government Area of Tumbarumba

Base Date: 1st July 2015

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EXECUTIVE SUMMARY

LGA Overview

Local Government Area of Tumbarumba

The Tumbarumba Local Government Area (LGA) is situated on the western side of the Snowy Mountains in New South Wales. The LGA includes rural properties of varying sizes and residential, commercial and industrial development within the towns and villages. The town of Tumbarumba and the villages of Khancoban, Rosewood and Jingellic and the localities of Tooma and Laurel Hill are located within the Shire of Tumbarumba.

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

The Tumbarumba LGA comprises Residential, Rural, Business, Industrial, Special Purpose and Recreation zones.

As at the base date of 1 July 2015, 2,600 properties were valued with the total land value of the Tumbarumba LGA at \$489,486,442 with the valuations being reflective of the property market at the time. This represents a 3.49% increase on the 2014 land value of the same 2,600 properties.

Land valuation notices were last issued for Local Government rating purposes for the 1st July 2014 valuing year when 2,602 properties were valued for a total valuation of \$473,524,712.

Land values within the residential areas of the Tumbarumba LGA have generally remained relatively stable.

Land values of larger scale grazing properties within the Tumbarumba LGA have generally increased with the largest increases occurring in good quality grazing properties situated generally to the east and north of Tumbarumba.

Slight to moderate increases have occurred in some of the well positioned commercial areas fronting The Parade in Tumbarumba with the values of properties situated on the fringe of the commercial zoned areas generally remaining unchanged.

The land values of properties within the Industrial zones of Tumbarumba LGA have also generally remained unchanged.

The land values of Environmental Management zoned properties including lifestyle parcels and larger native timbered blocks have eased slightly by approximately 5%.

Valuation changes in the Tumbarumba LGA and percentage changes between the Council valuation year of 1 July 2014 and the Land Tax Valuation year of 1 July 2015 are as follows:

Properties Valued and Total Land Value							
Zone	Zone Code	No. of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2014)	% Change
Local Centre	B2	84	\$4,815,280	\$4,683,680	2.81%	\$4,683,680	2.81%
National Parks and Nature Reserves	E1	1	\$136,000	\$136,000	0.00%	\$136,000	0.00%
Environmental Management	E3	104	\$10,382,810	\$10,808,520	-3.94%	\$10,808,520	-3.94%
General Industrial	IN1	8	\$1,099,400	\$1,099,400	0.00%	\$1,099,400	0.00%
Light Industrial	IN2	29	\$1,827,000	\$1,827,000	0.00%	\$1,827,000	0.00%
General Residential	R1	570	\$25,514,500	\$25,521,300	-0.03%	\$25,521,300	-0.03%
Medium Density Residential	R3	68	\$2,402,600	\$2,402,600	0.00%	\$2,402,600	0.00%
Large Lot Residential	R5	65	\$5,887,500	\$5,890,400	-0.05%	\$5,890,400	-0.05%
Public Recreation	RE1	32	\$1,358,500	\$1,358,500	0.00%	\$1,358,500	0.00%
Private Recreation	RE2	1	\$35,500	\$35,500	0%	\$35,500	0.00%
Primary Production	RU1	1177	\$415,630,292	\$398,756,622	4.23%	\$398,756,622	4.23%
Forestry	RU3	18	\$3,907,820	\$3,907,820	0%	\$3,907,820	0.00%
Rural Small Holdings	RU4	84	\$6,676,710	\$6,673,610	0.05%	\$6,673,610	0.05%
Village	RU5	358	\$9,779,430	\$9,832,160	-0.54%	\$9,832,160	-0.54%
Infrastructure	SP2	1	\$33,100	\$33,100	0.00%	\$33,100	0.00%
TOTAL		2600	\$489,486,442	\$472,966,212	3.49%	\$472,966,212	3.49%

State and Local Government Legislation for LGA

The Tumbarumba Local Environmental Plan 2010 was gazetted on 30th June 2010. The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales legislation. There have been two amendments to the Tumbarumba Local Environmental Plan. The first amendment, gazetted on 18th January 2013 related to minor updates to various Maps associated with the Tumbarumba Local Environmental Plan. The second amendment, gazetted on 7th August 2015, related to amending Permitted and Prohibited uses in the RU1 Primary Production zone and the RU3 Forestry zone. In addition two lots on the Courabyra Road currently zoned R5 Large Lot Residential have been allocated an additional permitted use of recreational facilities (indoor)

Market Overview and Sales of Particular Interest

Cosgraves Property Advisers have undertaken significant analysis of the Tumbarumba District property market to provide an accurate and reliable basis of valuation. A total of 68 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. Cosgraves Property Advisers undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it may be necessary to adjust the contract price in terms of market movement.

In the Tumbarumba District this year sales and resales of properties indicated no change throughout the year from August 2014 to 1 July 2015 for residential zoned properties. The land values of rural retreats and rural lifestyle parcels also generally remained unchanged since August 2014. The land values of larger scale grazing properties within the Tumbarumba LGA have generally increased with the largest increases occurring in good quality grazing properties situated generally east and north of Tumbarumba. Slight to moderate increases have occurred in some of the well positioned commercial areas fronting The Parade in Tumbarumba with the values of properties situated on the fringe of the commercial zoned areas generally remaining unchanged. The land values of properties within the Industrial zones of Tumbarumba LGA have also generally remained unchanged.

Sales of particular interest include:

- The main supermarket, the Tumbarumba IGA sold for \$2,000,000 in May 2015.
- A vacant 394.4m² parcel in the prime business area of Tumbarumba sold for \$77,500 including GST in February 2015.
- A vacant 581.8m² parcel on the southern fringe of the Tumbarumba commercial area sold for \$30,000 in October 2014.
- Three vacant residential parcels within stage 2 of the Snow View estate have now sold out of a total of 22 developed lots.
- The 274.4 hectare grazing property “Taradale” sold at auction in March 2015 for \$1,760,000 or \$6,414 per hectare.

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

The rebuilt Mannus Lake Dam was officially opened on 6th February 2015. The previous Mannus Lake was a popular location for recreational fishing, boating, bush walking and bird watching prior to it being severely damaged in a flood event in October 2010.

Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2014)

The value of residential land has generally remained stable since 2014. Stage two of “Snow View Estate”, developed by The Tumbarumba Council and released in mid-2013 includes 22 lots with three now sold and council having erected a new dwelling on a fourth lot.

Land values within the rural village of Khancoban have also remained stable with the exception of some of the quasi industrial areas of the western fringe of the village that showed a slight reduction in land values. The land values within the remaining villages of Rosewood and Jingellic have remained stable since 1 July 2014.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

Land values of larger scale grazing properties within the Tumbarumba LGA have generally increased with the largest increases occurring in good quality grazing properties situated generally east and north of Tumbarumba. In the majority of cases the purchasers are adjoining or nearby graziers.

The land values of rural retreats and rural lifestyle parcels generally remained unchanged.

The land values of Environmental Management zoned properties including lifestyle parcels and larger native timbered blocks have eased slightly by approximately 5%.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2014)

Slight to moderate increases have occurred in some of the well positioned commercial areas fronting The Parade in Tumbarumba with the values of properties situated on the fringe of the commercial zoned areas generally remaining unchanged.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2014)

The land values of properties within the Industrial zones of Tumbarumba LGA have generally remained unchanged. Industrial land values are generally underpinned by the timber harvesting and processing activities within the Tumbarumba Shire.

DISCLAIMER – PURPOSE OF THIS REPORT

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of the Tumbarumba 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.

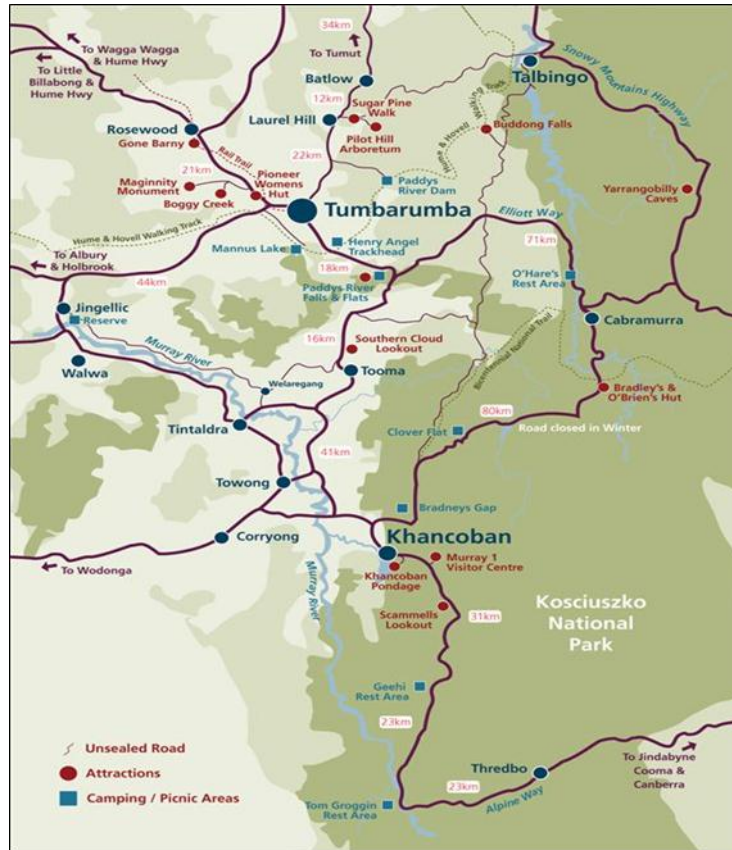
Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

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.

LGA OVERVIEW

Location of the District



Tumbarumba Shire is situated on the western side of the Snowy Mountains in New South Wales, and boasts mountains, rivers and lakes, parks, forests and farms, and clean fresh air amongst its natural assets. It is situated approximately half way between Sydney and Melbourne, and is 701 metres above sea level. The total shire population is approximately 3,500.

The shire extends as far south as Mount Kosciuszko in the south, and to the Murray River on the western border.

The area is ideal for recreational activity such as bush walking, horse riding, fishing and cycling.

The snowfields of Mount Selwyn and Thredbo can be accessed from Tumbarumba and Khancoban, and the Kosciuszko National Park offers stunning mountain scenery and a variety of walking tracks.

(Above information gathered from Tumbarumba Tourism website)

<http://www.visittumbashire.com.au>)

Principal Towns

Tumbarumba (population 1,455 as at 2011) is the principal town in the Tumbarumba LGA. Tumbarumba provides for a wide range of retail goods and services, professional services, hardware and agricultural supplies and the provision of medical services. The main commercial street is The Parade. The commercial area of Tumbarumba includes two supermarkets, smaller retail shops, offices, hotels, cafes and restaurants

Tumbarumba also has an extensive range of Government services including a State Primary and Secondary School and emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES, Ambulance, a Hospital and Council Chambers.

Additional facilities include various denominational churches, a Catholic Primary School, sporting clubs, recreational playing fields, parks and reserves, public swimming pool, tennis courts, golf course, racecourse and showground.

The village of Khancoban, (population 224) includes a general store, café and primary school. The village of Rosewood also includes a general store and primary school. The village of Jingellic includes a general store.

Main Industries

Cattle and sheep grazing and softwood forests remain the principal large scale primary production activities within Tumbarumba LGA. More intensive primary production industries include berries in particular blue berry production and wine grapes and wine production with 17 wine growers and producers listed as current members of the Tumbarumba Vignerons Association.

Softwood timber processing is also significant within the shire. The Hyne and Son timber processing mill at Tumbarumba is Australia's largest softwood operation and one of the shires largest employers with approximately 145 employees. Acquired by Hyne in 2001 and significantly upgraded since, the mill now has an annual capacity of 900,000m³ of radiate sawlog. The Hyne T2 Blue, a termite resistant building framing material is produced at Tumbarumba.

Other large employers within the Tumbarumba Shire include Snowy Hydro Limited, the Mannus Correctional Centre and the Tumbarumba Shire Council. The future growth and economic prosperity of Tumbarumba Shire depends on the ongoing strength of these larger employers.

Over the past 10 years pine plantation expansion has stimulated economic activity and growth in the LGA. Historically timber companies had been a significant purchaser of larger scale grazing properties for development into pine plantations, in part funded by Managed Investment Schemes. A number of the companies that expanded rapidly over the last 10 years have now had Receivers and Managers appointed have liquidating assets. The financial failure of these companies may see future reductions in rural land previously developed for pine plantations.

Significant Retail Centres

The Parade in Tumbarumba remains the main retail centre in Tumbarumba. The commercial area of Tumbarumba includes two supermarkets, smaller retail shops, offices, hotels, cafes and restaurants.

Type of Residential Development

The majority of the residential development is detached single residential dwellings.

STATE AND LOCAL GOVERNMENT LEGISLATION FOR LGA

The current planning instrument for Tumbarumba is The Tumbarumba Local Environmental Plan 2010 which was gazetted on the 30th June 2010.

The 2010 LEP is a comprehensive plan that complies with the NSW Department of Planning Standard Instrument and includes the provision of 15 land zones and specifies the minimum lot size required for the construction of a dwelling house in all areas of the shire.

The Tumbarumba Council has defined the aims of the Local Environmental Plan.

1. The Plan aims to make local environmental planning provisions for land in Tumbarumba in accordance with the relevant standard environmental planning instrument under section 33A of the Act.
2. The particular aims of the Plan are as follows:
 - a) to develop local planning controls that manage human settlement, rural activities and the natural environment in a manner that contributes to the unique quality of Tumbarumba,
 - b) to encourage development that supports the long term economic viability of the local community,
 - c) to ensure development is undertaken in a manner that mitigates impacts on the natural environment,
 - d) to encourage development that promotes positive social outcomes for the local community.

There have been two amendments to the Tumbarumba Local Environmental Plan. The first amendment, gazetted on 18th January 2013 related to minor updates to various Maps associated with the Tumbarumba Local Environmental Plan. The second amendment, gazetted on 7th August 2015, related to amending Permitted and Prohibited uses in the RU1 Primary Production zone and the RU3 Forestry zone. In addition two lots on the Courabyra Road currently zoned R5 Large Lot Residential have been allocated an additional permitted use of recreational facilities (indoor)

Tumbarumba Shire Council has development controls on the subdivision and erection of dwellings. The minimum lot sizes for a lot eligible for a new residential dwelling are:

Zone	Minimum Allotment Size
Business	
B2 – Local Centre	N/A
Environment Protection	
E1 – National Parks and Nature Reserves	N/A
E3 – Environmental Management	160 ha
Industrial	
IN1 – General Industrial	N/A
IN2 – Light Industrial	N/A
Residential	
R1 – General Residential	450m ²
R3 – Medium Density Residential	250m ²
R5 – Large Lot Residential	4,000m ²
RU5 – Village	4,000m ²
Recreation	
RE1 – Public Recreation	N/A
RE2 – Private Recreation	N/A
Rural	
RU1 – Primary Production	Generally 40ha, 6ha and 8ha fringe of Tumbarumba.
RU3 – Forestry	N/A
RU4 – Rural Small Holdings	4,000m ² , 1, 2 and 4 ha
Special Purpose	
SP2 – Infrastructure	N/A

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

Residential

The value of residential land has generally remained stable since 2014.

In mid-2013 the Tumbarumba Shire Council released an additional 22 lots in stage two of the Snow View Estate, with the majority of stage one, 22 lots made available in 2007 built out. Three of the stage two lots have now sold with prices ranging from \$33,000 to \$42,750. While the availability of ready to build on residential land promotes population growth within the LGA, it also effectively sets the upper limit of the value of residential land within the remainder of the town.

Land values of larger residential lifestyle parcels within the R5 Large Lot Residential zone adjoining the town of Tumbarumba have also remained stable over the last twelve months.

Villages

Land values within the rural village of Khancoban have also remained relatively stable with the exception of some of the quasi industrial areas on the western fringe of the village with a minimum lot size of 4,000m². These parcels generally showed a slight reduction in land values. The land values within the remaining villages of Rosewood and Jingellic have also remained stable.

Commercial

Slight to moderate increases have occurred in some of the well positioned commercial areas fronting The Parade in Tumbarumba between Selwyn and Bridge Streets with the values of properties situated on the fringe of the commercial zoned areas generally remaining unchanged.

A number of notable sales occurred within the commercial zone in Tumbarumba over the past twelve months:

- The main supermarket, the Tumbarumba IGA sold for \$2,000,000 in May 2015
- A vacant 394.4m² parcel in the prime business area of Tumbarumba sold for \$77,500 including GST in February 2015. This site is situated in close proximity to the IGA Supermarket.
- A vacant 581.8m² parcel on the southern fringe of the Tumbarumba commercial area sold for \$30,000 in October 2014, with this site now developed for retail plant nursery.

Industrial

Industrial land values in Tumbarumba are generally underpinned by the timber harvesting and processing activities within the Tumbarumba LGA. The land values of Industrial zoned properties in Tumbarumba have generally remained stable since 2009 with very little market evidence available to support any change. Only one market based sale occurred within the IN2 Light Industrial Zone within the last 12 months. The property being a residential dwelling set on 794.2m² parcel situated on Albury Street within the industrial zone. The property sold for \$152,500 in December 2014.

Rural Locations within the LGA

Land values of larger scale grazing properties within the Tumbarumba LGA have generally increased with the largest increases of up to 20% occurring in good quality grazing properties situated generally to the north of Tumbarumba. Similar good quality grazing properties situated generally to the east of Tumbarumba also increased by up to 15%. Larger scale grazing properties within the parish of Tumbarumba and those in the southern area of the LGA in the Khancoban area generally increase by 5%. In the majority of cases the purchasers are adjoining or nearby graziers. One notable sale that occurred was the 274.4 hectare grazing property “Taradale” sold at auction in March 2015 for \$1,760,000 or \$6,414 per hectare.

The land values of RU1 Primary Production zoned rural retreats and rural lifestyle parcels generally remained unchanged. Small Rural Holdings zoned properties in close proximity to Tumbarumba and adjacent to the Khancoban, Rosewood and Jingellic villages have also generally remained stable.

The land values of Environmental Management zoned properties including lifestyle parcels and larger native timbered blocks have eased slightly by approximately 5%. The purchase of these parcels is often associated with a family outdoor pursuit such as camping, hunting or fishing.

Sales of these rural retreats are generally based on discretionary spending and have historically been somewhat inconsistent. Recent Sales indicate a slight easing in land values within this zone.

SIGNIFICANT ISSUES AND DEVELOPMENTS

Significant Developments – From Prior to Current Annual Valuation

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

The Mannus Lake Dam that was severely damaged in a flood event in October 2010 has now been fully rebuilt and was officially opened on 6th February 2015. The new Mannus Lake is likely to be a popular location for recreational fishing, boating, bush walking and bird watching.

The supply of vacant residential land was increased in early 2013 when Tumbarumba Shire completed the second stage of the Snow View residential estate. This stage supplied an additional 22 fully serviced residential lots to add to the 22 original lots made available in 2007. The majority of stage one has been built out with three parcels now sold within stage two and Tumbarumba Council also building a dwelling on one parcel to be retained.

SIGNIFICANT VALUE CHANGES

Significant Value Changes – From Prior to Current Annual Valuation

Land values of larger scale grazing properties within the Tumbarumba LGA have generally increased with the largest increases of up to 20% occurring in good quality grazing properties situated generally to the north of Tumbarumba. Similar good quality grazing properties situated generally to the east of Tumbarumba also increased by up to 15%. Larger scale grazing properties within the parish of Tumbarumba and those in the southern area of the LGA in the Khancoban area generally increase by 5%. In the majority of cases the purchasers are adjoining or nearby graziers. One notable sale that occurred was the 274.4 hectare grazing property “Taradale” sold at auction in March 2015 for \$1,760,000 or \$6,414 per hectare.

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Sales of these rural retreats are generally based on discretionary spending and have historically been somewhat inconsistent. Recent Sales indicate a slight easing in land values within this zone.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

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

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