



ASPECT

PROPERTY CONSULTANTS

Final Report

WEDDIN LGA

Contract 993731

Base Date July 2015

1. Executive Summary

1.1. LGA Overview

Weddin LGA is located in the Central West region of New South Wales. Grenfell is the largest town in the LGA and is located about 370 kilometres southwest of Sydney and 220 kilometres north of Canberra. Weddin LGA is bounded by the Forbes LGA to the north, the Cowra LGAs to the east, the Young LGA to the south and the Bland LGA to the west.

Weddin LGA has a population of approximately 3,665 people according to the 2011 Census of which the majority (1,996) live in Grenfell. The LGA has a number of smaller villages including Greenthorpe, Caragabal, Quandialla and the locality of Bimbi.

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

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

2,756 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 2014. In general terms the Weddin LGA property market has remained relatively stable across the period.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2014 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 (2014) | % Change |
|----------------|------------------|--------------------------|------------------------------|--------------------------------|-----------------|--|-----------------|
| Commercial | B2 | 65 | \$1,756,840 | \$1,753,040 | 0.22% | \$1,753,040 | 0.22% |
| Environmental | E3 | 10 | \$608,900 | \$608,900 | 0.00% | \$608,900 | 0.00% |
| Industrial | IN1 | 23 | \$1,129,520 | \$1,103,520 | 2.36% | \$1,103,520 | 2.36% |
| Residential | R1, R5 | 1,206 | \$43,834,655 | \$44,683,700 | -1.90% | \$44,683,700 | -1.90% |
| Recreation | RE1, RE2 | 8 | \$823,800 | \$963,800 | -14.53% | \$963,800 | -14.53% |
| Rural | RU1 | 1,114 | \$440,948,171 | \$439,377,281 | 0.36% | \$439,377,281 | 0.36% |
| Village | RU5 | 292 | \$2,748,550 | \$2,781,290 | -1.18% | \$15,980,930 | -1.18% |
| Infrastructure | SP2 | 3 | \$32,830 | \$32,830 | 0.00% | \$32,830 | 0.00% |
| Total | | 2,756 | \$491,883,266 | \$491,304,416 | 0.12% | \$491,304,416 | 0.12% |

1.3. State & Local Government Legislation for LGA

The Weddin Local Environmental Plan 2011 gazetted 5 December 2011. There has been 1 amendment made to the current LEP since the previous valuation, it is:

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 Weddin Local Government Area is governed by the Weddin Local Environmental Plan 2011 (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 Weddin district property market to provide an accurate and reliable basis of valuation. 74 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 Weddin LGA this year, there have been very 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. Rental and Commercial Rental Analysis remained stable. Values generally remain stable since last years base date and feasibility studies that were carried out also reflected this.

Examples of analysed sales and re-sales,

- Residential:
 - PID 477875 – 28/4/2014 (\$15,000), 12/2/2015 (\$18,000). The sale shows a slight increase in values for parts of Greenthorpe.
 - PID 479747 – 14/6/2013 (\$115,000), 27/3/2015 (\$123,500). The dwelling was partially updated over the re-sale period. The sale shows stable values for Grenfell.
- Rural residential:
 - PID 3061033 – 14/12/2012 (\$65,000), 21/4/2015 (\$90,000). The property had a garage constructed on the property since the re-sale. Indicates that value levels for rural residential properties surrounding Grenfell have remained relatively stable.

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 (2014)

The Weddin residential market has remained stable over the past 12 months since the prior General Valuation. Generally village locations have also remained stable. The Grenfell rural residential market has softened over the period with many properties in the southern portion of the town seeing a reduction in line with vacant market evidence. Properties with an outlook are much more sought after and achieve better results.

Changes since Previous Valuation Year (2014)

The Weddin LGA was a General Valuation last year, 2014. See previous section for commentary.

Summary of Valuation Changes to Rural Land

Changes since Previous General Valuation (2014)

The Weddin LGA is predominantly good quality cultivation country with areas of good grazing country and lighter country in timbered areas. The most common rural land use in the Weddin LGA is cultivation and grazing. Weddin also has a number of smaller rural home sites and hobby farms.

The rural property market, including broad acre and lifestyle/hobby farm properties, has remained stable since the last general valuation. The Weddin LGA experiences low sales volumes compared to adjoining LGAs and the sales that did occur show stable land values.

Changes since Previous Valuation Year (2014)

The Weddin LGA was a General Valuation last year, 2014. See previous section for commentary.

Summary of Valuation Changes to Commercial Land

Changes since Previous General Valuation (2014)

The Grenfell commercial market has recorded 4 sales since July 2014. The sales indicate a generally stable market. There is limited supply and demand for commercial property in Grenfell which is met with a stable market and vacancy rate. The commercial activity in the villages of Weddin is basically non-existent.

Changes since Previous Valuation Year (2014)

The Weddin LGA was a General Valuation last year, 2014. See previous section for commentary.

Summary of Valuation Changes to Industrial Land***Changes since Previous General Valuation (2014)***

The Grenfell industrial market had 5 sales since July 2014. The sales indicate a relatively stable market with slight increases in properties with frontage to major roads with good access and exposure. The industrial activity in the villages of Weddin is basically non-existent.

Changes since Previous Valuation Year (2014)

The Weddin LGA was a General Valuation last year, 2014. See previous section for commentary.

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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 Weddin 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 have 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

Weddin LGA is located in the Central West region of New South Wales. Grenfell is the largest town in the LGA and is located about 370 kilometres south west of Sydney and 220 kilometres north of Canberra. Weddin LGA is bounded by the Forbes LGA to the north, the Cowra LGAs to the east, the Young LGA to the south and the Bland LGA to the west.

Weddin LGA has a population of approximately 3,665 people according to the 2011 Census of which the majority (1,996) live in Grenfell. The LGA has a number of smaller villages including Greenthorpe, Caragabal, Quandialla and the locality of Bimbi.

3.2. Principal Towns

Grenfell

Grenfell is the principal town in the Weddin LGA and is a farming and administrative centre with a population of 1,996 (2011), in the Central West region of New South Wales. It is situated on the Mid Western Highway, approximately 370km south west of Sydney and 220km north of Canberra.

3.3. Main Industries

The main industry in the Weddin LGA is agriculture which employs approximately 36% of the population and creates approximately 38% of the Gross Regional Product.

3.4. Significant Retail Centres

The Grenfell Central Business District (CBD) provides the main service centre for the Weddin LGA. The Grenfell CBD is very basic and does not provide much of a retail centre. The majority of the population in the Weddin LGA, depending on where they are located within the LGA, would travel to Cowra (55km), Forbes (65km) or Young (51km) and would utilise Canberra (220km) as a major retail centre.

3.5. Type of Residential Development

The Weddin LGA contains mostly rural and residential properties, with a large portion of the development located in and around the town of Grenfell. A smaller amount of residential development is located in Greenthorpe, Quandialla and Caragabal.

The Weddin 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.

4. State & Local Government Legislation for the Weddin LGA

The Weddin Local Environmental Plan 2011 gazetted 5 December 2011. There has been 1 amendment made to the current LEP since the previous valuation, it is:

| | | |
|-------------|----------|--|
| 2015 | No 15 | <u>Statute Law (Miscellaneous Provisions) Act 2015</u> . Assented to 29.6.2015. Date of commencement of Sch 3, 15.7.2015, sec 2 (3). |
|-------------|----------|--|

The Weddin Local Government Area is governed by the Weddin Local Environmental Plan 2011 (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 Weddin Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Weddin Council has one development control plan in place that affects the subdivision and erection of dwellings throughout the entire LGA, which impacts on land values. Weddin Council has the Weddin Development Control Plan 2014 (DCP) that will apply to development across the Weddin LGA.

5. Market Overview & Sales of Particular Interest

Residential and Villages

The Weddin residential market has remained stable over the past 12 months since the prior General Valuation. Generally village locations have also remained stable. The Grenfell rural residential market has softened over the period with many properties in the southern portion of the town seeing a reduction in line with vacant market evidence. Properties with an outlook are much more sought after and achieve better results.

Commercial

The Grenfell commercial market has recorded 4 sales since July 2014. The sales indicate a generally stable market. There is limited supply and demand for commercial property in Grenfell which is met with a stable market and vacancy rate. The commercial activity in the villages of Weddin is basically non-existent.

Industrial

The Grenfell industrial market had 5 sales since July 2014. The sales indicate a relatively stable market with slight increases in properties with frontage to major roads with good access and exposure. The industrial activity in the villages of Weddin is basically non-existent.

Rural Locations within the LGA

The Weddin LGA is predominantly good quality cultivation country with areas of good grazing country and lighter country in timbered areas. The most common rural land use in the Weddin LGA is cultivation and grazing. Weddin also has a number of smaller rural home sites and hobby farms.

The rural property market, including broad acre and lifestyle/hobby farm properties, has remained stable since the last general valuation. The Weddin LGA experiences low sales volumes compared to adjoining LGAs and the sales that did occur show stable land values.

6. Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

Below is a summary of significant Development Applications and issues relating to the Weddin LGA. Most of the Development Applications received are for developments permissible within the current zoning therefore no special consideration is required.

New developments/issues in discussion or underway include:

- Central Western NSW has seen an increase in local sales without the intervention of an agent due to recent conditions, strong commodity prices and low interest rates. Many farmers are looking to expand and in some cases are approaching neighbour's to purchase or are accepting neighbour's asking prices to buy.
- The Weddin Shire Council are planning in the short to medium term to work on various projects within the shire including the construction of a new Medical Centre as well as a major overhaul of the swimming pool and Grenfell's Main Street. These projects could only be financed by low interest loans from the state government to make them a reality which means they will need to raise Council rates for the next four years from roughly 3% to 4% under provision of the Local Government Act.
- The Weddin council is against a LGA amalgamation and wants to remain a stand alone council. They have draft a submission a 'Fit for Future' document for the State Government and are calling on the local population to provide feedback. The Weddin Council do however support a Regional Alliance Council, which will include a small amount of councils who will work together to try and improve each individual council whilst keeping community identity.

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

The Weddin LGA was a General Valuation at last year's base date, see comments in the previous section.

7. Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

The RE1 component showed a large decrease of approximately 30% for the period, this was due to the reduction of 1 property in the component based around the sale of the adjoining englobo property. The subject property has R1 zoned land, with development potential and it was found to have a reduction in value due to the lack of demand for vacant residential allotments in Grenfell. The reduction of this property alone caused the significant percentage change in values due to the small number of properties and their generally low land values.

The R5 zoned land has seen reductions up to 10% caused by the reduced values of large lot residential property in the southern portion of Grenfell. There was vacant market evidence which showed a reduction in value for properties located on the low side of roads with minimal outlook.

All other components have not seen any significant value changes from the prior to current Annual Valuation. Value changes in Weddin have been relatively stable for a number of years.

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

The Weddin LGA was a General Valuation at last year's base date, see comments in the previous section.

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 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 6.6.1. 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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