



ASPECT

PROPERTY CONSULTANTS

Final Report

COWRA LGA

Contract 993731

Base Date July 2015

1. Executive Summary

1.1. LGA Overview

Cowra LGA is located in the Central West region of New South Wales, about 310 kilometres southwest of Sydney and 189 kilometres north of Canberra. Cowra LGA is bounded by the Cabonne and Blayney LGAs to the north, the Bathurst and Blayney LGAs to the east, the Upper Lachlan, Boorowa and Young LGAs to the south and the Weddin and Forbes LGAs to the west.

Cowra LGA has a population of approximately 12,147 people according to the 2011 Census of which the majority (9,730) live in Cowra. The LGA has a number of smaller villages including Woodstock, Gooloogong, Wattamondara, Wyangala, Darbys Falls, Morongla, Noonbinna and Billimari.

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

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

7,397 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 Cowra LGA property market has remained relatively stable across most sectors with the exception of commercial land at the Cowra Airport seeing a large increase over 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	B1, B2, B5, B7	304	\$28,997,905	\$28,467,905	1.86%	\$28,467,905	1.86%
Environmental	E1, E2, E3	24	\$1,424,730	\$1,424,730	0.00%	\$1,424,730	0.00%
Industrial	IN1, IN2	231	\$15,308,000	\$15,121,900	1.23%	\$15,121,900	1.23%
Residential	R1, R5	3,878	\$221,945,460	\$220,840,360	0.50%	\$220,840,360	0.50%
Recreation	RE1, RE2	46	\$4,277,210	\$4,277,210	0.00%	\$4,277,210	0.00%
Rural	RU1, RU4	2,272	\$644,807,550	\$642,861,250	0.30%	\$642,861,250	0.30%
Forestry	RU3	3	\$166,000	\$166,000	0.00%	\$166,000	0.00%
Village	RU5	611	\$15,803,510	\$15,980,930	-1.11%	\$15,980,930	-1.11%
Infrastructure	SP2	24	\$1,473,710	\$1,473,710	0.00%	\$1,473,710	0.00%
Total		7,397	\$934,517,075	\$930,884,495	0.39%	\$930,884,495	0.39%

1.3. State & Local Government Legislation for LGA

The Cowra Local Environmental Plan 2012 gazetted 25 January 2013. There have been 2 amendments made to the current LEP since the previous valuation, they are:

2015	(168)	Cowra Local Environmental Plan 2012 (Amendment No 1). LW 10.4.2015. Date of commencement, on publication on LW, cl 2.
	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 Cowra Local Government Area is governed by the Cowra 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 Cowra district property market to provide an accurate and reliable basis of valuation. 240 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 Cowra LGA this year, there have been very limited re-sales of properties. Rental and Commercial Rental Analysis remained stable with a significant increase in the commercial properties immediately surrounding the Cowra Airport. 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 476469 – 12/12/2014 (\$90,000), 3/7/2015(\$170,000). The sale underwent extensive renovations over the period between sales and therefore does not assist with value movements over the period.

- Rural residential:
 - PID 3798339 – 9/12/2014 (\$58,000), 21/8/2015 (\$65,000). Indicates that value levels for rural residential east of Cowra have increased slightly 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 (2014)

The Cowra residential market has remained stable over the past 12 months since the prior General Valuation. Generally village locations have also remained stable with the exception of localities at Darbys Falls and Morongla, which both saw an increase over the period, whilst the village of Wattamondara saw a decrease based around vacant market evidence.

Changes since Previous Valuation Year (2014)

The Cowra 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 Cowra LGA is a well regarded rural locality due to its good quality cultivation/irrigation country on the Lachlan and Belubula Rivers and better quality soil types in the southern portion of the LGA down towards Young. The most common rural land use in the Cowra LGA is cultivation and grazing. Cowra also has a significant number of smaller rural home sites and hobby farms in less productive areas to the east and west and surrounding the Wyangala Dam.

The broad acre rural property market has remained stable since the last general valuation. Lifestyle grazing/hobby farms, rural-residential and rural retreat holdings have also remained stable throughout the LGA over the period.

Changes since Previous Valuation Year (2014)

The Cowra 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 Cowra commercial market has recorded approximately 20 sales since July 2014. The sales indicate a generally stable market. The commercial market and vacancy rates have remained stable. There is very limited commercial activity in the smaller villages of the LGA.

The Commercial area immediately surrounding the Cowra Airport has seen a large increase over the period, based on the two vacant sales in the zone showing a substantial increase on prior land values. The component was increased by 71%.

Changes since Previous Valuation Year (2014)

The Cowra 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 Cowra industrial market had approximately 12 sales since July 2014. The sales indicate a relatively stable market with slight increases in areas with frontage to major roads and good exposure, while certain sales without exposure and great access showed a slight decrease in land values.

Changes since Previous Valuation Year (2014)

The Cowra 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 Cowra 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

Cowra LGA is located in the Central West region of New South Wales, about 310 kilometres southwest of Sydney and 189 kilometres north of Canberra. Cowra LGA is bounded by the Cabonne and Blayney LGAs to the north, the Bathurst and Blayney LGAs to the east, the Upper Lachlan, Boorowa and Young LGAs to the south and the Weddin and Forbes LGAs to the west.

Cowra LGA has a population of approximately 12,147 people according to the 2011 Census of which the majority (9,730) live in Cowra. The LGA has a number of smaller villages including Woodstock, Gooloogong, Wattamondara, Wyangala, Darbys Falls, Morongla, Noonbinna and Billimari.

Cowra LGA is predominantly rural, although is also well known for its viticulture

3.2. Principal Towns

Cowra

Cowra is the principal town in the Cowra LGA and is a farming and administrative centre with a population of 9,730 (2011), in the Central West region of New South Wales. It is situated on an intersection of 3 major state highways, being the Mid-Western Highway, Olympic Highway and the Lachlan Valley Way, approximately 310km south west of Sydney and 189km north of Canberra.

Woodstock

Woodstock is the largest village in the Cowra LGA located in Central NSW approximately 300km south west of Sydney, 210km north of Canberra and 21km north east of Cowra. At the 2011 Census the village had a population of 812 people.

3.3. Main Industries

Cowra LGA has traditionally been predominantly rural, although in more recent times the area has seen increase in employment for the healthcare, retail and manufacturing sectors over recent times.

3.4. Significant Retail Centres

The Cowra Central Business District provides the main service centre for the Cowra LGA. Although Cowra is sufficient for most day to day needs there are many people who utilise the services of Orange (92km) or Canberra (189)km as a major retail centre.

3.5. Type of Residential Development

The Cowra LGA contains mostly rural and residential properties, with the majority of the development located in and around the town of Cowra itself. A smaller amount of residential development is located in Woodstock, Gooloogong, Wattamondara, Wyangala, Darbys Falls, Morongla, Noonbinna and Billimari villages.

The Cowra 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. Cowra has a small number of residential unit developments and townhouse style properties.

4. State & Local Government Legislation for the Cowra LGA

Cowra Local Environmental Plan 2012 gazetted 25 January 2015. There have been 2 amendments to the LEP since the previous valuation, they are:

2015	(168)	Cowra Local Environmental Plan 2012 (Amendment No 1). LW 10.4.2015. Date of commencement, on publication on LW, cl 2.
	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 Cowra Local Government Area is governed by the Cowra 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 Cowra Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Cowra 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. Cowra Council has the Cowra Development Control Plan 2014 (DCP) that will apply to development across the Cowra LGA.

5. Market Overview & Sales of Particular Interest

Residential and Villages

The Cowra residential market has remained stable over the past 12 months since the prior General Valuation. Generally village locations have also remained stable with the exception of localities at Darbys Falls and Morongla, which both saw an increase over the period, whilst the village of Wattamondara saw a decrease based around vacant market evidence.

Commercial

The Cowra commercial market has recorded approximately 20 sales since July 2014. The sales indicate a generally stable market. The commercial market and vacancy rates have remained stable. There is very limited commercial activity in the smaller villages of the LGA.

The Commercial area immediately surrounding the Cowra Airport has seen a large increase over the period, based on the two vacant sales in the zone showing a substantial increase on prior land values. The component was increased by 71%.

Industrial

The Cowra industrial market had approximately 12 sales since July 2014. The sales indicate a relatively stable market with slight increases in areas with frontage to major roads and good exposure, while certain sales without exposure and great access showed a slight decrease in land values.

Rural Locations within the LGA

The Cowra LGA is a well regarded rural locality due to its good quality cultivation/irrigation country on the Lachlan and Belubula Rivers and better quality soil types in the southern portion of the LGA down towards Young. The most common rural land use in the Cowra LGA is cultivation and grazing. Cowra also has a significant number of smaller rural home sites and hobby farms in less productive areas to the east and west and surrounding the Wyangala Dam.

The broad acre rural property market has remained stable since the last general valuation, with all components seeing changes of 3% or less. Lifestyle grazing/hobby farms, rural-residential and rural retreat holdings have also remained stable throughout the LGA over the period, with all components seeing changes of less than 3%.

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 Cowra LGA. Most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

New developments/issues in discussion or underway include:

- Council have approved a 39 lot residential subdivision in west Cowra on the Grenfell Road. The development was approved in May with works set to begin by the end of the year.
- The Cowra Plaza located at 59 Kendall Street has sold through Knight Frank for an undisclosed price. The Plaza has national tenants Coles, Medicare, ANZ, Millers and The Reject Shop.
- Cowra council are still working on the heavy vehicle bypass to ensure it will remain suitable in the long term. There has been no date set as to when construction starts but it is set to be after the Kendal Street CBD upgrade. At this stage the bypass is looking to run through south Cowra with a new bridge to be put in over the Lachlan River.
- Cowra council has noticed an increase of development approvals over recent months seeing increased construction of new houses and minor subdivisions. This shows an increased demand for more new housing in Cowra.
- Water entitlement allocation from the Lachlan River has been set at 100% allocation for the Stock and Domestic and High Security water licences will received 1Meg per unit share of entitlement, the general security licences will have an average of 51% allocation. Wyangala Dam inflows have also been delivered general security for the first time in 3 years.
- 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 Cowra 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.

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

The Cowra 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 commercial component surrounding the Cowra Airport saw a significant increase over the period. The component received a 71% increase in line with 2 vacant sales. The component is only a very small component (10 properties) all with similar characteristics and of a similar size; therefore it was suitable for the component to receive such a large factor.

Darbys Falls and Morongla saw increases over the period (13.5% and 9.94% respectively) based around vacant sales in the areas. Vacant land sales can be scarce in these areas, and when they occur they can quite often highlight greater market movements than areas with consistent sales.

All other components have not seen any significant value changes from the prior to current Annual Valuation. Value changes in Cowra generally tend to happen more consistently over a number of years.

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

The Cowra 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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