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Final Report
For The
Valuer-General's Office
In The Local Government Area Of
Lockhart
Base Date: 1st July 2015

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EXECUTIVE SUMMARY

LGA Overview

Local Government Area of Lockhart

The Lockhart Shire Local Government Area is located in the Eastern Riverina region of NSW. The LGA includes rural properties of varying sizes and residential development within the towns and villages. A small number of commercial and industrial properties are also situated in Lockhart and The Rock.

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

The Lockhart Local Government Area comprises Residential, Rural, Industrial, Special Purpose, Recreation, Environmental Protection and Waterway zones.

As at the Base Date of 1 July 2015, 2572 properties were valued with a total land value for Lockhart Shire of \$632,738,095. The 2014 annual valuation land value was \$627,512,885. The current total land value therefor indicates a slight increase of 0.83%

Valuations are reflective of the property market at the time. Land valuation notices were last issued for Local Government rating purposes for the 1st July 2013 valuing year when 2,593 properties were valued.

The Primary Production Zone (RU1) has overall experienced a slight increase in land values of 0.98% with a prior total land value in 2014 of \$577,737,565 to a current land value as at the 1st of July 2015 of \$583,407,725.

The Village Zone (RU5) has overall experienced a slight decrease in land values of 1.67% with a prior total land value in 2014 of \$42,799,960 to a current land value as at the 1st July 2015 of \$42,083,630. Whilst the overall total land value reflects a decline it is important to note that land values within all villages have generally remained steady with the exception of a specific component (VLC) within Lockhart, located south of the railway line with sales supporting a reduction in values.

The Infrastructure Zone (SP2) has overall experienced a slight increase in land values of 6.18% with a prior total land value in 2014 of \$687,740 to a current land value as at the 1st July 2015 of \$730,240. Whilst the overall land value reflects an increase within this zone it was primarily due to the amendment of value of a 1 hectare parcel, although special use zoned, primarily comprises a quasi-industrial site centrally located within the township of Lockhart.

The Large Lot Residential Zone (R5) has overall experienced a slight increase in land values of 4.67% with a prior total land value in 2014 of \$4,898,100 to a current land value of \$5,126,980. The growth in total land value within this zone has primarily occurred in proximity of the township of The Rock.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2013 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	# Entries	2015 Total land value	Prior Annual Value (2014)	% Change	Prior LG Value (2013)	% Change
General Industrial	IN1	24	\$1,249,520	\$1,249,520	0%	\$1,249,520	0%
Large Lot Residential	R5	42	\$5,126,980	\$4,898,100	4.67%	\$4,796,100	6.90%
Private Recreation	RE2	1	\$140,000	\$140,000	0%	\$140,000	0%
Primary Production	RU1	1264	\$583,407,725	\$577,737,565	0.98%	\$577,482,045	1.03%
Village	RU5	1221	\$42,083,630	\$42,799,960	-1.67%	\$42,508,290	1.00%
Infrastructure	SP2	20	\$730,240	\$687,740	6.18%	\$687,740	6.18%
TOTAL		2572	\$632,738,095	\$627,512,885	0.83%	\$626,863,695	0.94%

State and Local Government Legislation for LGA

Lockhart Shire Council is the local development consent authority. The current planning instrument for Lockhart is the Lockhart Local Environmental Plan (LEP) 2012 which was gazetted on 21st December 2012.

The 2012 LEP is a comprehensive plan that complies with the NSW Department of Planning, Standard Instrument and includes the provision of eight land zones and specifies the minimum lot size required for the construction of a dwelling house in all areas of the shire.

The aims of the Local Environmental Plan are as follows:

- 1) This Plan aims to make local environmental planning provisions for land in Lockhart in accordance with the relevant standard environmental planning instrument under section 33A of the Act.
- 2) The particular aims of this Plan are as follows:
 - a) to encourage the proper management, development and conservation of natural and man-made resources in Lockhart,
 - b) to facilitate growth and development while minimising the cost of such growth and development to the community,
 - c) to assist in the delivery of amenities and services, as well as residential and employment opportunities, to meet demand,
 - d) to provide for a range of development opportunities that contribute to the social, economic and environmental resources of the area,
 - e) to conserve the environmental heritage of Lockhart.

There has been one amendment to the Lockhart Local Environmental Plan since the previous valuation. Amendment No 1 which was gazetted on the 19th December 2014. The amendment introduced an IN1 General Industrial zone with land adjacent to Lockhart and The Rock now zoned General Industrial. The existing R5 Large Lot Residential zone was also expanded with areas adjacent

to Lockhart and areas south and west of The Rock now zoned Large Lot Residential. The minimum lot sizes within the Large Lot Residential areas have also been amended with average lot sizes ranging from 3 to 5 hectares imposed in addition to the minimum lot size of 2 hectares.

Market Overview and Sales of Particular Interest

Cosgraves Property Advisers have undertaken significant analysis of the Lockhart district property market to provide an accurate and reliable basis of valuation. A total of 53 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 Lockhart Shire sales of residential properties within the villages of Milbrulong, Pleasant Hills, Tootool and Yerong Creek in addition to the larger townships of Lockhart and The Rock indicate relatively stable land values with the exception of a specific component (VLC) within Lockhart, which although has access to electricity, town water and telephone, remains unsewered. The component is located south of the railway line and given the availability of alternate fully serviced sites has resulted in a decrease in demand and corresponding reduction in land value.

A sound number of rural property sales have transacted within the Shire of Lockhart since the 1st July 2014 with specific increases in land values of 5% within the mixed farming area to the southern sector of the Shire, north and east of The Rock township and including generally steeper grazing holdings located on the eastern side of the Lockhart Shire. The Primary Production Zone (RU1) is also inclusive of Hobby Farm style properties comprising an area of between 20 – 80 hectares with a notable increase in land values adjacent to The Rock Township. The Rock's proximity to the regional city of Wagga Wagga has generated an increase in demand for Hobby Farm and indeed Large Lot Residential (R1 Zone) style property within relatively easy commuting distance for employment and access to a large range of retail goods and professional services.

Significant Issues and Developments

The impact of declining population within rural communities continues to be a major concern as Councils endeavour to maintain services. On current trends the population within the Lockhart Shire currently (2011) assessed at 3,100 is expected to fall to 2,550 by 2031.

The recently released (October 2015) Independent Pricing and Regulatory Tribunal report on the 'Assessment of Council Fit for the Future Proposal' addresses the current and future viability of councils within NSW and provides for key recommendations.

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.

Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2014)

Within the villages of Milbrulong, Pleasant Hills, Tootool and Yerong Creek in addition to the larger townships of Lockhart and The Rock indicate relatively steady land values having a factor of 1.00 applied following completion of sales analyses for the 1st July 2015 Base Year with the exception of a specific component (VLC) within Lockhart which had a factor of 0.50 applied. Although properties within this component have access to electricity, town water and telephone it remains unsewered. The component is located south of the railway line and given the availability of alternate fully serviced sites has resulted in a decrease in demand and corresponding reduction in land value.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

A sound number of rural property sales have transacted within the Shire of Lockhart since the prior annual valuation (2014) indicating a slight increase in land values within the Primary Production Zone (RU1) of 0.98%.

Specific increases in land values with a factor of 1.05 have been applied to four components within the Primary Production Zone comprising the mixed farming area to the southern sector of the Shire, north and east of The Rock township, steeper grazing holdings located on the eastern side of the Lockhart Shire and Hobby Farm style properties comprising an area of between 20 – 80 hectares adjacent to The Rock township.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2014)

Commercial properties within the Shire of Lockhart fall within the Village Zone (RU5) and are primarily limited to the townships of Lockhart and The Rock. Sale activity has been limited with a factor of 1.00 being applied for the 1st July 2015 Base Year.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2014)

Industrial properties within the Shire of Lockhart fall within the General Industrial Zone (IN1) and are primarily limited to the townships of Lockhart and The Rock. Sale activity has been limited with a factor of 1.00 being applied for the 1st July 2015 Base Year.

DISCLAIMER – PURPOSE OF THIS REPORT

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

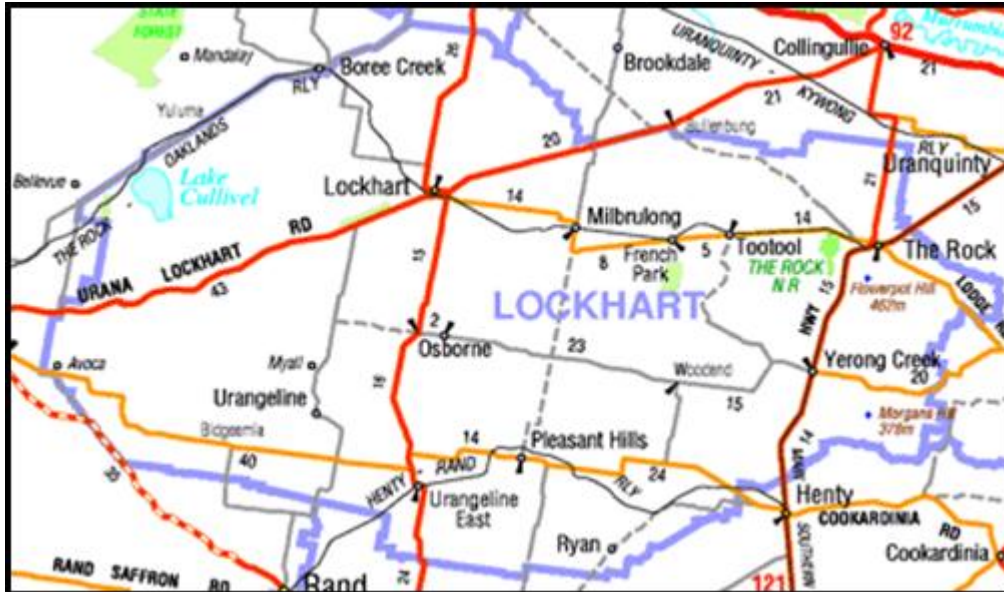
Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

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



Lockhart Shire Council is located in the Eastern Riverina region of NSW. The shire covers a predominantly rural land base of 3,000 square kilometres. The principal towns are Lockhart, situated 60 kilometres west of Wagga Wagga, and The Rock situated 25 kilometres south west of Wagga Wagga. Smaller villages include Yerong Creek, Milbrulong, Pleasant Hills and Tootool. Total shire population is approximately 3,100 (2011).

The topography of the shire comprises undulating to low hills in the far eastern section and level to gently undulating land in the central and western sections. Rainfall ranges from 570mm on the most eastern areas down to approximately 440mm on the western edge of the shire.

Principal Towns

Lockhart

The township of Lockhart is the prime commercial centre within the Shire having a population of 800 (2011) and providing for a range of retail goods and services, agricultural supplies and provision of medical services. Educationally Lockhart is well serviced with two schools comprising Lockhart Central School (K-12) in addition to St Joseph's Primary School (K-6).

The township is steeped in history with a number of properties listed by the National Trust with a feature being its main street noted for its restored building facades and for its deep shady verandahs.

The Rock

The township of The Rock is located on the eastern fringe of the Shire boundary having a population of 860 (2011) and provides for basic retail goods and services. Educationally The Rock has a Central

School (K – 10). Given the townships proximity to the major regional centre of Wagga Wagga it is proving an attractive alternative for those desiring a rural lifestyle with easy access to a regional centre for employment and a full range of retail and professional services in addition to medical and educational institutions.

Main Industries

The major industry within the Lockhart Shire is primary production with significant areas of cropping undertaken incorporating cereal and canola in addition to the grazing of beef cattle and sheep.

Significant Retail Centres

The Local Government Area of Wagga Wagga adjoins Lockhart Shires north eastern boundary with the City of Wagga Wagga being easily accessible providing for a full range of goods and services in addition to a source of employment for those who commute and elect to live within the Lockhart Shire.

Type of Residential Development

Residential development in the towns and villages is predominantly single dwellings.

State and Local Government Legislation for LGA

Lockhart Shire Council is the local development consent authority. The current planning instrument for Lockhart is the Lockhart Local Environmental Plan (LEP) 2012 which was gazetted on 21st December 2012.

The 2012 LEP is a comprehensive plan that complies with the NSW Department of Planning, Standard Instrument and includes the provision of seven land zones and specifies the minimum lot size required for the construction of a dwelling house in all areas of the shire.

Lockhart Shire has developed controls on the subdivision of land and the erection of dwellings.

The minimum lot sizes for the various zones are:

Zone	Minimum Allotment Size
Environment Protection	
E1 – National Parks and Nature Reserves	N/A
Industrial	
IN1 – General industrial	250 ha
Residential	
R5 – Large Lot Residential	2 ha
RU5 – Village	450m ² and 2000m ²
Recreation	

Zone	Minimum Allotment Size
RE2 – Private Recreation	N/A
Rural	
RU1 – Primary Production	250 ha
RU3 – Forestry	N/A
Special Purpose	
SP2 – Infrastructure	N/A
Waterway	
W1 – Natural Waterways	N/A

Market Overview and Sales of Particular Interest

Residential

Residential development has primarily been undertaken by the Shire of Lockhart in the township of Lockhart in an endeavour to stimulate growth. Developments have been undertaken on the eastern and western fringes of the town in addition to the former sales yards site west of the CBD. The take up of land has occurred over a number of years and has generally been considered successful in consolidating growth within the township.

Land values within the township of Lockhart have generally remained steady having a factor of 1.00 applied following completion of sales analyses for the 1st July 2015 Base Year with the exception of a specific component (VLC) within Lockhart which had a factor of 0.50 applied. Two recent sales (03/15 and 05/15) of vacant allotments each comprising 2023sqm located on Osborne and Reid Streets have shown a strong decrease in land value. Although properties within this component have access to electricity, town water and telephone it remains unsewered. The component is located south of the railway line and given the availability of alternate fully serviced sites has resulted in a decrease in demand and corresponding reduction in land value.

Land values within the township of The Rock have generally remained steady having a factor of 1.00 applied following completion of sales analysis of the 1st July 2015 Base year.

There has been a slight increase of land values within the Large Lot Residential Zone (R1) having a factor of 1.05 being applied. These properties are located on the township fringe and are providing for an affordable attractive rural lifestyle alternative to living in the nearby Rural City of Wagga Wagga.

Given The Rock is located only some 30 radial kilometres south west of the Wagga Wagga CBD it underpins the future growth potential with accessibility to a full range of retail goods, professional and medical services, educational options and employment prospects.

Villages

Land values within the villages of Milbrulong, Pleasant Hills, Tootool and Yerong Creek have generally remained steady having a factor of 1.00 applied following completion of sales analyses for the 1st July 2015 Base year. The once vibrant villages servicing their rural community now face challenges as the size of farming operations generally increase with an overall decline in rural population in addition to retirees being drawn to live within the larger centres with a greater range of services available.

Commercial

Commercial properties within the Shire of Lockhart fall within the Village Zone (RU5) and are primarily limited to the townships of Lockhart and The Rock. Sale activity has been limited with a factor of 1.00 being applied for the 1st July 2015 Base Year.

Industrial

Industrial properties within the Shire of Lockhart fall within the General Industrial Zone (IN1) and are primarily limited to the townships of Lockhart and The Rock. Sale activity has been limited with a factor of 1.00 being applied for the 1st July 2015 Base Year.

Rural Locations within the LGA

Throughout the Shire of Lockhart land values vary according to soil type, rainfall, topography, accessibility and location. Within the Primary Production (RU1) zone thirteen components categorise land types with five focusing on large rural property types, six identifying parcels of land with areas of less than 80 hectares within the general farming areas and two components identifying hobby farms of less than 20 hectares.

The five primary rural components comprise:

RMA - Component consists of 160 Primary Production zoned mixed farming properties in the southern areas of the Lockhart Shire.

RMB - Component consists of 45 Primary Production zoned mixed farming properties greater than 80 hectares north and east of The Rock

RMC - Component consists of 548 Primary Production zoned mixed farming properties greater than 80 hectares incorporating Galore, Lockhart through to Pleasant Hills.

RMG - Component consists of 54 Primary Production zoned properties greater than 80 hectares, on the eastern side of the Lockhart Shire and tending to be steeper grazing parcels

RMP - Component consists of 108 Primary Production zoned rural properties, generally on the western side of the Lockhart Shire.

Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

The impact of declining population within rural communities continues to be a major concern as Councils endeavour to maintain services. On current trends the population within the Lockhart Shire currently (2011) assessed at 3,100 is expected to fall to 2,550 by 2031.

The recently released (October 2015) Independent Pricing and Regulatory Tribunal report on the 'Assessment of Council Fit for the Future Proposal' addresses the current and future viability of councils within NSW and provides for key recommendations.

Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

Within the villages of Milbrulong, Pleasant Hills, Tootool and Yerong Creek in addition to the larger townships of Lockhart and The Rock indicate relatively steady market trend having a factor of 1.00 applied following completion of sales analyses for the 1st July 2015 Base Year with the exception of a specific component (VLC) within Lockhart which had a factor of 0.50 applied. Although properties within this component have access to electricity, town water and telephone it remains unsewered. The component is located south of the railway line and given the availability of alternate fully serviced sites has resulted in a decrease in demand and corresponding reduction in land value.

Overall since the Prior Annual Valuation (2014) there has been a slight decrease in land values within the Village Zone (RU5) of 1.67% with a total land value of \$42,799,960 in 2014 to a current land value of \$42,083,630 as at the 1st July 2015.

A sound number of rural property sales have transacted within the Shire of Lockhart since the prior annual valuation (2014) indicating a slight increase in land values within the Primary Production Zone (RU1) of 0.98% with a total land value of \$577,737,565 in 2014 to a current total land value of \$583,407,725.

Specific increases in land values with a factor of 1.05 have been applied to four components within the Primary Production Zone comprising the mixed farming area to the southern sector of the Shire, north and east of The Rock township, steeper grazing holdings located on the eastern side of the Lockhart Shire and Hobby Farm style properties comprising an area of between 20 – 80 hectares adjacent to The Rock township.

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 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.

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