

Cootamundra Shire

Final Report 2015

Date: 15th October 2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Cootamundra Shire Area

The Cootamundra Shire area is located in the Riverina region of New South Wales, approximately 380 kilometres to the south-west of the Sydney Central Business District. Cootamundra Shire comprises a land area of approximately 1525 square kilometres that predominantly comprises undulating agricultural land producing winter grains, hay, wool, fat lamb, and beef cattle.

The Shire area is adjoined by five other shires: Young to the north, Harden to the east, Gundagai to the south, Junee to the south-west and Temora to the north-west. The Shire has a population of around 7500 people.

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

The Cootamundra Shire comprises Residential, Rural, Commercial, Industrial, Special Purpose Activities, Environmental and Public and Private Recreation zones.

4168 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 issued to owners for the Base Date of 1 July 2012.

The Cootamundra Shire property market has remained steady across most sectors with many having static to slightly increasing values. Cootamundra Shire is a highly regarded rural locality due to its close proximity to Sydney and Canberra, reliable rainfall and good soils. Purchasers are attracted to the facilities of the regional centre and its industry.

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	(R1,R3, R5, RU5)	2756	\$161,998,380	\$161,516,250	0.29%	\$161,330,440	0.41%
Rural	(RU1, RU4)	955	\$420,493,410	\$418,711,890	0.42%	\$419,688,190	0.19%
Commercial	B3	211	\$17,420,100	\$17,408,600	0.07%	\$17,515,000	-0.54%
Industrial	(IN1, IN2, IN3)	136	\$10,819,090	\$9,909,290	8.52%	\$9,858,390	9.74%
Special Purpose	(SP1, SP2)	44	\$2,351,260	\$2,239,540	4.98%	\$2,273,540	3.41%
Environment	(E1,E3)	40	\$11,308,400	\$11,308,400	0.00%	\$11,458,920	-1.31%
Recreation	(RE1, RE2)	26	\$3,525,000	\$3,533,400	-0.23%	\$3,572,540	-1.33%
Total			\$627,915,640	\$624,627,370	0.53%	\$625,697,020	0.35%

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Cootamundra Local Environmental Plan 2013 was gazetted on 26 July 2013. There have been a couple of amendments to the LEP since the previous valuation.

The Cootamundra Shire is governed by the Cootamundra Local Environmental Plan 2013 (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 Cootamundra Shire property market to provide an accurate and reliable basis of valuation. 92 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 Cootamundra Shire this year sales of residential properties indicated no change in values throughout the year. Rural properties also had no change 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 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 General Valuation (2012)

Growth has been slow to static in most residential locations of the market since the last General Valuation in 2012, with development occurring in the sought-after, excellent quality estates Matilda Ave and Florance Gardens. Residential sales activity has declined since the last General Valuation in 2012, however values have remained relatively stable during this period with only a minor increase in overall values.

Changes since previous Valuation Year (2014)

Sales volumes have been static in the last twelve months with residential values generally remaining stable over the past year. Generally, the activity occurred in the newly developed subdivisions of Cootamundra; while the more established areas of town continue to remain more tightly held.

Summary of Valuation Changes to Rural Land

Changes since previous General Valuation (2012)

The rural areas of the LGA predominantly comprise undulating agricultural land producing wheat, canola, cereal crops, sheep, wool, fat lambs and cattle. Cootamundra is a highly regarded rural locality due to its reliable rainfall and high quality soils. Properties in this component are tightly held, however the recorded sales over the past three years shows a static market with no market movement.

Changes since previous Valuation Year (2014)

There has been only one sale recorded in the past year. There is some evidence that buyers from Cootamundra and other tightly held reliable rainfall areas have recently purchased properties outside the district (Temora and Bland) due to the limited supply and relatively high property prices within their district. The limited sales evidence in Cootamundra over the past two years shows a static market with no market movement.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2012)

Since the last General Valuation in 2012, commercial values in Cootamundra have generally been stable with the land values remaining generally unchanged.

Changes since previous Valuation Year (2014)

Sales turnover has been similar to last year, being all in the secondary commercial area. Property sales included a small shop, a substantial heritage listed building, a large shop with display/storage facilities and residences located in the business area. There are a number of vacant shops in the commercial core, with minimal demand except from small start up businesses. Sales evidence in the commercial sector indicates a static market.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2012)

The Industrial areas in the Shire are tightly held, with most properties being owner occupied. Sales volume and demand over the last few years has been very low. Since the last General Valuation in 2012, industrial values in Cootamundra have generally been stable, however values in the light and heavy industrial areas that are closest to the Cootamundra town have increased due to pressure from investors and developers seeking better located sites.

Changes since previous Valuation Year (2014)

The Industrial areas in the Shire are tightly held, with most properties being owner occupied. Sales volume and demand over the last few years has been very low. Since the last Annual Valuation industrial values in Cootamundra have generally been stable, however values in the

light and heavy industrial areas that are closest to the Cootamundra town have increased due to pressure from investors and developers seeking better located sites.

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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 Cootamundra 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 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

LGA OVERVIEW

LOCATION OF THE DISTRICT

The Cootamundra Shire area is located in the Riverina Region of New South Wales approximately 380 kilometres to the south-west of the Sydney Central Business District. The Cootamundra Shire comprises a land area of some 1525 square kilometres that predominantly comprises undulating agricultural land producing winter grains, hay, wool, fat lamb, and beef cattle.

The Shire area is adjoined by five other shires: Young to the north, Harden to the east, Gundagai to the south, Junee to the south-west and Temora to the north-west.

PRINCIPAL TOWNS

Cootamundra

Cootamundra is the principal town in the Cootamundra Shire and is a prominent regional centre with a population of around 6000. It is located approximately 97 kilometres to the north-east of the Wagga Wagga Central Business District. It is bypassed by the Hume Highway, but its railway station is on the main southern line; part of the Melbourne to Sydney line. Renowned features include Bradman's Birth place, The Captain's Walk and Jubilee Park, Albert and Fisher Parks. Located within Cootamundra is a TAFE college and Riverina Community College while associated Secondary, Primary and High Schools complete the educational services. It features farming, industry and professional businesses and enterprises. The Primary Retail Centre in Cootamundra is located on Parker and Wallendoon Streets. Cootamundra properties include approximately 2550 residential and 350 industrial and commercial properties located in the township.

Stockinbingal

Stockinbingal is a village in the Shire with a population of around 250, located approximately 23 kilometres north-west of Cootamundra. It is primarily a farming community producing crops and livestock standard to the shire, and also contains small orchards of olives, almonds and cherries. The main street, Hibernia, comprises eight commercial buildings, a railway station and Bowling Club. Current operating businesses consist of a Cafe and Newsagency, a Museum and Antique Store, Hotel, Post Office, Bowling Club, Police Station and Freight Railway Station.

Wallendbeen

Wallendbeen is a village situated approximately 20 kilometres north-east of Cootamundra, with a population of around 150. It features some historic buildings including an operating pub, a public school (primary), a waste depot and well maintained recreational areas (sporting oval and tennis courts).

MAIN INDUSTRIES

Major enterprises within the Shire include winter grains, hay, wool, fat lamb, and beef cattle together with Health and Community, Industrial, Retail, Agricultural Servicing, and Local Government.

SIGNIFICANT RETAIL CENTRES

The Primary Retail Centre in Cootamundra is located on Parker and Wallendoon Streets. It comprises offices, five major banks and a credit union, agricultural services and shops, including major chain stores such as Woolworths and Target.

TYPE OF RESIDENTIAL DEVELOPMENT

In the Cootamundra Shire the majority of development is located in and around Cootamundra Town. A smaller amount of residential development is located in the Villages of Stockinbingal and Wallendbeen.

The Cootamundra 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. Cootamundra town has a number of small residential unit developments and townhouse style properties located close to town. Approximately 75% of the occupied private dwellings in the region are owner occupied and 25% are rented.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Cootamundra Shire is governed by the Cootamundra Local Environmental Plan 2013 (LEP). It was gazetted on the 26 July 2013. 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 Cootamundra Shire in accordance with the relevant standard environmental planning instrument under section 33A of the Act. There have been a couple of amendments to the LEP since the previous valuation. The amendments have only had a very minor impact on values.

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

Zone	Minimum Allotment Size
Residential/Village	2000m ² (RU5 Wallendbeen and Stockinbingal) 1ha (R5) 350m ² , 450m ² (R1 Cootamundra) 300m ² (R3 Cootamundra)
Rural/Forestry	2000ha (E1, E3, RU1) 6ha (RU4)
Business	By Council Consent
Industrial	2000m ² (IN1, IN2, IN3) or by Council Consent

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

In the Cootamundra Shire the majority of development is located in and around Cootamundra Town. A smaller amount of residential development is located in the Villages of Stockinbingal and Wallendbeen.

The Cootamundra 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. Cootamundra town has a number of small residential unit developments and townhouse style properties located close to town. Approximately 75% of the occupied private dwellings in the region are owner occupied and 25% are owned by investors.

Cootamundra Shire also has an extensive range of Government services including one State High School (Cootamundra High), two State Primary Schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES and Ambulance, one hospital, Council Chambers and administrative offices for various Government Agencies.

Additional community based facilities available within the LGA include various denominational churches, a private school and a special needs school (Elouera Special School), child care centres, various aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis courts and golf courses.

Residential sales activity in Cootamundra over the last year has been lower than the previous year, with a 12% reduction in overall sales. Sales turnover has been in decline since a peak in 2011/12. 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. The only sales of vacant lots were by a builder/developer as part of house and land packages in the Florance Gardens Estate, located in the eastern part of Cootamundra.. There is a minimal supply of vacant land in the two main estates of Dunwill Park and Florence Gardens, due to the construction of a number of new homes over the past three years. Agents report limited demand for vacant residential lots, notwithstanding the few remaining available lots in the estates and infill lots scattered throughout Cootamundra.

Four well located medium density residential lots adjacent to the Cootamundra Golf Club have recently been sold at premium prices after a pre marketing campaign.

Cootamundra Shire is proposing to subdivide twelve residential lots as Stage One of a 21 Ha parcel of Council owned land on Bartley Street Cootamundra. Council has an available supply of englobo land in this location to meet residential lot demands in the foreseeable future.

No distinct trend appears in relation to increases or decreases of value in the residential areas of Cootamundra and overall we consider that there has been no market movement.

The recent expansion of the abattoirs was expected to result in an increase in demand for residential properties, however agents advise that a number of workers share accommodation and have not purchased houses in town.

Since the last General Valuation in 2012, Residential values in Cootamundra have generally been stable with the land values remaining generally unchanged.

The value levels adopted are supported by both vacant and improved sales analysis.

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 of the LGA.

VILLAGES

There are a small number of residential dwellings located in the two villages within the LGA.

Total sales turnover in the villages is similar to last year, with sales recorded in both Wallendbeen and Stockinbingal. The sales evidence shows no market movement over the past year.

Since the last General Valuation in 2012, village values have generally been stable with only a slight decrease in land values in Stockinbingal and a slight increase in values in Wallendbeen.

COMMERCIAL

The Cootamundra LGA comprises 211 Business zoned properties which are all located in the prime and secondary business areas of Cootamundra township. The majority of these properties are used for commercial purposes and include shops, offices and banks on Parker and Wallendoon Streets, with approximately 20% being improved residential properties generally in the peripheral locations. The commercial properties are tightly held with most properties being owner occupied.

Sales turnover has been similar to last year, being all in the secondary commercial area. Property sales included a small shop, a substantial heritage listed building, a large shop with display/storage facilities and residences located in the business area. There are a number of vacant shops in the commercial core, with minimal demand except from small start up businesses. Sales evidence in the commercial sector indicates a static market.

Since the last General Valuation in 2012, commercial values in Cootamundra have generally been stable with the land values remaining generally unchanged.

The value levels adopted are supported by sales analysis of improved properties.

INDUSTRIAL

The industrial properties in the LGA are all located in Cootamundra township. There is a wide variation in size and usage ranging from small industrial estate and residential use lots to larger properties that are used for industrial and hobby block purposes.

The Industrial areas in the Shire are tightly held, with most properties being owner occupied. There have been no sales in any of the industrial components during the year. The sales evidence in the industrial and commercial sectors over the past two years indicates a static market, consistent with other sectors in Cootamundra. Industrial properties closest to Cootamundra central have been regraded, and are showing an increase due to pressure from investors and developers seeking better located sites. Overall the industrial sites closer to Cootamundra town are showing an increase in values over the last 12 months and from the 2012 General Valuation.

RURAL

The Cootamundra Shire is a highly regarded rural locality due to its reliable rainfall, good soils, and proximity to Canberra and Sydney. The rural areas of the LGA predominantly comprise undulating agricultural land producing wheat, canola, cereal crops, sheep, wool, fat lambs and cattle. The most common rural land use in the Cootamundra 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 shown no market movement since the last general valuation and no market movement over the past 12 months. Properties in this component are tightly held with only one sale recorded in the past year. The rural components in the adjoining shires overall are showing the beginnings of a resurgence with increasing demand partly attributed to good rainfalls and more profitable returns from recent & sustained increased stock prices. There is some evidence that buyers from Cootamundra and other tightly held reliable rainfall areas have recently purchased properties outside the district (Temora and Bland) due to the limited supply and relatively high property prices within their district. Lifestyle grazing/hobby farms, rural-residential and rural retreat holdings closer to Cootamundra town though have show a slight increase.

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 neighboring & 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 Cootamundra LGA:

Undulating to steep grazing

This area is located on the southern, south eastern and south western parts of the Shire and varies from open cleared grazing land to lightly treed granite grazing slopes and heavily treed hill country. Native trees include redgum, box, ironbark, stringybark and cypress pine. These lands are used for sheep and cattle production.

Mixed farming

This area comprises prime mixed farming land located in the central and eastern parts of the shire and fair to good mixed farming lands located in the north western part of the Shire adjoining the Districts of Temora and Young. The predominately serpentine and basalt red loam soils are ideal for mixed farming with the main enterprise being winter cereal cropping with livestock production a secondary but strategically important enterprise. Native trees include redgum, box and gums.

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 therefore no special consideration is required.

New residential developments in discussion or underway include:

- Proposed Council subdivision of twelve residential lots as Stage One of a 21 Ha parcel on Bartley Street
- Cootamundra Oilseeds \$10M new factory to produce canola oil and meal for the livestock feed market

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

- Proposed Council subdivision of twelve residential lots as Stage One of a 21 Ha parcel on Bartley Street
- Expansion of the Manildra Meats Abattoir (formerly GM Scott)
- Subdivision of six well located Medium Density lots adjacent to the Country Club
- Cootamundra Oilseeds \$10M new factory to produce canola oil and meal for the livestock feed market

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

Apart from a small number of Industrial properties, 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, Cootamundra town residential values have generally been stable with the land values remaining largely unchanged. This follows the same overall trend from the previous valuation year and supports that the current market levels are generally static.

Properties in certain suburbs within the LGA have overall increased and decreased at differing rates:

- Large Lot residential properties have increased by 17% as they are mostly larger lots capable of subdivision.
- Industrial areas closest to the Cootamundra Town have increased by 12 and 22% due to pressure from residential investors and developers seeking better located sites.
- Stockingbingal has decreased by -4.48%
- Wallendbeen has increased by 2%
- Small hobby blocks close to Cootamundra have increased by about 5%

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 Contractor 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

Report Prepared by:

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

Keith Williams
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15th October 2015