

Bombala Shire

Final Report 2015

Date: 9th October 2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Bombala Local Government Area

The Bombala City Council area is located between Cooma-Monaro Shire, Snowy River Shire and the Victorian border, approximately 210 km kilometres to the south of Canberra and 485 km to the south-west of Sydney in the Monaro Region of New South Wales. Bombala LGA comprises a land area of approximately 3,945 square kilometres that predominantly includes undulating rural grazing land, timbered lifestyle areas on the eastern portion and areas of plantation timber to the south-west. The Local Government Area (LGA) is adjoined by three other LGAs – Bega Valley Council to the east, Cooma-Monaro Council to the north and Snowy River Council to the east.

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

The Bombala Local Government Area comprises Residential, Rural, Commercial, Industrial, Infrastructure/Special Purposes, Environmental and Public Recreation zones. 1,978 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 2014. The Bombala property market generally has remained static across all sectors.

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	Number of Entries	2015 Total Land Value \$	Prior Annual Valuation (2014) \$	% Change	Prior Local Government Valuation (2013) \$	% Change
Residential	(R1, R2, R3, RU5)	782	33,061,420	33,127,190	-0.198	33,300,070	-0.717
Rural	(RU1, RU2, RU3, RU4, RU6, W1)	1052	250,137,705	251,046,805	-0.362	258,403,650	-3.199
Commercial	(B1, B2, B3, B4, B5)	114	5,802,100	5,810,300	-0.141	5,722,330	+1.394
Industrial	(IN1, IN2, IN3)	11	600,000	600,000	0	687,500	-12.727
Infrastructure	(SP1, SP2)	5	396,800	396,800	0	396,800	0
Environmental	(E1, E2, E3, E4)	2	239,000	239,000	0	239,000	0
Public Recreation	(RE1, RE2)	12	1,380,520	1,380,520	0	1,351,320	+2.161
Total		1,978	291,617,545	292,600,615	-0.336	300,100,670	-2.827

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Bombala Local Environmental Plan 2012 gazetted 29 June 2012. There has been an amendment, Bombala LEP Amendment No. 1, dated 11 April 2014.

The Bombala Local Government Area is governed by the Bombala Local Environmental Plan 2012 (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

QVA Contractors have undertaken significant analysis of the Bombala LGA property market to provide an accurate and reliable basis of valuation. A total of 40 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. QVA Contractors 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 Bombala LGA this year sales and resales of properties indicated little variance in values throughout the year with only slight movement from August 2014 to 1 July 2015 for properties zoned residential. Rural properties apart from minor fluctuations remained constant.

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 (2013)

There has been no change to residential values over the review period. Bombala is the principal urban area and the administration centre for the Shire, with a smaller township of Delegate and villages of Bibbenluke, Craigie and Cathcart. In all cases land values are at the lower end of the range for southern NSW. There has been a low volume of sales over the review period with values generally static. There was an increase in Delegate values in the 2014 period albeit from a very low base.

Changes since previous Valuation Year (2014)

There has been no change to residential values over the review period. The number of sales has declined slightly in the period.

Summary of Valuation Changes to Rural Land

Changes since previous General Valuation (2013)

The primary rural activity in the Shire comprises beef production, wool growing and plantation timber. There is also a steady demand for retreat/lifestyle properties in the more timbered and remote locations. Rural values have essentially remained steady over the period; there has been a small reduction in large grazing properties on verification to correct some anomalies in levels of value.

Changes since previous Valuation Year (2014)

There has been limited sales activity over the period with values remaining steady. Climate and growing conditions have been generally good with firm stock and wool prices. Good quality grazing land continues to experience strong demand and is staunchly held by growers; poorer quality land attracts little interest and is marketed to lifestyle purchasers.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2013)

Bombala township contains the bulk of commercial and service properties in the Shire with only a few businesses in Delegate. There has been very limited number of sales over the period with values static.

Changes since previous Valuation Year (2013)

There have been only 2 business sales in the period with values remaining constant. There appears to be little change to the makeup of main street retail and business premises.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2013)

Bombala Shire has very few industrial premises and these are located on the eastern periphery of Bombala township. There has been very limited sales evidence with a small decrease over the period.

Changes since previous Valuation Year (2013)

There have been no sales over the period with values remaining static at 2014 levels of value.

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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 Bombala 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

The Bombala City Council area is located between Cooma-Monaro and the Victorian border, approximately 200 km kilometres to the south of Canberra and 485 km to the south-west of Sydney in the Monaro Region of New South Wales. Bombala LGA comprises a land area of approximately 3,945 square kilometres that predominantly includes undulating rural grazing land, timbered lifestyle areas on the eastern portion and areas of plantation timber to the south-west. The Local Government Area (LGA) is adjoined by three other LGAs – Bega Valley Council to the east, Cooma-Monaro Council to the north and Snowy River Council to the east.

PRINCIPAL TOWNS

Bombala

Bombala is the major town in the LGA and is the centre for commercial activities and Shire Council services. The town comprises 2 banks, 2 hotels, modern hospital, nursing home, commercial club, primary and secondary schools, motor workshops, retail and service premises.

Villages of Bibbenluke, Cathcart, Craigie and Delegate

Delegate is a small township to the south-west of Bombala with limited services including a hotel, primary school, fuel sales, general store, stock and station agent and fuel sales. Bibbenluke, Craigie and Cathcart are hamlets with no stores or services.

MAIN INDUSTRIES

Most of the employment in the Shire is concentrated in agriculture and forestry, followed by limited numbers in the retail trade, education, health and community services. The major employer is the Donghwa timber processing plant in Bombala.

SIGNIFICANT RETAIL CENTRES

Bombala town centre comprises the only significant retail and service centre. There are no major retailers with local businesses only.

TYPE OF RESIDENTIAL DEVELOPMENT

Bombala comprises a modest country town servicing the surrounding agricultural and forestry industries. Housing construction ranges from late 19th century cottages to early 20th period with the majority built from the 1950 to 1970s. There is little building activity, the bulk of which comprises renovation and refurbishment. There appears to be little demand for building lots with few out of town buyers and investment activity. Similarly with the villages there is little building activity.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Bombala Local Environmental Plan 2012 gazetted 29 June 2012. There has been an amendment, Bombala LEP Amendment No. 1, dated 11 April 2014.

The Bombala Local Government Area is governed by the Bombala Local Environmental Plan 2012 (LEP). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

These include:

Zone	Minimum Allotment Size
R1	600m ²
R5	2 ha
B1, B2, B3, IN1, IN2, IN3	By Council Consent
RU1	40 ha
RU5	By Council Consent

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

The market in Bombala and Delegate appears to be static with limited numbers of sales in the 2015 period. There has been some minor fluctuation however the market overall has been constant and a factor of 1.000 has been adopted. A sample of residential sales is shown below:-

PROPERTY	LAND m2	SALE DATE	ALV \$	LV 2014 \$	FACTOR
Caveat St Bombala	555	02/2015	25,775	25,000	1.03
Wellington St, Bombala	645	09/2014	32,000	31,600	1.01
Young St Bombala	2757	04/2015	26,000	26,000	1.00
Monaro Hwy Bombala	3912	10/2014	31,900	31,500	1.01
Bombala St Delegate	2062	02/2015	12,000	11,500	1.04
Victoria Pd Delegate	6338	11/2014	20,500	20,800	0.99

VILLAGES

The market in the villages has been similarly static with a very small number of sales in the 2015 period. There are no sales in the villages of Bibbenluke, Craigie and Cathcart. A factor of 1.00 has been adopted.

COMMERCIAL

There has been only 2 sales in the sector with no indication of a change warranted to 2014 levels of value. One sale of a garage/workshop appears out of line and not indicative of market movement while the other comprises a dwelling with a Business zoning purchased for residential purposes.

INDUSTRIAL

There have been no sales in the sector with no indication of a change warranted to 2014 levels of value.

RURAL

Demand for larger rural grazing properties continues to be primarily from adjoining and neighbouring growers increasing their scale of operations. This demand is centred on the better quality land and soil types. There have 2 sales in such circumstances which have shown a significant premium and have been regarded as out of line, above reasonable market levels.

The majority of rural sales are in the 100ha to 300ha range comprising poorer quality timbered grazing to bushland in the Corrowong area. They are mostly purchased by Sydney and Canberra buyers as lifestyle/retreat properties not based on primary production potential. Several of these sales appear out of line, above reasonable market levels. Past sales history in the region shows these types of properties being purchased at inflated prices, held for a number of years then resold at a loss.

A sample of rural sales is shown below:-

PROPERTY	LAND Ha	SALE DATE	ALV \$	LV 2014 \$	FACTOR
Corrowong, timbered grazing/lifestyle	237.1	01/2015	101,500	90,000	1.13
Corrowong, timbered grazing to bush/lifestyle	295.8	01/2015	118,000	105,000	1.07
Delegate Rd Bombala, good quality clear grazing	421.6	11/2014	600,330	600,000	1.00

Sales of rural homesites and lifestyle properties comprise a major component of the market in the LGA. Demand appears to steady with values generally static at 2014 levels of value. A sample of rural/lifestyle sales are shown below:-

PROPERTY	LAND Ha	SALE DATE	ALV \$	LV 2014 \$	FACTOR
Delegate Rd Delegate	17.02	02/2015	41,950	40,400	1.04
Monaro Hwy Lords Hill	33.69	12/2014	113,440	112,000	1.01
Creewah Rd Creewah	49.01	12/2014	98,600	98,000	1.01

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 and land values of some localities within the Bombala LGA:

LOCALITY	LAND TYPE	AREA Ha	2015 \$/H	2015 LV \$	2014 LV \$
Monaro Highway Ando	Grazing property, 15 km north of Bombala, undulating to low hills, good basalt grassland, shelter timber.	282	1341	378,000	378,000
Cathcart Rd Cathcart	Grazing property, 12 km north-east of Bombala, undulating mostly native grassland, scattered light timber, small bush patches.	392	1472	577,000	577,000
Rosemeath Rd Bombala	Grazing property 7 km south of Bombala, undulating mostly arable clear grassland, scattered light timber, small bush patches	748	1404	1,050,000	1,110,000
Quidong Rd Quidong	Grazing property 19 km west of Bombala, undulating to hilly, approx 40% clear grassland, 60% timbered grazing to bush	2406	470	1,130,000	1,130,000
Delegate River Rd Delegate	Grazing property 6 km west of Delegate, gently undulating, clear arable grassland, river frontage.	438	1799	788,000	788,000
Glen Allen Rd Glen Allen	Rural/lifestyle property 37 km north-east of Bombala, mostly bush hills, small clear patches.	462	303	140,000	140,000

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

Development application details are requested from the Shire planner. There appears to have been no significant approvals in the period.

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

Development application details are requested from the Shire planner.

A particular significant development was the opening of the Dongwha timber processing plant in 2013.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have not been any significant value changes from the prior to current Annual Valuation. There have been minor alterations to values identified in verification to correct relativities between particular properties.

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT LOCAL GOVERNMENT COUNCIL RATING VALUATION

There have not been any significant value changes from the prior to current Local Government Valuation. There have been minor alterations to values identified in verification to correct relativities between particular properties.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of QVA 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. 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 black ink, appearing to read 'K Williams'.

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Date 9th October 2015