

Temora Shire

Final Report 2015

Date: 15th October 2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Temora Shire Area

The Temora Shire is located in the South West Slopes / Northern Riverina Region of New South Wales, approximately 420 kilometres to the south-west of the Sydney Central Business District. Temora Shire comprises a land area of approximately 2813 square kilometres that predominantly comprises mixed farming properties with a smaller number of grazing holdings. The Shire is adjoined by five other shires – Bland to the north, Young to the north-east, Cootamundra to the south-east, Junee to the south and Coolamon to the west.

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

Temora Shire comprises Residential, Rural, Business, Industrial, Special Purpose, Recreation, Environmental and Waterway zones. 3919 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.

Temora Shire property market has slightly increased across all sectors. Temora Shire is a highly regarded rural locality due to its good soils and reliable rainfall. 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 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, R5, RU5)	1,923	\$120,829,440	\$109,348,650	10.49%	\$109,611,950	10.23%
Rural	(RU1, W2)	1,309	\$442,708,970	\$389,162,180	13.75%	\$370,122,510	19.6%
Commercial	(B2, B4,B6)	444	\$26,426,200	\$23,942,400	10.37%	\$23,927,400	10.44%
Industrial	(IN1)	54	\$3,730,300	\$2,955,020	26.24%	\$2,955,020	26.24%
Infrastructure	(SP1, SP2)	159	\$12,982,380	\$11,985,520	8.31%	\$11,917,520	8.95%
Public & Private Recreation	(RE1, RE2)	30	\$3,849,300	\$3,693,500	4.21%	\$3,741,500	2.88%
Total		3,919	\$610,526,590	\$541,087,270	12.83%	\$522,275,900	16.90%

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Temora Shire is governed by the Temora Local Environmental Plan 2010 (LEP) which was gazetted on the 11th of June 2010. There have been no amendments to the LEP since the previous valuation. 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 Temora Shire property market to provide an accurate and reliable basis of valuation. 100 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 Temora Shire this year sales of residential properties indicated a slight increase in values throughout the year. Rural properties also had a very slight increase 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 Valuation Year (2014)

Sales research indicates a strengthening market with increased values in all sectors, including the cheaper peripheral areas and the more central locations.

Sales turnover is around 30% higher than last year, with strong demand for recently subdivided lots in new land releases near the High School and TAFE facilities.

Agents and Council have been promoting the town to local and out of town home owners and investors as well as farmers moving into town. Record low interest rates and housing affordability in Temora are also contributing factors.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

Rural properties in Temora Shire over the last 12 months overall are showing a resurgence with increasing demand partly attributed to good rainfalls and more profitable returns from recent & sustained increased stock prices. The incidence of rural land purchases by adjoining or nearby owners provides ongoing support for this market.

The sales volume in the rural areas as been similar to last year, but has declined by around 30% overall since 2012/13. Notwithstanding the reduced sales activity over the past two years, recent sales indicate an increase in values in the mixed farming and grazing sectors.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2014)

There has been a low volume of sales over the last 12 months. Sales, inline with residential values indicate a slight increase in values.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2014)

There has been a low volume of sales over the last 12 months. Sales overall indicate a good increase off a prior low value base.

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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 Temora 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 Temora Shire is located in the South West Slopes / Northern Riverina Region of New South Wales, approximately 420 kilometres to the south-west of the Sydney Central Business District. Temora Shire comprises a land area of approximately 2813 square kilometres that predominantly comprises mixed farming properties with a smaller number of grazing holdings. The Shire is adjoined by five other shires – Bland to the north, Young to the north-east, Cootamundra to the south-east, Junee to the south and Coolamon to the west.

PRINCIPAL TOWNS

Temora

Temora is the principal town in the Temora Shire and is a prominent regional centre. It is located approximately 80 kilometres to the north of the Wagga Wagga Central Business District. The primary retail centre in Temora Shire is located in Temora Township north & south of where the Burley Griffin Way cuts through the town centre. This area was established in the 1850's, and some original buildings still house businesses there. It features predominantly independent stores, in addition to several chain stores, a library, banks and services such as Australia Post. The area fringing this retail centre also contains Council Chambers, Temora Courthouse and the town's Police Station. Features of Temora include the Aviation Museum, boasting one of the world's finest collections of flying historic aircraft, its 1ha Rural Museum and New South Wales' only Ambulance Service Museum. The Aviation area hosts a special activities residential subdivision for private aviation enthusiasts to build dwellings alongside their own aviation hangars. Temora properties includes residential, industrial, commercial and special purpose properties located in the township.

Ariah Park

Ariah Park is a village of some 270 people located approximately 37 kilometres north-west of Temora. The village provides basic services to its rural surrounds, including agricultural services and retail in its café, supermarket and bank, chemist, post office (including a small library) and antique store. Educational services are provided by the local preschool and kindergarten to year twelve school. It features historic buildings, the facades of which show careful restoration. The importance placed on the town's history is also shown in the museum, operated by the staff of the next door community-run bric-a-brac store. Several recreational areas provide venues for the village's clubs and sporting communities, including a golf course and public swimming pool, and a bowling green adjacent to a bowling club/restaurant. The village also provides a small but relatively popular camping/caravan ground.

Springdale

Springdale is a village situated approximately 19 kilometres east of Temora. It features some scattered residential area and recreational area providing venue and equipment for residents of the village.

MAIN INDUSTRIES

Major enterprises within the agricultural component of the Shire include winter grains, hay, wool, fat lamb, beef cattle. This also provides the basis for a robust agricultural servicing industry.

The aviation industry is a major player in the area, driven by the Temora Aerodrome services located to the north of Temora on Airport Street. This is predominantly a large private aviation industry within the Council's Special Activities residential subdivision precinct, attracting aircraft enthusiasts of mainly retirement age to live in dwellings with specialty aviation hangars attached. It is also a strong driving force for Temora's tourism industry, with the Aviation Museum and its attached flying displays reportedly up to tripling the town's population for special displays.

A strong trotting/pacing industry is representative of the shire's sporting industry. Other assets to this industry include some field events the area is famous for, such as the Temora Golden Gift for track racing enthusiasts.

Health and community, retail, and local government industries are also strongly represented.

SIGNIFICANT RETAIL CENTRES

The primary retail centre in Temora Shire is located in Temora Township north & south of where the Burley Griffin Way cuts through the town centre. This area was established in the 1850's, and some original buildings still house businesses there. The main retail centre takes up two blocks with fringe retail & commercial businesses either side. It features predominantly independent stores, eateries, boutique shopping, hair and beauty stores, sports stores, craft stores, bookstore and auto. Major Chain stores are also present; a Target Country, with a Harvey Norman store, McDonald's outlet, Woolworths and IGA supermarkets present in the immediate area. Four major banks and one Credit Union are also present in this area.

TYPE OF RESIDENTIAL DEVELOPMENT

Development in the Temora Shire is mostly centred around the township of Temora. A smaller amount of residential development is located in the Villages of Aria Park and Stockinbingal.

The Temora 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. Temora 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

Temora Local Environmental Plan 2010 gazetted 11 June 2010. There have been no amendments to the LEP since the previous valuation.

The Temora Shire is governed by the Temora Local Environmental Plan 2010 (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 Temora Shire in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Temora Shire has development controls including the Temora Shire Development Control Plan 2012 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	750m ² (R1) 1ha, 2ha (R5) 2000m ² (RU5)
Rural/Forestry	40ha (RU1) 40ha (E1)
Business	500 m2 (B2) 500m2, 750m2 (B4) 2ha (B6) 750m2 (SP1)

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

Development in the Temora Shire is mostly centred around the township of Temora. A smaller amount of residential development is located in the Villages of Aria Park and Stockinbingal.

The Temora 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 that vary in size, quality, style and construction. followed by a large number of such dwellings located in rural locations on both hobby and larger farms. Temora 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.

Temora town has full utility service availability including a reticulated town water supply, reticulated sewerage and telecommunication services. Aria Park and Stockinbingal have reticulated town water supply and telecommunication services.

Temora Shire also has an extensive range of Government services including one State High Schools (Temora High), two State Primary Schools and one State Central school serving all school years (Aria Park Central), emergency services including Police, NSW Fire Brigade, Rural Fire Service and Ambulance, one Hospital (Temora and District Hospital), Council Chambers and administrative offices for various Government Agencies.

Additional community based facilities available within the shire include various denominational churches, a private school, libraries, child care centres, various aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis courts and golf courses.

Sales volumes have increased by about 30% in the last twelve months with residential values generally moderately increasing by about 10% over the past year. There have been new land releases near the High School and TAFE facilities. There is good demand for recently subdivided lots. Sales research indicates a strengthening market with increased values in all sectors, including the cheaper peripheral areas and the prime more central locations. Agents and Council have been promoting the town to local and out of town home owners and investors as well as farmers moving into town. Record low interest rates and housing affordability in Temora are also contributing factors.

There is sufficient supply of available serviced residential lots to meet current demand and there are further residential subdivisions due to be released over the next twelve months. The value levels adopted are supported by both vacant and improved sales analysis.

VILLAGES

There are two villages in the Temora Shire, Aria Park which is the larger village having a range of residential, commercial educational and sporting facilities and Springdale which is smaller and has limited facilities. There has been reduced sales activity in the villages compared with last year. The analyzed sales in both Villages indicate a slight increase in values during the year. Village residents are essentially made up of retirees from the village & the surrounding farming fraternity, small business owners & locals commuting to the larger centres for work.

COMMERCIAL

The business areas of Temora comprise the Local Centre, Mixed Use and Enterprise Corridor.

The Local Centre properties comprise the prime location and fringe properties.

The prime properties are located in the main shopping area of Temora fronting Hoskins Street. Properties in this component are tightly held and there have been no sales during the past year.

The fringe location properties comprise a mix of residential use, offices, commercial buildings and shops located along the northern and southern parts of Hoskins Street and nearby streets. There have been 6 sales over the past year, being mostly residences and town houses, with only one commercial building sale.

Properties in the Mixed Use zone are used for business, office, residential, retail and other compatible uses and are located mainly along Baker and Crowley Streets to the west of Hoskins Street. Sales activity in the fringe areas has been similar to last year with 6 sales recorded, all being residences. The sales showed an increase in values over the past year.

The Enterprise Corridor is a small component located in the northern part of Temora mainly along Trungley Road and Goldfields Way near the airport. The objectives of the zoning include the promotion of businesses along main roads, to encourage a mix of compatible uses including business, office, retail and light industrial uses. The majority of these properties are currently used as hobby lots with a scattering of industrial sheds. There has been only one sale in this component during the year, being a Rural/Residential use property with a shed. This sale indicated that there has been some market movement since its previous sale in 2012.

INDUSTRIAL

Temora City is a prominent regional centre with a small agriculture and related value added industrial centre located mainly on the eastern side of Temora with a smaller area to the north west and around the railway line to the south. Overall industrial properties are mainly owner occupied and are tightly held. Over the last 12 months there were a low number of sales which is the historical trend. Council has sufficient englobo industrial land located in east Temora which can be developed to meet short to medium term requirements.

Most of the industrial type activity has been associated with the Special Activities sites located in the Airport Park estate. These sites have been popular with aviation enthusiasts moving to the Town and Council intends releasing further lots on the northern side of the airport when the currently available lots are sold.

There is also a small Special Activities component which comprises properties that are mainly used for grain handling facilities located along the Temora-Roto railway line. These properties are well held by established companies and there have been no sales over recent years.

There are also some industrial type uses in the Infrastructure zoning which comprises a range of Shire and Company owned properties with uses that include rail and grain handling, hospital, airport and sewer treatment. Council sold its former works depot and adjacent cottage during the year.

Sales research in the Special Activities and Infrastructure components indicates an increase in values over the past year.

RURAL

The Temora Shire is a highly regarded rural locality due to its reliable rainfall and good soils.

The most common rural land use in the Temora Shire is broad acre mixed farming in addition to grazing properties on the eastern and western parts of the shire and a significant number of smaller rural home sites and hobby farms.

The broad acre rural property market has experienced increases of approximately 10% to 15% over the past 12 months. Rural properties in Temora overall are showing 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 in the Shire due to the limited supply and relatively high property prices within their districts. The incidence of rural land purchases by adjoining or nearby owners provides ongoing support for this market.

The sales volume in the rural areas as been similar to last year, but has declined by around 30% overall since 2012/13. Notwithstanding the reduced sales activity over the past two years, recent sales indicate an increase in values in the mixed farming and grazing sectors.

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 Temora LGA:

Undulating to steep grazing

This area is located to the east and west of the town of Temora and varies from open cleared grazing land to lightly treed grazing slopes and heavily treed hill country. Soils comprise medium to gravelly red/grey loams. Native trees include redgum, box, ironbark, stringybark, kurrajong and cypress pine. These lands are used for sheep and cattle production.

Mixed farming

This area comprises good mixed farming land located throughout the shire. Soil types vary from medium red loams to heavier clay loams, with the main enterprise being winter cereal cropping with livestock production a secondary but strategically important enterprise. Native trees include redgum, box, cypress pine 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:

- Subdivision of 13 lots off Gloucester Street near TAFE and schools.
- Proposed subdivision of 11 lots off James Street.
- Proposed subdivision of 21 rural/residential lots off Back Mimosa Road

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have not been any large significant value changes from the prior to current Annual Valuation. Most areas have had slight to moderate increases.

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

- Industrial Land has increased by 26% off a low value base
- Aria Park has increased by about 17% off a low value base
- Springdale has increased by 5%
- Primary Production areas have increased by 13.75%
- Residential and Business areas in Temora town have increased by about 10%

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 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 black ink, appearing to read 'K Williams'.

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15th October 2015