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

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EXECUTIVE SUMMARY

LGA OVERVIEW

Local Government Area of Urana

The Urana Shire Council is located in the Western 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 use properties are also situated in Urana and Oaklands.

Urana remains a strongly rural based shire with mixed farming based on winter cropping and livestock production being the most common rural activities. Irrigated crops and fodder are also grown in the Oaklands area with irrigation water supplied via the West Corurgan Private Irrigation District scheme from the Murray River. Irrigation water is also sourced from the Yanco Creek in the north west of the shire.

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

The Urana Shire area comprises Residential, Rural, Environment Protection and Special Purpose zones.

1,384 properties were valued at the Base Date of 1 July 2015 with a total land value for Urana Shire of \$345,530,295. The 2014 prior annual valuation land value was \$330,166,236. The current total land value therefore indicates an increase of 4.65%.

Valuations are reflective of the property market at the time. Previous Notices of Valuation were issued to owners for the Base Date of 1 July 2013.

The Urana Shire comprises significant rural holdings with strong market activity experienced since 2013 from corporate interest, primarily Lawson Grains, in addition to established enterprises expanding their holdings.

The Primary Production Zone (RU1) has experienced positive growth in land values of 4.91% with a prior total land value in 2014 of \$316,740,505 to a current land value as at the 1st July 2015 of \$332,306,624. We note a corresponding increase in the Infrastructure Zone (SP2) properties of 5.02% which are primarily utilised by the Commonwealth and comprise rural land.

The residential market has seen fluctuations particularly with an increase in values since the 1st July 2014 in the village of Oaklands and a notable decrease in values in the township of Urana. Land values within the villages of Boree Creek, Rand and Morundah have remained relatively stable. Overall the Shire is experiencing a decline within the residential market sector with a 7.76% reduction in value with a total Village (RU5) land value of \$6,449,641 in 2014 to a current land value as at the 1st of July 2015 of \$5,949,281.

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	No. of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2013)	% Change
National Parks & Nature Reserves	E1	1	\$162,000.00	\$162,000.00	0%	\$162,000.00	0%
Large Lot Residential	R5	17	\$873,300.00	\$873,300.00	0%	\$873,300.00	0%
Primary Production	RU1	652	\$332,306,624.00	\$316,740,505.00	4.91%	\$317,049,865.00	4.81%
Village	RU5	707	\$5,949,281.00	\$6,449,641.00	- 7.76%	\$6,897,478.00	-13.75%
Infrastructure	SP2	7	\$6,239,090.00	\$5,940,790.00	5.02%	\$5,940,790.00	5.02%
TOTAL		1384	\$345,530,295.00	\$330,166,236.00	4.65%	\$330,923,433.00	4.41%

State and Local Government Legislation for LGA

The Urana Local Government area is governed by the Urana Local Environmental Plan 2011 gazetted on the 23rd of September 2011.

The 2011 LEP is a comprehensive plan that complies with the NSW Department of Planning, Standard Instrument and includes the provision of six 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 Urana 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 sustainable economic growth and development,
 - b) to protect, enhance and conserve agricultural land through the proper management, development and conservation of natural and man-made resources,
 - c) to identify, protect, conserve and enhance Urana's natural assets,
 - d) to allow for the equitable provision of social services and facilities for the community,
 - e) to conserve, protect and enhance the environmental and cultural heritage of Urana.

There have been two amendments to the Urana Local Environmental Plan since the previous valuation.

Amendment No 1 which was gazetted on 13th April 2012 related to minor updates to various Maps associated with the Urana Local Environmental Plan.

Amendment No 2 which was gazetted on 24th May 2013 removed Storage Premises from the list of Prohibited uses within R5 Large Lot Residential areas.

These amendments have had minimal effect on land values.

Market Overview and Sales of Particular Interest

Cosgraves Property Advisers have undertaken significant analysis of the Urana district property market to provide an accurate and reliable basis of valuation. 19 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 Urana Shire sales of residential properties within the villages of Boree Creek, Morundah and Rand indicate relatively stable land values with an increase in values in the village of Oaklands and a decrease in land values within the township of Urana.

Rural property sales within Urana Shire have reflected an increase in land values since the 1st July 2014. Of particular interest is that Lawson Grains Pty Ltd, has made some substantial purchases of farming properties in the Urana, Corowa, Greater Hume and Jerilderie districts over the past 3 years. So far, approximately 21,686 hectares has been purchased at a total price of approximately \$64.56 million with some 15,400 hectares located within the Urana shire.

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 Urana Shire currently (2011) assessed at 1,200 is expected to fall to 800 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)

Land values within the villages of Boree Creek, Rand and Morundah have generally remained stable with sales volumes relatively low in all three villages.

The village of Oaklands has experienced a positive adjustment with a factor of 1.10 being applied for the 2015 Annual Valuation. Of note there have been a number of recent acquisitions by out of town purchasers.

Sales evidence in 2015 within the rural village of Urana indicates a softening of the market particularly in respect to vacant land sales with a factor 0.80 applied.

Overall since the Prior Annual Valuation (2014) total land value within the Village Zone (RU5) has declined 7.76%.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2014)

A sound volume of rural sales have occurred in the Urana Shire since the prior annual valuation (2014) indicating an increase in land values within the Primary Production Zone (RU1) of 4.91%. One significant factor potentially influencing the rural property market has been the recent significant purchases by Lawson Grains. Lawson Grains Pty Ltd have made substantial purchases of farming properties in the Urana, Corowa, Greater Hume and Jerilderie districts over the past 3 years. So far we have identified this entity has purchased a total area of approximately 21,686 hectares (34 PIDs) at a total price of \$64.56 million, which equates to a gross purchase price of \$2,977 per hectare. Of these purchases 23 PIDs have been located in the Urana district covering a total of approximately 15,400 hectares. The long term sustainable effect of the Lawson Grains purchases on rural property values is yet to be ascertained. Local or adjoining property owners are the other predominant purchasers of rural property in the Urana district.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2014)

Within the Shire of Urana commercial land is included within both Village and Rural Zones. There is very limited commercial activity within these villages and very limited employment opportunities.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2014)

Within the Shire of Urana industrial land is included within both Village and Rural Zones. There is very limited industrial activity within these villages and very limited employment opportunities.

DISCLAIMER – PURPOSE OF THIS REPORT

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Urana Local Government Area. 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



Note: The above map and following information is from the Urana Shire Council website.

The Urana Shire Council is located in the Western Riverina region of NSW. The Shire covers a predominantly rural land base of 3,356 square kilometres. Villages in the Shire include Urana, Oaklands, Boree Creek, Rand and Morundah. Total population is approximately 1,200. Urana is a strongly rural based shire and while 50% of the total count of properties is within the five villages, the residential properties represent less than 1.97% of the total land value of the Shire

The topography of the shire is generally level, with soil types ranging from heavy black plain through the centre of the shire to red and grey loams towards the northern and southern boundaries.

Principal Towns

The Urana Shire includes the villages of Urana, Oaklands, Boree Creek, Rand and Morundah. With the exception of Urana that provides for some retail and rural support services the villages in general provide only very basic support services to the surrounding rural areas. There is very limited commercial or industrial activity within these villages and very limited employment opportunities.

Main Industries

Rural industries include mixed farming in the eastern section tending more to the grazing of sheep for wool production in the western areas. Irrigated crops are grown in the Oaklands area with irrigation water supplied via the West Corurgan Private Irrigation District scheme from the Murray River. Irrigation water is also sourced from the Yanco Creek

Significant Retail Centres

Whilst there is relatively limited availability of retail services within the Shire of Urana residents would generally access such services from the larger centres of Narrandera to the north, Wagga Wagga to the north east, Corowa and Albury Wodonga to the south.

Type of Residential Development

Residential development in the towns and villages primarily comprises single residential dwellings.

State and Local Government Legislation for LGA

Urana Shire Council is the local development consent authority. The current planning instrument for Urana is the Urana Local Environmental Plan (LEP) 2011 which was gazetted on 23rd September 2011.

The 2011 LEP is a comprehensive plan that complies with the NSW Department of Planning, Standard Instrument and includes the provision of six land zones and specifies the minimum lot size required for the construction of a dwelling house in all areas of the shire.

Urana Shire Council has development controls that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
E1 – National Parks and Nature Reserves	100 ha
R5 – Large Lot Residential	1 ha
RU1 – Primary Production	100 ha
RU3 – Forestry	100 ha
RU5 – Village	1000m ²
SP2 - Infrastructure	N/A

Market Overview and Sales of Particular Interest

Villages

Land values within the villages of Boree Creek, Rand and Morundah have generally remained stable with sales volumes relatively low in all three villages.

The village of Oaklands has experienced a positive adjustment with a factor of 1.10 being applied for the 2015 Annual Valuation. Of note there have been a number of recent acquisitions by out of town purchasers.

Sales evidence within the rural village of Urana indicates a softening of the market particularly in respect to vacant land sales with a factor 0.80 applied.

Overall since the Prior Annual Valuation (2014) there has been a decline in land values within the Village Zone (RU5) of 7.76% from a total land value of \$6,449,641 in 2014 to a current total land value of \$5,949,281 as at the 1st July 2015.

Commercial

There is very limited commercial or industrial activity within these villages and very limited employment opportunities.

Industrial

There is very limited commercial or industrial activity within these villages and very limited employment opportunities.

Rural Locations within the LGA

A sound volume of rural sales have occurred in the Urana Shire since the Prior Annual Valuation (2014) indicating an increase in land values within the Primary Production Zone (RU1) of 4.91% from a total land value of \$316,740,505 in 2014 to a current total land value of \$332,306,624 as at the 1st July 2015. One significant factor potentially influencing the rural property market has been the recent significant purchases by Lawson Grains. Lawson Grains Pty Ltd have made substantial purchases of farming properties in the Urana, Corowa, Greater Hume and Jerilderie districts over the past 3 years. So far we have identified this entity has purchased a total area of approximately 21,686 hectares (34 PIDs) at a total price of \$64.56 million, which equates to a gross purchase price of \$2,977 per hectare. Of these purchases 23 PIDs have been located in the Urana district covering a total of approximately 15,400 hectares. The long term sustainable effect of the Lawson Grains purchases on rural property values is yet to be ascertained. Local or adjoining property owners are the other predominant purchasers of rural property in the Urana district.

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 Urana Shire currently (2011) assessed at 1,200 is expected to fall to 800 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

Significant Value Changes – From Prior to Current Annual Valuation

Whilst the land values within the villages of Boree Creek, Rand and Morundah have generally remained stable, sales evidence within the village of Oaklands has supported an increase in land values with a factor of 1.10 being applied as at the Base date 1st July 2015. A review of the sales activity within this Village highlights a number of recent acquisitions by out of town purchasers in addition to local buyers.

Sales evidence within the rural village of Urana indicates a softening of the market particularly in respect to vacant land sales with a factor 0.80 applied.

Overall since the Prior Annual Valuation (2014) there has been a decline in land values within the Village Zone (RU5) of 7.76% from a total land value of \$6,449,641 in 2014 to a current total land value of \$5,949,281 as at the 1st July 2015.

Rural sales within the Shire of Urana highlight an increase in confidence in Primary Production reflected in a positive adjustment to land values within the Primary Production Zone (RU1) of 4.91% from a total land value of \$316,740,505 in 2014 to a current total land value of \$332,306,624 as at the 1st July 2015.

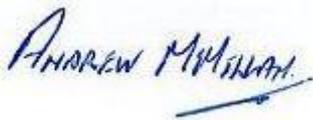
The emergence of corporate investment, in particular Lawson Grains Pty Ltd, into the region in recent years has had a significant influence on the rural market in addition to increased activity from local buyers expanding existing holdings.

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 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.

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