

# Leeton Shire

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Final Report 2015

Date: 21 November 2015

## EXECUTIVE SUMMARY

### LGA OVERVIEW

#### **Leeton Shire Local Government Area**

The Leeton Shire is located in the Riverina region of NSW. It covers an area of some 1,167 square kilometers that includes predominately rural holdings, being a mix of irrigation and dry land farming. The Local Government Area (LGA) is adjoined by three other LGAs – Griffith Shire to the northwest, Narranderra Shire to the east and Murrumbidgee Shire to the south west. Leeton Shire has a population of approximately 12,000.

Leeton provides full shopping, social, educational, medical and banking facilities and is renowned for being the “Heart of Sunrice Country”. It is the location of the administration centre for Ricegrowers Cooperative.

Yanco, Wamoon, Murrumi and Whitton are all serviced by a general store and local primary schools, with Yanco also having a High School with boarding facilities. Yanco and Whitton both have hotels. The townships largely include single residential dwellings, built from the late 1800’s onwards.

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

The Leeton Shire Council Local Government Area comprises residential, rural, commercial, industrial, infrastructure, environmental and public recreation zones.

5,162 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 Leeton Shire property market has generally remained steady across all sectors with many experiencing a slight increase in values. The Leeton Shire LGA is a highly regarded rural locality due to its Mediterranean climate, soil quality, and irrigation infrastructure. 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, R2, R3, R5, RU5)	3,453	\$221,697,930	\$221,369,930	0.1%	\$220,460,560	0.6%
Rural	(RU1)	1,154	\$215,730,259	\$204,920,190	5.3%	\$197,371,451	9.3%
Commercial	(B1, B2, B3, B5)	246	\$33,096,490	\$33,416,990	-1%	\$33,623,790	-1.6%
Industrial	(IN1, IN2)	321	\$20,094,840	\$20,094,840	0%	\$20,106,740	-0.1%
Infrastructure	(SP1, SP2)	44	\$5,670,724	\$5,670,724	0%	\$5,404,260	4.9%
Environmental	(E1, E2)	4	\$94,560	\$89,550	5.6%	\$88,550	6.8%
Public Recreation	(RE1, RE2)	40	\$4,939,210	\$4,939,210	0%	\$4,946,210	-0.1%
Total		5,162	\$501,324,013	\$490,501,434	2.2%	\$482,001,561	4.0%

## STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Leeton Local Environmental Plan 2014 was gazetted 10 June 2014. There have been no significant amendments to the LEP since the previous valuation.

The Leeton Shire Local Government Area is governed by the Leeton Shire Local Environmental Plan 2014 (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 Leeton Shire district property market to provide an accurate and reliable basis of valuation. 208 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. Quotable Valuations 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 Leeton Shire 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 also had a slight increase in values throughout the year. Rental and commercial rental analysis demonstrated a minimal change in values since last year and feasibility studies that were carried out also reflected this. Given this, no market movement was allowed in the sales analysis.

## 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)***

Very slight growth has been evident in most residential locations of the market since the last General Valuation in 2012, with increases in sought-after, centrally located areas and lower value areas remaining generally stable, but with a significant decrease (-38.14%) in the Wattle Hill area, which is a secondary residential area on the outskirts of Leeton. Generally sales in newly developed subdivisions have remained stable. Overall the average increase was minimal.

### ***Changes since previous Valuation Year (2014)***

Sales volumes have increased slightly in the last twelve months with residential values generally remaining stable over the past year. This has seen a marginal increase in total reliable, market sales volume for residential property in Leeton Shire. This level of sales activity has coincided with a steadying of demand for residential property across the town. Overall the average increase was minimal.

### **Summary of Valuation Changes to Rural Land**

#### ***Changes since previous General Valuation (2012)***

The Leeton LGA is a highly regarded rural locality due to its Mediterranean climate and access to irrigation water. Strengthening commodity prices has resulted in an increased demand of broad acre rural property in the area. The ever increasing awareness of healthy eating and the demand for Australian produce is expected to continue to force upward pressure of value levels for broad-acre rural property in the LGA for the foreseeable future.

The most common rural land use in the Leeton Shire LGA is large scale irrigation enterprises in addition to grazing properties and a significant number of smaller rural home sites and hobby farms. The broad acre rural (including irrigation properties) and horticultural properties have increased by up to 19% since the last general valuation. While the rural home sites and hobby farms have remained relatively static. Overall the land values on average increased by 9.3%.

#### ***Changes since previous Valuation Year (2014)***

Rural sales volumes have remained stable across Leeton LGA this year. The broad acre rural (including irrigation properties) and horticultural properties have increased by up to 9% since the 2014 valuation. While the rural home sites and hobby farms have remained relatively static. Overall the land values on average increased by 5.3%.

### **Summary of Valuation Changes to Commercial Land**

#### ***Changes since previous General Valuation (2012)***

There has been some sales activity in the commercial sector since the previous general valuation year. The recorded sales indicate that value levels remained stable. Overall the values showed a very slight decrease which is related to some zoning changes since the introduction of the new LEP in 2014.

#### ***Changes since previous Valuation Year (2014)***

The Leeton commercial market had approximately 10 market sales throughout 2014. The sales indicate a relatively stable market with a lack of variance in land values. The majority of the sales

occurred in Leeton town centre and included a number of owner occupied purchasers. A number of vacancies still remain in the Leeton main street, which limits investor appeal. Overall the values showed a very slight decrease over the past year.

### **Summary of Valuation Changes to Industrial Land**

#### ***Changes since previous General Valuation (2012)***

The Leeton industrial market is services the local area. There has been limited sales activity in the industrial sector since the previous general valuation year. The few recorded sales indicate that value levels remained stable.

#### ***Changes since previous Valuation Year (2014)***

There have been a limited number of industrial sales in the Leeton market, with the sales contracted showing values have remain static.

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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 Leeton Shire 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](http://www.lpi.nsw.gov.au/valuation)

## LGA OVERVIEW

### LOCATION OF THE DISTRICT

The Leeton Shire is located approximately 580 kilometres to the south west of the Sydney in the Riverina region of NSW. It covers an area of some 1,167 square kilometers that includes predominately rural holdings, being a mix of irrigation and dry land farming. The Local Government Area (LGA) is adjoined by three other LGAs – Griffith Shire to the northwest, Narranderra Shire to the east and Murrumbidgee Shire to the south west. Leeton Shire has a population of approximately 12,000.

Leeton provides full shopping, social, educational, medical and banking facilities and is renowned for being the “Heart of Sunrice Country”. It is the location of the administration centre for Ricegrowers Cooperative.

Yanco, Wamoon, Murrumi and Whitton are all serviced by a general store and local primary schools, with Yanco also having a High School with boarding facilities. Yanco and Whitton both have hotels. The townships largely include single residential dwellings, built from the late 1800’s onwards.

### PRINCIPAL TOWNS

The main centre is Leeton town, with the smaller urban areas being the villages of Yanco, Wamoon, Murrumi and Whitton.

Leeton provides full shopping, social, educational, medical and banking facilities and is renowned for being the “Heart of Sunrice Country”. It is the location of the administration centre for Ricegrowers Cooperative.

Yanco, Wamoon, Murrumi and Whitton are all serviced by a general store and local primary schools, with Yanco also having a High School with boarding facilities. Yanco and Whitton both have hotels. The townships largely include single residential dwellings, built from the late 1800’s onwards.

## MAIN INDUSTRIES

Leeton Shire is a small regional centre with agriculture the major industry. Other related value-added agricultural based industries also operate in the shire. Major enterprises within the Shire include irrigated agriculture, cereals, cotton, grapes, citrus and vegetables. There is also intensive livestock production in a major beef and cattle feedlot and dry land mixed farming. There is rice mill in Leeton which services the local rice production.

## SIGNIFICANT RETAIL CENTRES

The Primary Retail Centre in Leeton Shire is located in the Leeton Township. The main retail shopping and service areas are Pine Avneue and Kurrajong Avenue. Leeton is also serviced by two shopping centers located on the fringe of the Business District.

## TYPE OF RESIDENTIAL DEVELOPMENT

Nearly all the residential development in Leeton Shire is of single residential dwellings. There are a few single storey residential investment flats as well as strata units within Leeton Township.

## STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Leeton Shire Local Environmental Plan 2014 was gazetted 10 June 2014. Here have been no significant 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.

The plan contains the following zones:

### Rural Zones

RU1 Primary Production

RU5 Village

### Residential Zones

R1 General Residential

R2 Low Density Residential

R3 Medium Density Residential

R5 Large Lot Residential

### Business Zones

B1 Neighbourhood Centre

B2 Local Centre

B3 Commercial Core  
B5 Business Development  
Industrial Zones  
IN1 General Industrial  
IN2 Light Industrial  
Special Purpose Zones  
SP1 Special Activities  
SP2 Infrastructure  
Recreation Zones  
RE1 Public Recreation  
RE2 Private Recreation  
Environment Protection Zones  
E1 National Parks and Nature Reserves  
E2 Environmental Conservation  
E4 Environmental Living

Leeton Shire Council has development controls that affects the subdivision and erection of dwellings which impacts on land values. Generally the zoned include a minimum lot size of:

Zone	Minimum Allotment Size
R1	750m <sup>2</sup>
R3	500m <sup>2</sup>
R5	4,000m <sup>2</sup>
B1, B2, B3, IN1, IN2,	By Council Consent
RU1	150ha

However it is important to note that there are exceptions to these.

## MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

### RESIDENTIAL

The Leeton Shire Council LGA contains a number of residential and rural settlements, with the majority of development located in and around Leeton town and Yanco town areas.

The Leeton 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. Leeton Township has a number of small residential unit developments and townhouse style properties located close to the main shopping area.

Residential development within the Council area is primarily situated within Leeton Township and in the villages of Yanco, Whitton, Murrumi, and Wamoon.

The majority of the development comprises privately owned single residences that vary in size, quality, style and construction. Additionally, there are a small number of medium density residential developments in Leeton Township

The primary residential areas of Leeton has generally remained stable, however there were some small increases in some areas.

Leeton Shire has full utility service availability including a reticulated town water supply, reticulated sewerage, power and telecommunication services. Leeton Shire Council also has an extensive range of Government services including two State High Schools, primary schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES and Ambulance, Hospital, Council Chambers and administrative offices for various Government Agencies.

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

Sales volumes have increased slightly in the last twelve months with residential values generally remaining stable over the past year. This level of sales activity has coincided with a steadying of demand for residential property across the town. Generally, the slight increase in activity occurred in the well located developed areas of Leeton.

As a whole, the Leeton Township and villages are dependant on the rural sector for continued stability and growth.

## VILLAGES

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

The main villages are Yanco, Wamoon, Whitton and Murrumi.

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 village services include a reticulated town water supply, reticulated sewerage, power and telecommunication services.

## COMMERCIAL

The Leeton LGA commercial market had approximately 10 sales throughout BD 2015. The sales indicate a relatively stable market with a lack of variance in land values. The majority of the sales occurred in Leeton town centre and included a number of owner occupied purchasers. The services available are reticulated town water supply, reticulated sewerage, power and telecommunication services.

## INDUSTRIAL

There has been limited activity in the industrial sector this year.

Leeton has two Industrial zones, one established zone northwest of the town, still with some vacant land available for development and the older area to the south of the railway line. There have been 4 industrial sales this year, generally to established industrial operators in the area. The industrial market is buoyed by the local cropping industry via the Ricegrowers, with the grain handling business remaining strong in the area. Over the last 12 months there has been no increase in industrial land values. The services available are reticulated town water supply, reticulated sewerage, power and telecommunication services.

## RURAL

The Leeton Shire is a highly regarded rural locality due to its Mediterranean climate, irrigation infrastructure, soil quality, and its reasonably reliable rainfall.

The most common rural land use in the Shire is broad acre irrigation and horticulture, including wine grapes and citrus production. Dry land farming areas also feature on the outskirts of the shire. These are predominately grazing and dry land cropping. There are also a significant number of smaller rural home sites and hobby farms.

Improved commodity prices has seen an increase in returns and hence an increase in demand for broad acre rural property in the Shire. These properties along with horticultural blocks have increased over the last year due to increased confidence within the industry coupled with good seasonal conditions prevailing.

## 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 Leeton LGA:

### **Irrigation Country**

This country comprises most of the shire and is located from the Murrumbidgee River in the south to the adjoining shire boundaries. Country is mainly level and soils range from light red sandy loams to red clay loam and heavy grey clays suitable for rice production. Native trees include red gum, box, kurrajong and cypress pine. These lands grow predominantly cereals, grapes, citrus, cotton, corn and rice.

### **Dryland Farming**

This country comprises mainly country on the shire boundaries outside the Murrumbidgee Irrigation system and generally with no alternate access to irrigation water. Country is mainly level. Soil types vary from medium red loams to heavier clay loams, with the main enterprise being winter cereal cropping and livestock production. Native trees include red gum, box, cypress pine and kurrajong.

## SIGNIFICANT ISSUES AND DEVELOPMENTS

### SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have been no significant Development Applications. Most Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

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

There have been no significant Development Applications. Most Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

## 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.

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

Since the last General Valuation in 2012, land values have generally been stable in the residential, rural lifestyle, commercial and industrial sector. While broad acre farms and horticulture blocks have increased by up to 19%.

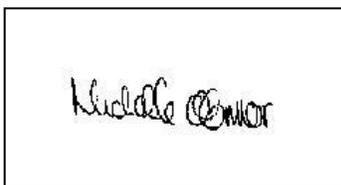
The exception being at Wattle Hill, a residential suburb on the outskirts of Leeton. This showed a significant decrease. From 2012 to 2015, the land values on average decreased by 38.14%, or from an average land value of \$27,000 in 2012 to \$16,828 in 2015.

## 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

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