

2015

**KYOGLE FINAL REPORT AND PROPOSED LAND VALUE LEVELS  
FOR DEPARTMENT OF LANDS LOCAL GOVERNMENT AREA  
KYOGLE (158)**



**Kyogle Train**

Craig Bisley

Southern Cross Valuation Company

# Executive Summary

Kyogle L.G.A. DISTRICT 158 – Base Date 1<sup>ST</sup> JULY 2015

## Kyogle Shire Overview

The Kyogle Council area is located in the far north coast of New South Wales. Kyogle shire is located adjoining the QLD border to the north and stretches south towards Casino and Richmond River Shire in the south. The east boundary is Lismore Shire with Tenterfield in the west. Kyogle shire is approximately 765kms north of Sydney by road. The Shire is approximately 3589 square kilometres in total area. With a population total of 9,824 (Estimated residential population as at 30<sup>th</sup> June 2010 – sourced from Australian Bureau of Statistics – there have been no updates for 2015).

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

There are approximately 5,266 properties recorded on the Register of Land Values within the Kyogle Shire Local Government Area (L.G.A.), the new valuations have resulted in a very slight decrease overall in the total Land Value of the L.G.A of only 268K. Therefore, totals are still similar, approximately \$1,039,808,530M at the prior Annual Valuation 01-07-2014 to \$1,039,539,820M to the current Base Date review of 01-07-2015. This represents a less than 0.1% decrease in overall values.

### **Kyogle 2015 Annual Valuation**

PROPERTIES VALUED & TOTAL LAND VALUES							
Zone	Zone Codes	Number of Entries	2015 Total Land Value (\$)	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2012) (\$)	% Change
Residential	R1, R3, R5, RU5	2008	172,438,550	166,569,660	<b>3.4%</b>	166,348,110	<b>3.5%</b>
Rural	RU1, RU2, RU3, RU4	3069	838,879,680	845,003,780	<b>-0.7%</b>	939,421,060	<b>-12%</b>
Commercial	B1, B2	121	20,389,080	20,389,080	<b>0.0%</b>	20,257,600	<b>0.6%</b>
Industrial	IN1, IN2	24	3,870,860	3,870,860	<b>0.0%</b>	3,874,300	<b>-0.1%</b>
Infrastructure	SP1, SP2	4	210,400	210,000	<b>0.2%</b>	210,000	<b>0.2%</b>
Public Recreation	RE1, RE2	40	3,751,250	3,765,150	<b>-0.4%</b>	3,765,150	<b>-0.4%</b>
<b>Total</b>		<b>5266</b>	<b>1,039,539,820</b>	<b>1,039,808,530</b>	<b>0.0%</b>	<b>1,133,876,220</b>	<b>-9.1%</b>

*Please note all figures & percentages listed are approximates.*

## State & Local Government Legislation for LGA

The Kyogle Local Environmental Plan 2012 (KLEP 2012) has received final approval and commenced from its notification on the NSW Legislation website on 11 February 2013. It replaces all local environmental plans that previously applied to the Local Government Area. Council's Development Control Plans are also amended as a consequence, including the introduction of new clearing controls in the residential zones.

There have been 3 amendments to the 2012 LEP. These amendment has been identified & investigated with no major alterations to value levels at this time.

## Market Overview and Sales of Particular Interest

Southern Cross Valuation Services has a team who have undertaken significant analysis of the Kyogle district property market to provide an accurate and reliable basis of valuation. Approximately 210 sales have been analysed to enable the establishment and verification of land values as at 1<sup>st</sup> 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. The Paired Sales Approach and the Replacement Cost Approach has been used widely throughout our programme.

In analysing sales prior & after the base date 1/7/2015, care has been taken to adjust the price where needed in be in line with market movements. As the prior table has demonstrated overall there has been minor change -0.7 to 3.4% across all zones. For the 3 year local government period has demonstrated overall there has been minor change -0.4 to 3.5% across all zones, except for the rural which has seen a 12% deduction. Attention has also been taken in graded areas that may of seen increases & decreases over the past 12 months.

## Significant Issues and Developments

**Significant developments – from prior to currently annual valuation**

### **Summerland Business and Industrial Park**

Planned Subdivision Summerland Way. The Park at present is farm land and involves the subdivision of the land so as to create one hundred and twenty four (124) industrial lots that can be developed in total or in stages along with the appropriate infrastructure required.

The planning objective of the development is to provide for additional industrial (economic) growth and development within Kyogle as outlined in the Kyogle Development Plan and focuses on the creation of desirable serviced industrial allotments and to provide for diversity in lot sizes and configuration and create employment. The council is extremely supportive of this project. Value of Works \$6.2M

### **Kyogle Water Supply Augmentation & Flood Mitigation Measures**

Civil works associated with construction of off stream storage dam, river levee, break out channel & fish friendly passage. Value of Works \$6.5M

Significant developments – from prior to current local government council rating valuation

## Significant Value Changes

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

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

Since 2012 – 2014 Residential values in Kyogle remained fairly steady, it is only in the past 12 months that Residential & Village land values overall have shown an increase of about 5.0%. R5 zones properties values increased by 5% overall, 2.5% 2012-2014 and another 2.5% 2014-2015. In the villages, Tabulam in 2012-2014 showed the largest increase of 130%. Cawongla of 7% and Woodenbong a decrease of 9% in 2012-2014 and a further 4% in 2014-2015.

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

Residential, Kyogle and RU5 Cawongla Village have shown an increase of about 5.0%. R5 an increase of 2.5%. All other villages were constant, except for Woodenbong that had a reduction of 4%

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

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

Overall rural land values have shown a decrease of about 12% overall. Larger rural 40ha+ property have seen an decrease of about 13% overall. Hobby Farms 10-40ha seeing about a 6-9% decrease 2012 & 2014. Small rural homesites decreases of about 4-5% on the eastern side of the range up to 20% on the western side of the range.

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

Overall rural land values have been constant across all rural properties, these include Larger rural 40ha+ property. Hobby Farms 10-40ha & Smaller Rural Homesites

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

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

Over the past 3 years Commercial values have shown no movement

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

Over the past 3 years Commercial values have shown no movement

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

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

Over the past 3 years Industrial values have shown no movement

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

Over the past 3 years Industrial values have shown no movement

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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 Kyogle 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.

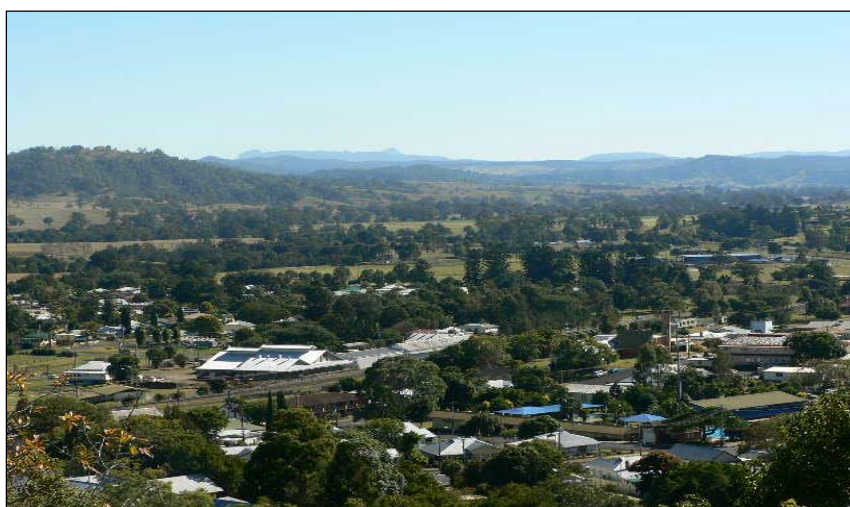
Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

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).

## Kyogle LGA Overview

Kyogle shire is located adjoining the QLD border to the north and stretches south towards Casino and Richmond River Shire in the south. The east boundary is Lismore Shire with Tenterfield in the west. Kyogle shire is approximately 765kms north of Sydney by road. The Shire is approximately 3589 square kilometres in total area. Australian Bureau of Statistics estimated resident population figure for 2015 is 9,256. The site indicates an estimate that there are 20,501 private dwellings. **No updated figures are available on ABS website for 2014 or 2015, all figures are estimates.**



*Central Kyogle Township*

## Principal Towns & Villages

### *Kyogle*

Kyogle is a town in the Northern Rivers region of northern New South Wales, Australia of approximately 4000 people . Founded in the 1830's as a lumber camp, Kyogle also lies on the banks of the Richmond River. The derivation of the name "Kyogle" is believed to have come from the Aboriginal Bundjalung word Kaiou-gal – meaning place of the Plain turkey or Bustard. The District was first noted by Crown Lands Commissioner Oliver Fry, in 1844 and was generally believed to be settled shortly after. Kyogle Township celebrated its centenary on the 28<sup>th</sup> November 2001. Kyogle is known as a "gateway" to many national parks including Border Ranges National Park and Toonumbar National Park. Kyogle won the "Young Legends" category award at the 2012 Australian Tidy Town Awards.

### *Bonalbo Village*



This quaint village's name is interpreted from the Aboriginal word 'bunawblu' meaning bloodwood tree which are dotted throughout the region's lush forests. Bonalbo is also the centre for the surrounding areas for timber, dairying and cattle-grazing industries.

### *Cawongla Village*

Cawongla is a tiny, beautiful village surrounded by the lush green foothills of the Mt Warning caldera and charming old Federation-style timber homes. The Cawongla community spreads out into the surrounding area and is made up of about 300 people. The village sits only 15 minutes east of schools and shops of Kyogle and is only 20 minutes northwest of Nimbin. The village has its own general store, which doubles as a restaurant and makes a very fine pizza, and pre-school/kindergarten in the lovely grounds of what was once the village's primary school. The village post office is officially the world's smallest and can be found 10 minutes to the south at Rock Valley. Cawongla connects to the communities of Kyogle, Wadeville, Barkers Vale, Lillian Rock, Blue Knob, Stoney Chute, Nimbin, Larnook, Rock Valley, Georgica, and Jiggi.

### *Mallanganee Village*

The heritage village of Mallanganee is situated 40 kms west of Casino on the Bruxner Highway, between Casino and Tenterfield. Mallanganee is an aboriginal name meaning a "Place, of Tall Pines". With a population of less than 200, Mallanganee is the first village "West Of The Range", on the western side of the Richmond Range, at an elevation of 400m

### *Old Bonalbo Village*

The village was established to cater for the growing population of 'Cedar Getters' seeking the red gold from the surrounding forests and the arrival of graziers establishing vast landholdings. Old Bonalbo began life in the mid nineteenth century as the original site for the village of Bonalbo

### *Tabulam Village*

Small village on the Northern Tablelands between Tenterfield and Casino. Tabulam is a quaint village of 150 people located in a rather beautiful setting on the Bruxner Highway between Tenterfield (73 km) and Casino (58 km).

### *Wiangaree Village*

A rural based community with a population of around 130. At Wiangaree you turn off for the western entrance of the World Heritage listed (link) Border Ranges National Park. On the banks of the Richmond River, Wiangaree's rural surrounds consists of dairying, beef farming and general horticulture activities.

### *Woodenbong Village*

Woodenbong is largely a timber and cattle town located approx 55kms NW of Kyogle and only 10kms from the Qld border. Woodenbong is a community of about 600 people, 330 in the village itself.

## **Main Industries**

Kyogle Shire's major primary industries include timber, beef production and dairying to a lesser degree in today's economic base, supported for example with a range of crops including Soya beans, barley and maize or corn.

Agriculture and Forestry makes up over 50% of all business in Kyogle and employs 21% of the work force directly. The other main employers in this region are in Education 12.3%, Health 10.2%, Retail 11.3% and Manufacturing at 8.9%.

Hurfordshave completed construction of their new building on the old Norply site (destroyed by fire in November 2007) which has helped employment in the area with 50 new employees.

Examples of other specialist areas are rabbit production and crops include growing of grass seed as well as the production of nuts, bamboo, tea and coffee. Olive tree plantations are also on the increase.

Timber harvesting operations and plantations have been set up mainly for pulp within the Shire and neighboring Shires. This trend this year has reversed with the selling of a number of the properties as returns have not been as good as expected.

Kyogle local government area is has undergone a period of unprecedented land use change due to the extensive timber plantation resource being established. The timber industry has historically been a significant contributor to the economy of the Kyogle Council area.

## **Significant Retail Centers**

Kyogle town is the only significant retail centre located within the large Shire and consists of a "strip centre" which is located in the main street, being Summerland Way which passes through the town. A new IGA supermarket and 3 shops opened on the 4<sup>th</sup> August 2011 at the bottom end of the shopping centre, a major improvement for the town centre. Bonalbo, Woodenbong, Mallanganee and Tabulam have small commercial areas

## **Type of Residential Development**

Kyogle Township development consists predominantly of single residential home sites with very few villa and unit developments, all within close proximity to the commercial area. The demand for older federation homes on larger blocks is evident with premium prices being paid followed by extensive renovations. There is also evidence of renovations to federation type houses in the villages, in particular, Wiangaree, Woodenbong and Bonalbo.

# State & Local Government Legislation for LGA

## *Kyogle LEP 2012*

There have been 3 amendments to the 2012 LEP since October 2014. These 3 amendments have been identified & investigated and considered minor with no alterations to values carried out.

The Kyogle Local Environmental Plan (LEP) 2012 took effect on 11<sup>th</sup> February 2013 and is now the principal planning instrument for the Council area, which conforms to the new state model.

There has been three Amendments to the Kyogle LEP in 2014.

Kyogle Local Environmental Plan 2012 (Amendment No 1). LW 6.6.2014.

“Subdivision, Part Residential, Part Industrial, was all residential”

and

Kyogle Local Environmental Plan 2012 (Amendment No 2). LW 5.9.2014.

“Clarification of process for Boundary Adjustments & Minimum Lot sizes for Split Zones”

And

Kyogle Local Environmental Plan 2012 (Amendment No 3). LW 5.12.2014.

“Clarification of process for Dual Occupancies and Exempt development”

To view the Kyogle LEP 2012 document click here-

<http://www.legislation.nsw.gov.au/maintop/view/inforce/epi+25+2013+cd+0+N>

To view the supporting maps click here-

<http://www.legislation.nsw.gov.au/mapindex?type=epi&year=2013&no=25>

The Kyogle LEP 2012 applies to all land within the Council area except those lands which are shown as ‘Deferred Matter’. Deferred Matter land continues to retain its zoning under the two Kyogle Interim Development Orders. This means that for some properties part of the land is zoned under the Kyogle LEP 2012 and part is zoned under one of the interim development orders. Where this occurs development applications submitted for the land will be required to address both planning instruments.

The new LEP (2012) has yet to realize any major variations on the Real Estate Market. The LEP does provide clarity to areas which before were lacking clear planning controls. One identified area that may see an impact is the B4 Mixed Use zone which approval has just been approved for a subdivision of one of the lots. The R5 Large Lot Residential Zone has also seen a number of new entries in small rural communities, and large increases in value to the small townships of Dryabba and Grevillia in 2013 and now increase similar in Ettrick, a small community to the west of Kyogle.

The market is slow to respond in Kyogle but over time the new LEP(2012) will have an impact on value levels within different zones. Kyogle Township only had one zone before the implementation of the LEP and now has 7, over time development should take

advantage of the more intensive building zones within the LEP. The current valuation year there is little or no impact.

### *Kyogle Development Control Plan 2014*

The DCP is to be read in conjunction with the Kyogle Local Environmental Plan 2012 (the LEP). The DCP seeks to give effect to the aims and objectives of the LEP by providing guidelines for development that is permissible with consent under the LEP

## **Market Overview & Sales of Particular Interest**

### *Residential*

Since 2012-2014 values remained steady, it is only in the past 12 months that Residential values in Kyogle specifically have shown an increase of about 5%. The Villages currently are still showing no change. The Howard Court subdivision at the northern end of Kyogle has seen 8 vacant sales this year, most selling reflecting the 5% increase. The subdivision has only a few sections left

There is still a consistent interest in residential properties in the town of Kyogle & Geneva. The average days that a house is listed on the market has reduced slightly. Median rent prices have experienced a growth of approximately 6% over the last twelve months, with investors receiving approximately \$254 a week.

There are numerous properties for sale in all the villages, the market is slow with increasing enquiries. There has only five vacant land sale in the Villages, one in Woodenbong, two in Mallanganee, one in Tabulum, one in Bonalbo. The number of sales has been fairly constant with last year. Historic differences in value within Woodenbong have now been addressed, resulting in the value range between properties being a lot less, and land value between properties being a lot more consistent for similar sized blocks.

### *Rural Holdings*

Overall rural land values 2012 – 2015 have shown a 12% reduction. In the last twelve months 2014-2015 the values have decreased by 0.7%, this deduction due to a small number of bankrupt forestry sales. Other than these are some minor regrading of values, rural land use values have remained constant since the 2012-2014 reductions. The values seem to have plateaued. Although the number of grazing sales in the last 12 months has increased by 171%, with buyers taking advantage of reductions in last two year's values, to invest in the market.

In 2012-2014 there were only 4 sales over \$800,000, in 2015 there are 7 sales over \$800,000.

Throughout the district and neighbouring districts there have been sales of failed / bankrupt plantations, where what was once grazing land that has had all improvements, fencing etc, removed. These properties have been planted with either the wrong species or the performance of the trees has been poor. The cost to clear and convert back to grazing can be considerable 500-1200Ha. These costs have been reflected in the sale prices such as Yongurra Rd, Kyogle and Dyraaba Rd, Dyraaba and Butlers Rd Deep Creek.

Rural Residential / Hobby Farms land use values have remained constant, similarly to the grazing land. There were very few sales and very few available for sale within the Barkersvale, Lillian Rock and Green Pigeon areas. Overall the number of sales is fairly constant. Many of these properties were to the east of the Richmond range with buyers taking advantage of reductions in last two year's values, to invest in the market. A couple of first home buyers taking advantage of low interest rates, combined with the lower values to buy their first properties.

### *Commercial & Industrial*

Commercial & Industrial properties values within Kyogle are constant, with no change over the last few years.

There has only been one Commercial sale in the commercial area, being 123 Summerland Way in April 2014 for \$130,000. There have been no commercial sales this year. Although there was one property within the zone used for residential. Between 2012-2014 there were two other sales other than the property at 123 Summerland Way. There were three other sales within the new mixed use zone all are currently used as residential house's although in future they could be converted easily for a commercial office use. There are various other properties on the market, all being difficult to sell, and asking prices being reduced.

The new IGA supermarket at the bottom end of town opened on the 4<sup>th</sup> August 2011 in what was considered to be a fringe location, The sale above at 33 Summerland Way is the first sign of investment towards the IGA, replacing an tired looking pizza takeaways with an up market café. IGA has also expanded into the empty shops in the development, with a liquor outlet being opened.

## Significant Issues and Developments

### *Significant developments – from prior to currently annual valuation*

#### **Summerland Business and Industrial Park**

Planned Subdivision Summerland Way. The Park at present is farm land and involves the subdivision of the land so as to create one hundred and twenty four (124) industrial lots that can be developed in total or in stages along with the appropriate infrastructure required.

The planning objective of the development is to provide for additional industrial (economic) growth and development within Kyogle as outlined in the Kyogle Development Plan and focuses on the creation of desirable serviced industrial allotments and to provide for diversity in lot sizes and configuration and create employment. The council is extremely supportive of this project. Value of Works \$6.2M

#### **Kyogle Water Supply Augmentation & Flood Mitigation Measures**

Civil works associated with construction of off stream storage dam, river levee, break out channel & fish friendly passage. Value of Works \$6.5M

*Significant developments – from prior to current local government council rating valuation*

## Significant Value Changes

*Significant Value Changes – from prior to currently annual valuation*

Overall most residential & rural zones have seen a slight decreases or small increase in values of between -0.7% and 3.4%, with volume of steady in most zones except for larger rural grazing that sales levels are up 171% from 2013 – 2014. Commercial & Industrial values have remained fairly steady with no change

*Significant Value Changes – from prior to current local government council rating valuation*

Residential zones since 2012-2015 have seen a 3.5% increase. Rural Zones have seen the largest movement since 2012 with an overall reduction of 12%. Commercial & Industrial values have remained fairly steady with slight decreases or small increase in values of between -0.1% and 0.6%

# Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of Southern Cross Valuation Services 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 ascertainment 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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