



CROWN VALUATION SERVICES

FINAL REPORT

BASE DATE 1st July 2015

DISTRICT OF BLACKTOWN (214)

CONTRACT AREA

BLACKTOWN

18th November 2015

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EXECUTIVE SUMMARY

LGA Overview:

BLACKTOWN LOCAL GOVERNMENT AREA

The Blacktown City Council (BCC) area is situated approximately 35 kilometres west of the Sydney Central Business District, comprising an area of approximately two hundred and fifty (250) square kilometres and a population of about 320,000. Blacktown is adjoined by six other LGAs, including Baulkham Hills (to the North East), Fairfield (South), Hawkesbury (North West), Penrith (West) and Parramatta and Holroyd (East).

The Local Government Area (LGA) is roughly bounded by Bandon Road to the north; Old Windsor Road to the northeast; Toongabbie Creek and Greystanes Creek to the southeast, the Prospect Reservoir and Sydney Water Supply Pipeline to the south, Ropes Creek to the south west; and South Creek to the northwest.

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

Blacktown District comprises of residential, commercial, industrial, rural, environmental, recreational, special use, open space zoned lands.

A total of 103,139 properties were valued as at base date 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. Blacktown LGA property market has experienced growth across all sectors, especially in its residential property market. The residential land values have experienced moderate to high increases since 2014 base date.

Valuation changes in the local government area and percentage changes between the council valuation years of 1 July 2014 and 1 July 2015 and the land tax valuation year of 2013 are as follows:

PROPERTIES VALUED AND TOTAL LAND VALUE

Zone	Zone Codes	Entries	2015 Total LV	2014 LT Total LV	Change From LT %	2014 LG Total LV	Change From LG %
Residential	('R1','R2','R3','R4','Z')	95,747	\$38,922,478,087	\$26,895,452,095	44.72	\$26,895,452,095	44.72
Commercial	('B1','B2','B3','B4','B5','B7')	1,273	\$1,916,501,910	\$1,673,951,840	14.49	\$1,673,951,840	14.49
Industrial	('IN1','IN2')	1,531	\$3,310,956,360	\$3,159,090,860	4.81	\$3,159,090,860	4.81
Infrastructure	('SP1','SP2')	1,007	\$660,836,242	\$440,678,270	49.96	\$440,678,270	49.96
Environmental	('E2','E3')	482	\$40,227,641	\$46,481,521	-13.45	\$46,481,521	-13.45
Public Recreation	('RE1','RE2','W1')	1,597	\$406,034,394	\$378,066,142	7.40	\$378,066,142	7.40
Rural	('RU4')	1,418	\$717,010,014	\$608,601,945	17.81	\$608,601,945	17.81
Totals			\$45,388,341,028	\$32,711,592,770		\$32,711,592,770	

State and local government legislation for BLACKTOWN LGA:

The State Government's planning reforms which include the Standard Instrument, Local Environmental Plans (LEPs) Order 2006 (Standard Instrument) introduced in 2006 requires Local Councils to introduce standardised planning instruments. The Standard Instrument is the state wide template for LEPs which all Councils must use to prepare a new LEP.

Blacktown LEP 2015 was gazetted on 26 May 2015. BLEP 2015 became operational on 7 July 2015. Many land uses under former BLEP 1988 have changed under the new LEP. BLEP 2015 updates the land zonings and development controls that were contained within Blacktown LEP 1988, with a view to guiding how Blacktown can best accommodate new housing, jobs and associated services over the next 25 years.

Market overview and sales of particular interest:

CVS has undertaken significant analysis of the Blacktown District property market to provide an accurate and reliable basis of valuation. Approximately 938 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. CVS 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.

The most recent sales have confirmed the media reporting indicating suburbs with price movements which are nothing less than extraordinary. While some areas are clearly influenced by either zoning changes or improved infrastructure and transport, other areas are seeing the minimum entry level price lift substantially.

Industrial and commercial rental analysis has demonstrated a strengthening demand for properties with sound fundamentals. The most significant value increases for commercial properties are for those with mixed use (residential) development potential.

Significant issues and developments

The NSW Government has committed \$8.3 billion to build Sydney Metro Northwest – Australia's largest transport infrastructure project currently under construction. Once complete, the 23km rail link will run from Epping to Cudgegong Road at Rouse Hill. New stations will be built along the rail link at Cherrybrook, Castle Hill, Showground, Norwest, Bella Vista, Kellyville, Rouse Hill and Cudgegong Road (Area 20). Precinct proposals to rezone the Showground, Bella Vista and Kellyville precincts.

The new rail link combined with new bus services from Rouse Hill, Schofield station relocation and road upgrades such as the Schofield Road upgrade have stimulated the emergence of new suburbs. Greenfield sites are quickly being transformed into full residential precincts with new commercial hubs emerging such as at Richmond Road Marsden Park. A recent sale of a large green field site immediately west of the new Schofields Station for \$103,500,000 indicates the scale of investment that is responding to the arrival of the infrastructure.

Significant value changes

Summary of valuation changes to residential land

The most recent sales have confirmed the media reporting indicating suburbs with price movements which are nothing less than extraordinary. While some areas are clearly influenced by either zoning changes or improved infrastructure and transport, other areas are seeing the minimum entry level price lift substantially. Traditionally modest priced housing in Blacktown is now selling for over 50% more than 12mths ago. While the increase is not great in quantum the percentage change on the lower values is high and will be difficult for stakeholder's of rating and taxing land values to accept. Areas traditionally with lower values and prices are being sold at prices above what was considered "better" areas.

Changes since previous General Valuation (2014)

Residential zoned lands comprise approximately 91.19% of the properties valued with Blacktown LGA. Land values grew at a steady rate following the 2014 General Valuation. In the second half of 2014, a moderate to strong growth in land values occurred as is shown by sales evidence. The residential market has experienced increases of approximately 44.72% since the last general valuation.

Changes since previous valuation year (2014)

In the second half of 2014, a moderate to strong growth in land values occurred as is shown by sales evidence. Over 786 residential sales have been analysed. Effects of rezoning flowing the gazettal of BLEP in 2015, flowed through together with the NSW Government introduction of new laws encouraging secondary dwellings; boosting demand and increasing price for properties with large enough land to accommodate a main dwelling as well as secondary dwelling.

Summary of valuation changes to rural land

Changes since previous General Valuation (2014)

The rural property in Blacktown is a very segregated market that includes rural home sites, small parcels of rural zoned land without building rights and lands with rezoning potential. Sales volumes in these areas have been low resulting in a need to use a range of sales from a wider time frame. The broader rural market has experienced increases of approximately 17.81% since the last general valuation.

Changes since previous valuation year (2014)

Over 35 sales were inspected and analysed for this sector. Market evidence shows a steady increase in land values for this sector.

Summary of valuation changes to commercial land

Changes since previous General Valuation (2014)

Commercial Lands within the LGA cover a wide variety of properties ranging from neighbourhood shops to large retail/commercial properties situated within the core area of Blacktown CBD. Sales within the Municipality have shown a steady market, stock is limited and is keeping pace with demand.

The commercial market has experienced increases of approximately 14.49% since the last general valuation.

Changes since previous valuation year (2014)

In line with market evidence there was generally market movement throughout the commercial zoned properties. Over 40 sales were inspected and analysed for this sector. With the introduction of BLEP 2015, rezoning of properties and changing of development potential appears to have had an effect on purchase prices for this sector.

Summary of valuation changes to industrial land

Changes since previous general valuation (2014)

Sales within the Municipality have shown a steady market that appears to be recovering from the effects from the global financial crisis. Stock is available however finance for speculative developments remains somewhat constrained. Changes to Land Values have been based on sales evidence and general market conditions

The industrial market has experienced increases of approximately 4.81% since the last general valuation.

Changes since previous valuation year (2014)

There has been approximately 76 sales analysed for the industrial sector in the last year. In line with market evidence generally there was slight to moderate market movement throughout the industrial zoned properties.

DISCLAIMER: Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Blacktown 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 enquires 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

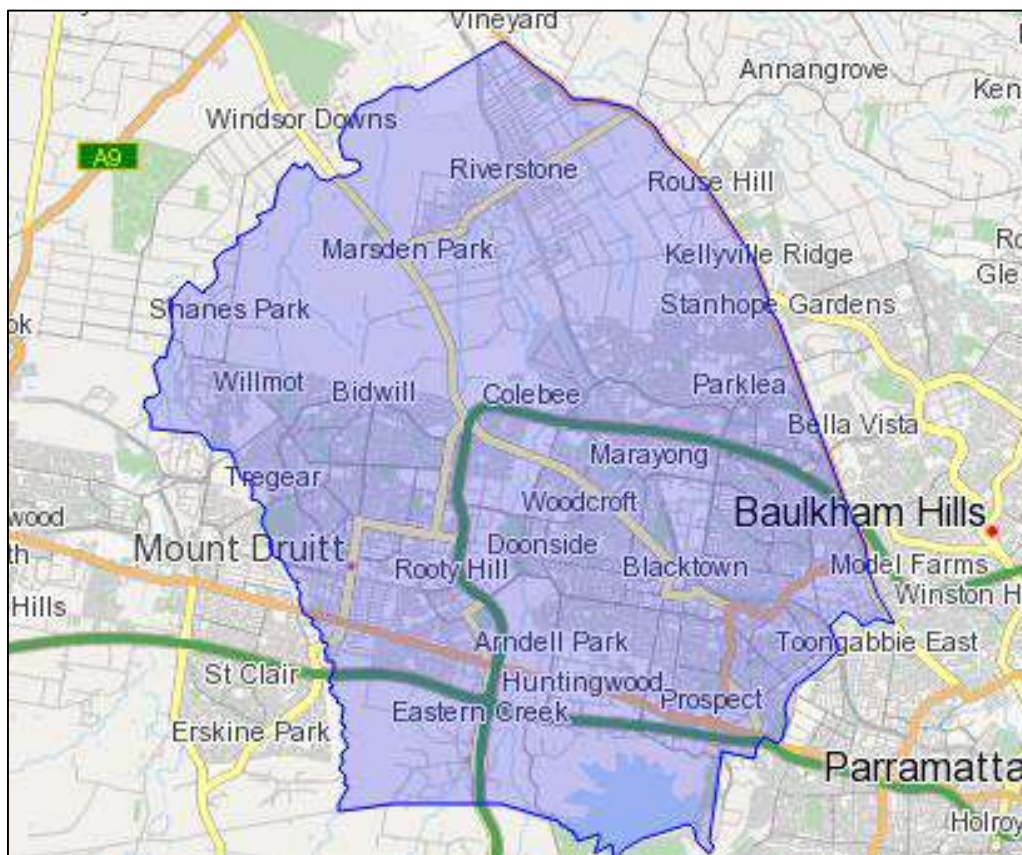
LGA OVERVIEW:

The Blacktown City Council (BCC) area is situated approximately 35 kilometres west of the Sydney Central Business District, comprising an area of approximately two hundred and fifty (250) square kilometres and a population of about 290,000. Blacktown is adjoined by six other LGAs, including Baulkham Hills (to the North East), Fairfield (South), Hawkesbury (North West), Penrith (West) and Parramatta and Holroyd (East).

The Local Government Area (LGA) is roughly bounded by Bandon Road to the north; Old Windsor Road to the northeast; Toongabbie Creek and Greystanes Creek to the southeast, the Prospect Reservoir and Sydney Water Supply Pipeline to the south, Ropes Creek to the south west; and South Creek to the northwest.

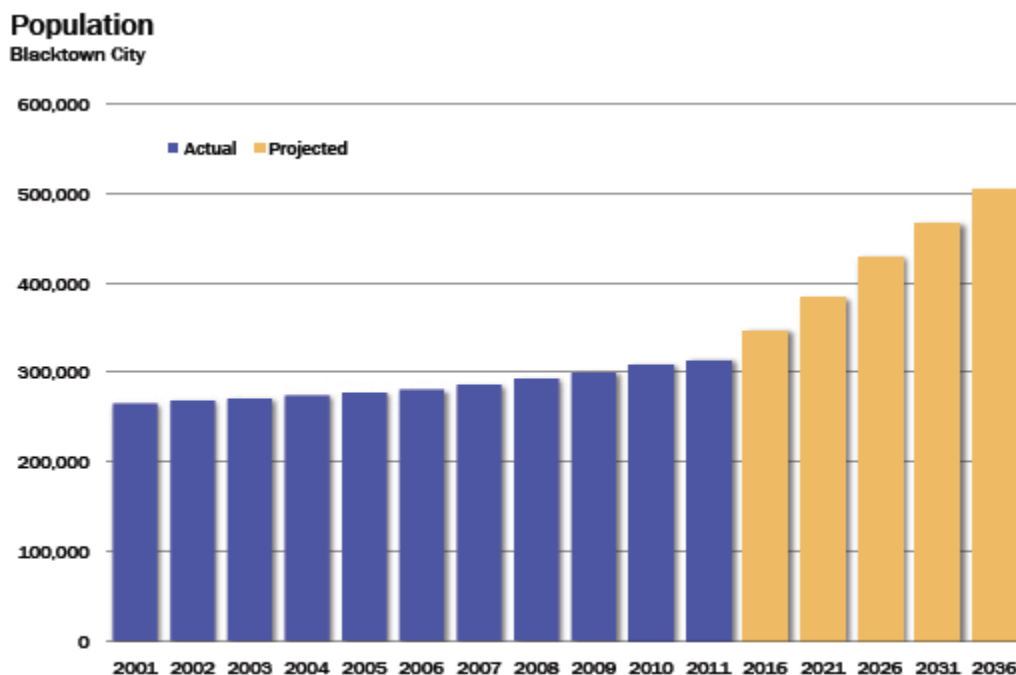
Blacktown is one of the largest and fastest growing LGA's in NSW. Projections confirm continued growth in the LGA.

Map of the Blacktown LGA



Principle Towns or Suburbs

The Blacktown LGA has a population of approximately 321,479 as at 30th June 2011. The annual population growth in Blacktown City in 2010 was the largest of all local government areas in NSW. Over the past 5 years the population of Blacktown City has been growing at an average annual rate of 2.2%, significantly higher than the growth rates for the Sydney Region (1.6%) and NSW (1.4%) over the same period.



Source: ABS 3218.0, NSW Dept of Planning & Lawrence Consulting

Principle Suburbs

The BCC area incorporates some forty eight (48) suburbs, including:

Acacia Gardens	Glendenning	Minchinbury	Seven Hills
Arndell Park	Glenwood	Mount Druitt	Shalvey
Bidwill	Hassall Grove	Oakhurst	Shanes Park
Blackett	Hebersham	Parklea	Stanhope Gardens
Blacktown	Huntingwood	Plumpton	St Marys
Bungarribee	Kellyville Ridge	Prospect	The Ponds
Colebee	Kings Langley	Quakers Hill	Toongabbie
Dean Park	Kings Park	Riverstone	Tregear
Dharruk	Lalor Park	Ropes Crossing	Vineyard
Doonside	Lethbridge Park	Rooty Hill	Whalan
Eastern Creek	Marayong	Rouse Hill	Willmot
Emerton	Marsden Park	Schofields	Woodcroft

Blacktown LGA is predominantly a residential area, comprising single dwelling houses and residential units. Substantial commercial, retail and industrial areas are also represented. The north-western sector of Blacktown represents the main rural/non-urban land usage in the LGA representing approximately 40% of the area. This area is diminishing as more land is released for urban development.

Main Industry

The main industries of the Blacktown LGA include the following:

- Small to large industrial business of manufacturing, warehousing & service providers predominantly located at Eastern Creek, Glendenning, Rooty Hill, Riverstone, Seven Hills, Blacktown and Arndell Park.
- The retail, commercial and community services located in the commercial centres at Blacktown, Mt Druitt, Seven Hills, Quakers Hill and Plumpton.
- Blacktown provides for a variety of sporting, cultural and community opportunities.
- Blacktown City has significant rural areas in the north, used mainly for farming.

According to 2011 census, largest percentage of employment in Blacktown is within the Clerical and Administrative Workers sector at 18.9%; Professionals follows at 15.1% and Technicians and Trades Workers at 14.5%.

Significant Retail Centres

The major business precincts in Blacktown LGA are the Blacktown CBD and the Mt Druitt Centre.

The retail focal points of these two localities are Westpoint Centre in Blacktown owned by Queensland Investment Corporation and the AMP owned Westfield development at Mt Druitt.

Blacktown LGA also has a significant number of local and neighbourhood centres serving its vast population. As usual the older strip retail centres are based around railway facilities [e.g. Seven Hills , and Rooty Hill] with other centres [Plumpton Market Town, Quakers Hill Centre, Stanhope Village Centre etc] being away from the railway and in the midst of the expanding residential developments.

Type of Residential Development

Dwelling Type is an important determinant of Blacktown City's residential role and function. A greater concentration of higher density dwellings is likely to attract more young adults and smaller households, often renting. Larger, detached or separate dwellings are more likely to attract families and prospective families. The residential built form often reflects market opportunities or planning policy, such as building denser forms of housing around public transport nodes or employment centres.

Dwelling Structure

Blacktown City	2011		2006		Change		
Dwelling type	Number	%	Greater Sydney	Number	%	Greater Sydney	2006 to 2011
Separate house	83,094	82.5	58.9	77,967	83.5	60.9	+5,127
Medium density	13,253	13.2	19.7	11,591	12.4	19.1	+1,662
High density	3,878	3.8	20.7	3,067	3.3	19.2	+811
Caravans, cabin, houseboat	326	0.3	0.2	634	0.7	0.3	-308
Other	153	0.2	0.4	129	0.1	0.4	+24
Not stated	75	0.1	0.1	23	0.0	0.1	+52
Total Private Dwellings	100,779	100.0	100.0	93,411	100.0	100.0	+7,368

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented by .id, the population experts.

Table above shows that dwelling structure has increased to a larger extent since 2006 census for medium density and high density housing. Separate House is still the most popular form of dwelling structure in Blacktown City.

Dwelling Type

Blacktown City	2011		2006		Change		
Dwelling type	Number	%	Greater Sydney	Number	%	Greater Sydney	2006 to 2011
Occupied private dwellings	96,398	95.6	92.9	89,030	95.2	92.4	+7,368
Unoccupied private dwellings	4,375	4.3	6.9	4,383	4.7	7.4	-8
Non private dwellings	106	0.1	0.2	85	0.1	0.2	+21
Total Dwellings	100,879	100.0	100.0	93,498	100.0	100.0	+7,381

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented by .id, the population experts.

Significant developments in this LGA include the Western Sydney Institute of TAFE, University of Western Sydney (Blacktown/Nirimba campus), Blacktown/ Mount Druitt Hospital, Westpoint Shopping Centre, Mount Druitt Westfields, Parklea Markets, Rooty Hill RSL, Blacktown Olympic Park and Eastern Creek Raceway. There are also various parks and reserves throughout the LGA.

Transport

The LGA is served by The Great Western Highway, Richmond Road and the M2/ M4 /M7 Motorways.

The LGA offers ten (10) railway stations along two (2) railway lines (main western line and Richmond line) for commuters, as well as regional transport interchange facilities at Blacktown and Mount Druitt.

Overview of Number of Properties in Blacktown District

ZONE	USE	NUMBER
B1	Neighbourhood	276
B2	Local Centre	313
B3	Commercial Core	94
B4	Mixed Use	183
B5	Business Development	184
B7	Business Park	229
E2	Environmental Conservation	478
E3	Environmental Management	6
IN1	General Industrial	1,120
IN2	Light Industrial	411
R1	General Residential	1
R2	Low Density Residential	87,290
R3	Medium Density Residential	5,973
R4	High Density Residential	784
RE1	Public Recreation	1,568
RE2	Private Recreation	26
RU4	Primary Production Small Lots	1,418
SP1	Special Activities	115
SP2	Infrastructure	905
W1	Natural waterways	26
Z	Undetermined Lands	1,739
Total	01/07/2015	103,139

STATE and LOCAL GOVERNMENT LEGISLATION:

As per the State Government's planning reforms which include the Standard Instrument (LEPs) Order 2006 (Standard Instrument), Council has prepared a new LEP which will affect most of the city.

Blacktown LEP 2015 was gazetted on 26 May 2015. BLEP 2015 became operational on 7 July 2015. Many land uses under former BLEP 1988 have changed under the new LEP. BLEP 2015 updates the land zonings and development controls that are currently contained within Blacktown LEP 1988, with a view to guiding how Blacktown can best accommodate new housing, jobs and associated services over the next 25 years.

State Environment Planning Policies (SEPP) address significant issues of the state and people of NSW. These codes include General Housing Code Information, NSW Commercial and Industrial Code Use Guide and Granny Flats.

DCPs provide more detailed planning controls and guidelines relating to the development of land within the City which support the controls contained within Local Environmental Plans. Blacktown Development Control Plan 2015 was adopted by Council on 15 July 2015. The DCP is a document which details the various standards, policies and guidelines related to construction and development for the Blacktown Local Government Area. In addition to the Blacktown Development Control Plan 2006, there are a number of deemed Development Control Plans contained within various State Environmental Planning Policies (SEPPs).

Zones relating to Blacktown City include:

Rural Zones

RU4 Primary Production Small Lots

Residential Zones

R1 General Residential

R2 Low Density Residential

R3 Medium Density Residential

R4 High Density Residential

Business Zones

B1 Neighbourhood Centre

B2 Local Centre

B3 Commercial Core

B4 Mixed Use

B5 Business Development

B7 Business Park

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

E2 Environmental Conservation

E3 Environmental Management

Waterway Zones

W1 Natural Waterways

Guidelines relating to development of land include:

Residential ZonesDetached Single Dwelling

Zone	R2
Minimum Lot Size	450m ²
FSR	0.45:1

Secondary Dwelling

Zone	Where permitted with consent within a zone
Minimum Lot Size	450m ²
FSR	0.45:1

Multi Dwelling Housing – Townhouses and Villas

Zone	R1, R3, R4
Minimum Width & Depth	22 metres or 25 metres
FSR	As per LEP FSR map

Dual Occupancy

Zone	R1, R2, R3
Minimum Lot Size	For R1 shall into consideration Bonnyrigg Living Communities Master Plan 2008. For R2: Either 600m2 or 900m2 For R3: no minimum applies
Minimum Width & Depth	For R1 shall take into consideration Bonnyrigg Living Communities Master Plan 2008. For R2: 15 metres For R3: 15 metres For development on a battleaxe allotment – minimum width and depths off 22m is required.
FSR	For R2 & R3 – 0.45:1

Residential Flat Buildings/ Shop Top Housing

Zone	R1, R4, B1, B2, B4, B6
Minimum Lot Size	No minimum lot size
Minimum Width & Depth	No minimum requirements

Business Zones

Zone	Requirements / Floor space ratio
B1 Neighbourhood Centre	As per the site specific Development Control Plans.
B2 Local Centre	As per the site specific Development Control Plans.
B3 Commercial Core	As per the site specific Development Control Plans.
B4 Mixed Use	As per the site specific Development Control Plans.
B5 Business Development	As per the site specific Development Control Plans.
B6 Enterprise Corridor	As per the site specific Development Control Plans.

Industrial Zones

Zone	Requirements / Floor space ratio
IN1 IN2	<p>Minimum frontage of 60 metres to The Horsley Drive, Victoria Street, Canley Vale Road extension, Walters Road, Bonnyrigg Avenue, Woodville Road, Hume Highway & Cumberland Highway.</p> <p>A minimum frontage to all other streets of 30 metres.</p> <p>Lot size:</p> <p>a) The Torrens Title subdivision of any allotment within the Wetherill Park, Bonnyrigg Precincts must not be less than 930 square metres as identified on the Blacktown LEP 2014 – Minimum Lot Size Map.</p>

Heritage

Heritage items detailed in the LEP have been given a net land value under Section 14G of the Valuation of Land Amendment Act 2000. If the land is a State Heritage Register Item it will be given a land value under Section 6(A1) and a Heritage Value under Sec 125.

MARKET OVERVIEW and SALES OF PARTICULAR INTEREST:

Residential

There has been strong growth in demand for residential property in the Blacktown LGA in the 2014 to 2015 period. This reflects the combined impact of population growth, local and state planning changes to facilitate CBD and residential development and the substantial infrastructure projects bringing services and transport options to the area.

Overview of Blacktown City (Source: Council Web Page)

- The largest Local Government Area (by population) in New South Wales (NSW)
- The official Estimated Resident Population (ERP) as at 30 June 2013 is 325,185 (ERP is an official figure released annually by the Australian Bureau of Statistics)
- Total land area - 247 square kilometres
- Total number of suburbs - 48 (including a mix of older established suburbs and newer developing areas.)
- Number of dwellings - Approximately 100,000
- Industrial employment land - 3000+ hectares
- The projected annual population growth within Blacktown City is 1.9%
- Forecast population – 448,797 by 2036 (Source - Forecast.iD)

Growth

Blacktown is an Emerging Regional City undergoing significant change. Its population growth is sustained and rapid, contributing to its present status as the most populated City in New South Wales, the fifth largest in Australia and has consistently remained one of the fastest growing regions in NSW. It is the home of the North West Growth Centre, the most significant land redevelopment in Sydney. It is a focal point for urban development and planning to create thriving new communities. Its current population is 317,000. Over the past five years, the population of Blacktown City has been growing at an average annual rate of 2.2%, significantly higher than the growth rates for the Sydney Region (1.6%) and New South Wales (1.4%) over the same period.

Blacktown's population is predicted to grow to some 540,000 by 2036 and "more than 7,200 people moved into the area last year – the biggest population increase for a council area in NSW.

Planning

Local planning changes has seen the Blacktown LEP CBD 2012 published in February 2013 and the Blacktown LEP 2015 which was published in the Government Gazette on 26th May 2015 and came into effect 6 weeks after the day on which it is published (7th July 2015). According to Blacktown Council: *Blacktown's LEP 2015 is supported by a City wide planning strategy and a series of master plans for the Urban Renewal Precincts that promote higher density housing, a mixture of employment uses and continued improvements to the public domain. A key element is the creation of four development hubs in Blacktown CBD, Seven Hills, Rooty Hill and Mount Druitt. These four areas will take on a significantly higher density than they have at the moment.*

What the LEP means: The Precincts will provide attractive environments for business and government to invest in development that creates employment opportunities. 30,000 new job opportunities will be created by the LEP in the Urban Renewal Precincts. Primarily this will be located in the Blacktown CBD, in new business parks in Blacktown and Seven Hills, and a health and education precinct surrounding Blacktown Hospital and TAFE. 180 hectares of business parks in Blacktown and Seven Hills. Generally intended for office and light industrial uses, including high technology industries, these precincts have the potential to create a higher density and greater variety of employment opportunities in areas serviced by public transport. A health and education precinct directly adjoins the expanding Blacktown

Hospital in the City Centre. It will create and provide for a clustering of health-related employment opportunities and important community services for the growing population and covers Urban Renewal Precincts around key transport nodes and major centres, which allows the character of the low density neighbourhoods to be preserved.

14,500 new dwellings will be created by the LEP in the Urban Renewal Precincts, in the form of higher density housing such as residential flat buildings and mixed used apartment buildings. Residential unit developments can be up to 23 stories high and commercial buildings can be up to 18 stories high in the Blacktown CBD.

State Planning instruments including;

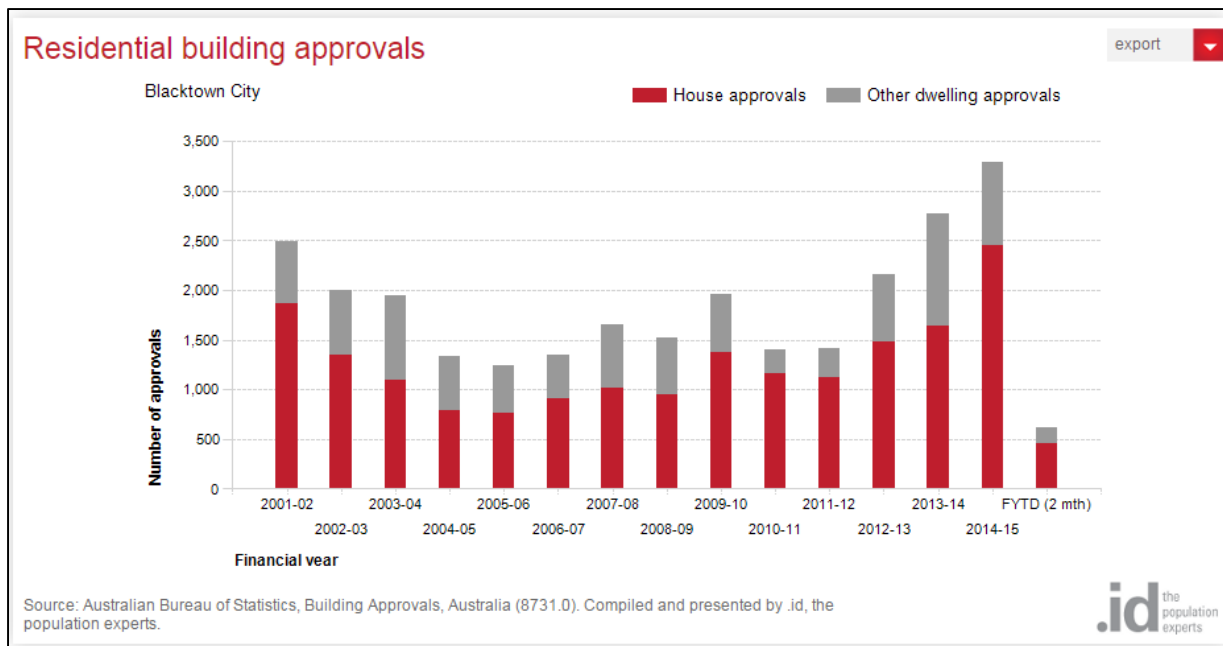
- SEPP (Sydney Region Growth Centres) 2006,
- SEPP (Major Development) 2005,
- SEPP No. 34 - Major Employment Generating Industrial Development,
- SEPP (Western Sydney Parklands) 2009,
- SEPP (Western Sydney Employment Area) 2009.

These planning instruments continue to release a significant part of the Sydney's housing supply and development lands. This includes some 3000 lots which have been released in Blacktown local government area (State government announcement 7/3/2015). Eastern Creek continues to evolve into possibly the state's largest and most significant warehouse and distribution centre, taking advantage of the large sites available and the key location on the M7. State planning instruments have rezoned large tracts of un-serviced rural land for commercial and residential use at Marsden Park.

Building Approvals:

Residential building approvals							export	reset	
Blacktown City									
Year (ending June 30)	Number			Annual change					
	Houses	Other	Total	Houses	Other	Total			
FYTD (2 mth)	451	166	617	--	--	--			
2014-15	2,446	841	3,287	+809	-287	+522			
2013-14	1,637	1,128	2,765	+159	+444	+603			
2012-13	1,478	684	2,162	+355	+393	+748			
2011-12	1,123	291	1,414	-44	+53	+9			
2010-11	1,167	238	1,405	-206	-346	-552			
2009-10	1,373	584	1,957	+429	+6	+435			
2008-09	944	578	1,522	-76	-50	-126			
2007-08	1,020	628	1,648	+109	+191	+300			
2006-07	911	437	1,348	+142	-42	+100			
2005-06	769	479	1,248	-19	-63	-82			
2004-05	788	542	1,330	-308	-310	-618			
2003-04	1,096	852	1,948	-250	+193	-57			
2002-03	1,346	659	2,005	-523	+36	-487			
2001-02	1,869	623	2,492	--	--	--			

Source: Australian Bureau of Statistics, Building Approvals, Australia (8731.0). Compiled and presented in profile.id by id, the population experts



In Blacktown City, 17.0% of the dwellings were medium or high density, compared to 40% in Greater Sydney.

Area: Blacktown City Benchmark area: Greater Sydney Data type: Enumerated Comparison year: 2006

Dwelling structure

Dwelling type	2011			2006			Change 2006 to 2011
	Number	%	Greater Sydney %	Number	%	Greater Sydney %	
Separate house	83,094	82.5	58.9	77,967	83.5	60.9	+5,127
Medium density	13,253	13.2	19.7	11,591	12.4	19.1	+1,662
High density	3,878	3.8	20.7	3,067	3.3	19.3	+811
Caravans, cabin, houseboat	326	0.3	0.2	634	0.7	0.3	-308
Other	153	0.2	0.4	129	0.1	0.4	+24
Not stated	75	0.1	0.2	23	0.0	0.1	+52
Total Private Dwellings	100,779	100.0	100.0	93,411	100.0	100.0	+7,368

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented in profile.id by .id, the population experts.

There have been a number of factors coming together to cause the large rise in demand for residential unit development sites in the Greater Sydney area. With continued low interest rates and an undersupply of residential units the parameters are set to see a continued surge in residential development activity which in more recent times has been facilitated even further by the influx of overseas investors.

Government planning policy to address the population increase of Sydney has in part been addressed by planning for very large develops near existing and new transport infrastructure.

Significant residential sales

- Centennial Dr, The Ponds. Vacant land. Sold 26/02/2015 for \$7,010,000.
- 268 Blacktown Rd, Prospect. Vacant land. Sold 9/5/2015 for \$1,210,000.
- 105 & 107 Hambledon Rd, Schofields. Development site. Sold 26/05/2015 for \$9,700,000.
- 96 Hambledon Rd, Schofields. Redevelopment site. Sold 14/05/2015 for \$6,000,000.

Sale of residential sites Zoned R2 in the past year, include:

- Ancona Ct, Plumpton: Vacant land. Sold 17/10/2014 for \$400,000.
- Fairlie St, Kellyville Ridge: Vacant land. Sold 10/12/2014 for \$550,000.
- 35 Wakely Ave, The Ponds: Vacant land. Sold 07/07/2015 for \$380,000.
- Eva St, Riverstone: Vacant land. Sold 10/04/2015 for \$362,000.
- 44 Popondetta Rd, Whalan: Vacant land. Sold 04/03/2015 for \$305,000.
- 9 Mountainview Ave, Doonside: Vacant battleaxe block. Sold 6/12/2014 for \$335,000.

Sale of residential sites Zoned R3 in the past year, include:

- 35 Sebastian Cres, Colebee. Vacant land. Sold 11/04/2015 for \$489,000.
- 40 Sunningdale Dr, Colebee. Vacant land. Sold 18/12/2014 for \$420,000.
- Bubuk St, Bungarribee. Vacant land. Sold 04/02/2015 for \$520,000.
- 6 Gipsy St, Bungarribee. Vacant land. Sold 04/10/2014 for \$405,000.

Commercial

The major business precincts in Blacktown LGA are the Blacktown CBD and the Mt Druitt Centre. The retail focal points of these two localities are the Westpoint Centre in Blacktown owned by Queensland Investment Corporation and the AMP owned Westfield development at Mt Druitt.

Blacktown LGA also has a significant number of local and neighbourhood centres serving its vast population. As usual the older strip retail centres are based around railway facilities [e.g. Seven Hills and Rooty Hill] with other centres [Plumpton Market Town, Quakers Hill Centre, Stanhope Village Centre etc] being away from the railway and in the midst of the expanding residential developments.

Retail trade growth has been strong in NSW. From December 2013 to December 2014 growth was 6.8%, down from 7.8% over the same time last year. The continuing low cash rate combined with increased residential construction and prices has boosted consumer's willingness to spend in the State. Low wages growth is, however, constraining spending and is likely to continue to cap retail trade over the short term despite low interest rates continuing in 2015.

Since 2014 general valuation, there has also been an increase in activity in local centres such as Seven Hills and Rooty Hill. There has also been increase in sales and activity in B4 zoned lands in Blacktown CBD. Part of Blacktown CBD, that lies north of the train station, has recently experienced a new lease of life. Blacktown's tallest building at 24 storeys is soon to be built on Second Ave. More developments are proposed for the area, including 20 storey mixed use development on 5 Second Ave; which will help bring life to BCC vision for the city as part of its 25 year masterplan. The area is in prime CBD location and is short walk from train station, Westpoint Shopping Centre, medical centres and recreational amenities.

According to market data, Blacktown Heights has experienced an increase in sales activity in the last year. The sales have shown a moderate increase in values. The sales were a combination of single storey strip retail to 2 storey shop/office/residential accommodation and vacant site sales.

Significant Sales

- 28 Second Ave, Blacktown. Sold 22/09/2014 for \$2,860,000. Vacant land. DA approved for 24 storey building to accommodate 2 levels of commercial and 20 floors of residential apartments. Site is zoned B4. A regular shaped corner site situated within walking distance to Blacktown CBD, shops and train station.
- 5 Second Ave, Blacktown. Sold 28/11/2014 for \$6,500,000. Vacant land. Building demolished and DA for construction of a 20 storey mixed use commercial/residential building over basement parking. Site is zoned B4. A corner site situated within walking distance to Blacktown CBD, shops and train station.
- 22 Third Ave, Blacktown. Sold 12/03/2015 for \$13,250,000. Improvements comprise of a modern building. Site is zoned B4. Advertised for sale with "a concept plan for 302 residential apartments". Level site with double road frontages.
- 127 Main Street, Blacktown. Sold 03/07/2015 for \$4,100,000. Improvements on site comprised of a commercial brick building, currently advertised for lease. Zoned B3. Situated on main road with high exposure to passing traffic.
- 40 Third Ave, Blacktown. Sold 23/03/2015 for \$5,700,000. Improvements on site comprised of a commercial brick building. Zoned B3. Subject property is situated on the southern side of Third Ave, located north of the prime retailing section of the Blacktown strip shopping precinct. Backs onto Blacktown RSL.

- 87 Flushcombe Road, Blacktown. Sold 21/07/2015 for \$2,500,000. Improvements on site comprised of a single storey brick commercial brick building. Zoned B3. Situated on the western side of Flushcombe Road at the intersection to Newton Road, situated next to carpark. A near regular shaped block with wide frontage to Newton Road.

According to Savilles research, the following table shows levels of retail rent in the Regional, Sub-Regional and Neighbourhood Centres.

Sydney Enclosed Centres	Regional - Low	Regional - High	Sub-Regional - Low	Sub-Regional - High	Neighbourhood - Low	Neighbourhood - High
Major tenant (\$/m2)	310	660	235	405	225	390
DDS Tenant	200	450	110	230	Na	Na
Specialty Tenant	1000	2600	600	1200	360	900
Yield Market (%)	5.25	7.00	6.25	7.50	6.25	9.00

In the year to June 2015, 81 neighbourhood shopping centres were sold against 44 the previous year and is up on the five-year average of 46 sales per annum (Savilles Research). The uncertainty surrounding the global financial crisis left buyers and sellers paralysed and unwilling. In 2010, a thaw in conditions meant both buyers and sellers could transact with greater confidence.

Fringe office markets are some of the most tightly held as residential conversions reduce available space, and the demand is rising from small to medium tenants. JLL Australia says the Sydney fringe office market has the tightest total vacancy rate of 6.8 per cent, across the 19 office markets it tracks in Australia. As mentioned above, there has been strong increases in Commercial B4 Mixed Use components. This continues the trend where the residential component of any development appears to be the catalyst for its success. There has been some major transactions occurring in the last 12 months and it's this demand for mixed use sites will in part drive the commercial sector as prime sites which may have been purely commercial in worth are now redeveloped as primarily residential.

There has been an increase in sales activity within the commercial zoned lands within the last year in Blacktown District. One of the areas which has seen an increase in activity in the past year has been Blacktown CBD where the lands are zoned B4. This part of Blacktown CBD, that lies north of the train station, has recently experienced a new lease of life. Blacktown's tallest building at 24 storeys is soon to be built on Second Ave. More developments are proposed for the area, including 20 storey mixed use development on 5 Second Ave; which will help bring life to BCC vision for the city as part of its 25 year masterplan. The area is in prime CBD location and is short walk from train station, Westpoint Shopping Centre, medical centres and recreational amenities. Approximately 40 sales have been analysed and these indicate a general increase in land values.

INDUSTRIAL MARKET GENERAL:

In recent years significant ongoing improvements have been made to Sydney's metropolitan transport infrastructure, including the M2 and M5 motorways which are currently being widened to accommodate increasing traffic volumes during peak periods. Sydney is linked by what is known as the Sydney Orbital Network, which connects the M1, M2, M4, M5 and the M7. This has allowed direct access from Sydney's port and airport. Industrial land values slightly increased over the last 12 months, with signs of further growth in Western Sydney. WestConnex is Sydney's next major Motorway project. It incorporates the expansion of the M5 East to the M4 extension. This infrastructure is pertinent due to its importance in the movement of freight from the Port and Airport to Western Sydney and eventually from the second international Airport in Badgerys Creek. The road will be opened in stages with the final stage due to open in 2023. Proposed intermodal terminals or extensions include: Chullora, Minto, Yennora, Villawood and Eastern Creek. The terminals would use the South and North Sydney freight lines using rail spurs to the locations and a Western Sydney freight line would also have to be established. The plan is to connect the WestConnex M5 to Sydney Airport and Port Botany and create efficient road and rail connections to and from the Intermodal terminals.

Low interest rates likely to continue to drive growth in N.S.W economy in the short term. Low interest rates are facilitating growth of retail trade and helping drive investment demand for industrial property.

The growth of online retailing has also led to growth in demand for warehouses to store and distribute goods. This demand is increasingly from overseas retailers who are aiming to reduce cost of delivery and delivery times of goods by taking up warehouse space in key locations.

Although Manufacturing has been on the decline in Australia over the past 40 years it still contributed around 6.3% of gross value add to GDP in September 2014, but is down from 10.9% in September 1990. This is due to the overall trend towards off-shoring to countries with cheaper labour and other costs and over the past few years due to the high Australian dollar. The decline is likely to be offset by growth in the logistics sector from the corresponding import of manufactured goods, which requires storage and distribution.

Due to Sydney's hailstorm in late April, a number of wide span industrial buildings sustained critical damage, predominantly in the Huntingwood area. This resulted in a material drop in stock available for lease. According to Knight Frank Research, during the July quarter, vacant stock levels declined by 222,485m² to 573,672m², which is the lowest level since the series began at the beginning of 2011. With the damage predominantly concentrated in the Huntingwood area, the bulk of the vacancy decline was in the Outer West.

Rents were stable ranging from \$105 per square metre to \$140 per square metre for prime and \$60 per square metre to \$95 per square metre for secondary stock over the six months to December 2014. A lack of new development over the past six months has resulted in modern, multiunit complexes having low vacancy and shorter letting up periods. A number of tenants have competed for space of less than 4,000 square metres in size in the Silverwater/Rydalmere area over the past 12 months. The Smithfield/Wetherill Park, Silverwater and Greystanes areas have been the most active with a range of deal sizes from larger facilities of over 10,000 square metres down to office/warehouses of less than 5,000 square metres in size.

Land Values have been relatively flat since the trough of the market in 2010. There has been some increase in land values since the last general valuation in 2012. The average land value across Sydney, range from an average of \$200/m² to \$900/m², where land is in short supply. Industrial development site at 386-400 Woodpark Road, Smithfield sold in early 2014 for 14.69 million, showing a rate of \$275/m².

Vacant Industrial Sales in the past year include:

- 16 Hollingsworth Rd, Marsden Park. Vacant land sold 31/10/2014 for \$19,782,000.
- Honeycomb Dr, Eastern Creek. Vacant land sold 13/10/2014 for \$8,500,000.
- Kildo Cres, Glendenning. Vacant land sold 19/02/2015 for \$2,100,146.
- 7McCormack St, Arndell Park. Vacant land sold 03/02/2015 for \$984,500.
- 68-70 Victoria St, Riverstone. Vacant land sold 11/12/2014 for \$1,000,000.

Rural Market

Blacktown has a relative small number of rural land entries. These and the Environmental zoned lands are considered part of the same market. The proximity of these lands to Sydney has ensured the underlying demand for this sector of the market is the rural homesite and hobby farm market or held for speculation of rezoning potential. Hence the range in this small group of properties runs from serviced land with rezoning potential to un-serviced flood and environmentally restrained parcels. As such price movement for these very different markets are best guided the price movement determined for comparable properties such as residential Open Space etc.

Typical Rural sales.

- Argyle St, Riverstone: sold 18/05/2015 for \$48,000. Vacant land.
- Carnarvon Rd, Riverstone: sold 31/03/2015 for \$215,000. Vacant land.
- Burfitt Rd, Riverstone: sold 28/01/2015 for \$480,000. Vacant land.

SIGNIFICANT ISSUES AND DEVELOPMENTS:

Proposed Mix Use Development (Altitude Towers) at 28 Second Ave, Blacktown

Currently a vacant land. DA approved for 24 storey building to accommodate 2 levels of commercial and 20 floors of residential apartments. Site is zoned B4. A regular shaped corner site situated within walking distance to Blacktown CBD, shops and train station.

Proposed Mix Use Development at 5 Second Ave, Blacktown

Vacant land. Building demolished and DA for construction of a 20 storey mixed use commercial/residential building over basement parking. Site is zoned B4. A corner site situated within walking distance to Blacktown CBD, shops and train station.

Centralis Tower on corner of Main Street and Newton Road, Blacktown

Construction of the 12-storey mixed-use commercial and residential building started in 2013. The building will have 78 residential units and is the first high rise tower in Blacktown. Despite significant construction delays, buyers have not been discouraged. Apartments in the complex have been priced from \$330,000 for a one-bedroom unit to \$550,000 for a two bedroom unit with a study. Centralis Tower was part of \$1.03 billion in investment approved for Blacktown in 2013. Construction on another two 20-storey towers is set to start following Blacktown Council's approval last year.

Blacktown Mount Druitt Hospital

Another major development is the redeveloped Blacktown Mt Druitt Hospital. Construction of a seven storey clinical services building is underway and will open to patients 2016, delivering an extra 170 beds. Stage 1 of the redevelopment is reportedly valued at more than \$300 million and stage 2 at \$400 million. Construction of next stage is expected to start in early 2016. Stage 2 will complement the \$312 million stage 1 redevelopment of Blacktown and Mount Druitt hospitals, which is nearing completion and due to open early next year. It will include more beds, a new emergency department, intensive care unit, operating theatres, and improved women's and newborn health.

Fairwater Development

Fairwater Development at Richmond Road is a new master planned 800 home community on the former Ashlar golf course site. The development is a short distance from Blacktown CBD. According to master plans, there is 9.5 hectares of public open space and over 1.5 hectares of ponds, wetlands and waterways. The development plans comprises of terraces, townhouses and freestanding homes offering a choice of 2, 3, and 4 bedroom options.

SIGNIFICANT VALUE CHANGES:

The markets are showing strong demand for residential and residential development sites throughout the Blacktown Area, other sectors such as industrial lands are showing a recovery from the downturn in values due to the GFC.

The most recent sales have confirmed the media reporting indicating suburbs with price movements which are nothing less than extraordinary. While some areas are clearly influenced by either zoning changes or improved infrastructure and transport, other areas are seeing the minimum entry level price lift substantially. Traditionally modest priced housing in the LGA is now selling for over 50% more than 12mths ago. While the increase is not great in quantum the percentage change on the lower values is high and will be difficult for stakeholder's of rating and taxing land values to accept. Areas traditionally with lower values and prices are being sold at prices above what was considered "better" areas.

Major movements in values have come from the zoning changes associated with the introduction of the Standardised LEPs in the Blacktown area and the re-zonings resulting from the ongoing amendments the SEPP's.

The other significant influence on values is the ongoing provision of infrastructure and services. As the North-West rail is constructed and acquisitions undertaken for stations etc the market is responding with increases in prices for lands situated closer to these services. Schofield's rail station has been relocated and retail development started which has affected the value of land in this area. Richmond Road and Riverstone have seen extensive residential estates developed.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS:

The LPI has been provided with a detailed valuation analysis report, which details the quality assurance process of Crown Valuation Service 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 bases have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or re 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 6.5.1. 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.

Signed:**Michele Raman***CVS Senior Valuer*18th November 2015*Signed:***Kelvin Long***CONTRACT SERVICES MANAGER*18th November 2015