

## FINAL REPORT 2015

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*Singleton's Worlds Largest Sundial - Photo courtesy of abc.net.au*

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### Singleton LGA

**Contract Area** Muswellbrook

**Contract No** 152678

**Prepared for** LPI

Under Rating & Taxing Procedure Manual 6.6.2\*

*(\*See Contract Meeting Minutes for details regarding terms of accepting RT PM 6.6.2)*

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#### VALUE MADE VISIBLE

Liability limited by a scheme approved under Professional Standards Legislation

## Executive Summary

### LGA Overview

#### Singleton Local Government Area

The Singleton LGA is located in the Lower Hunter Valley between Newcastle and Muswellbrook, approximately 200 kilometres north-west of the Sydney Central Business District (CBD). The Singleton Council comprises approximately 4,893 square kilometres incorporating a variety of land uses from smaller rural retreats, to Pokolbin vineyard sites, to mining associated land, to larger broad acre grazing holdings, to Hunter River flat country. The Singleton LGA is adjoined by eight other LGAs – Upper Hunter Council to the north; Dungog, Maitland and Cessnock Councils to the east; Hawkesbury and Lithgow Councils to the south and Mid-Western Regional and Muswellbrook Councils to the west.

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

The Singleton LGA comprises Residential, Rural, Commercial, Industrial, Infrastructure, Scenic Protection and Public Recreation zones.

10,533 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 2013. The Singleton property market has slowed in the past year with many sectors experiencing a slight reduction in values as a result of the mining industry downturn.

Valuation changes in the LGA and percentage changes between the Land Tax Valuation years of 1 July 2014 and 1 July 2015 are as follows:

Properties Valued and Total Land Value					
Zone	Zone Code	Number of Entries	2015 Total Land Value	Prior Annual Valuation (2014)	% change
Residential	R1, R2, R5, RU5	5,595	\$ 889,809,090	\$ 922,558,550	-4%
Rural	R, RU1, RU2, RU3, RU4	3,722	\$ 1,419,326,658	\$ 1,417,540,398	0%
Commercial	B1, B3, B4, B5, B6	442	\$ 121,638,260	\$ 128,861,900	-6%
Industrial	IN3	86	\$ 30,261,600	\$ 32,216,100	-6%
Infrastructure	SP2	29	\$ 11,481,170	\$ 11,506,370	0%
Environmental	E1, E2, E3, E4	588	\$ 149,095,179	\$ 150,349,255	-1%
Public Recreation	RE1, RE2	76	\$ 13,871,100	\$ 14,561,890	-5%
<b>Total</b>		<b>10,538</b>	<b>\$ 2,635,483,057</b>	<b>\$ 2,677,594,463</b>	<b>-2%</b>

## State & Local Government Legislation for LGA

The Singleton LGA is governed by the Singleton Local Environmental Plan (LEP) 2013. The plan is based on the standardised LEP prescribed by the New South Wales Legislation.

Note, Bulga locality is *Deferred Matter* under the provisions of **Singleton Local Environmental Plan 2013** and therefore the rural zoning under the **Singleton Local Environmental Plan 1996** remains current.

The current plan is based on the standardised LEP prescribed by the New South Wales Legislation.

## Market Overview

Opteon Property Group (OPG) as Contractors have undertaken significant analysis of the Singleton district property market to provide an accurate and reliable basis of valuation. Approximately 302 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. OPG OPG Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with the Replacement Cost Method used when appropriate.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In the Singleton LGA sales indicate some marginal decreases in most areas of Singleton Town including residential, industrial, and commercial. Bulga and Jerry Plains villages have also experienced a decline in values, with the general rural property sector remaining stable in the twelve months to 1 July 2015.

The Singleton Residential, Industrial and Commercial markets have continued to ease since the prior 2014 Base Date, with majority of sales demonstrating reductions. The easing in these sectors is due to the downturn in the coal industry in early 2013 which has resulted in job losses and coal project delays. The volume of sales has slowed in this period due to Singleton's reliance on the coal industry. Typical reductions in the residential, industrial and commercial sectors were between 1-5%. In contrast, the villages throughout Singleton Shire have generally remained stable with the exception of Bulga and Jerrys Plains which showed a reduction of up to 7% and 15%, respectively.

Within the rural sector, values and volume of sales for smaller holdings has generally firmed with the larger broadacre properties remaining stable over the past twelve months with some exceptions. The Singleton rural residential, hobby farms and lifestyle property values have experienced nominal market movement with some rural hobby farms experiencing increases of up to 7% in the Lambs Valley locality. The limited supply of large broadacre country consistently results in a limited number of sales transactions within this sector with no discernible change in values being experienced since the prior Base Date.

## Significant Issues and Developments

Below is a summary of significant Development Applications. Most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

- Demolition of workshop and removal of infrastructure located in Mount Thorley approved in February 2015.
- Redevelopment of existing Singleton saleyards.
- 18 lot subdivision located in Branxton with no DP registered at this time.
- 120 lot subdivision known as 'Murray's Rise' located in Lower Belford approved, but no DP has yet been registered.

## Significant Value Changes

Minor variations and value changes (generally  $\pm 10\%$ ) in the past 12 months have previously been noted in this Report (see Market Overview). There have been some significant value changes due to verification since the 2014 Base Date, these are summarized below:

- Jerry Plains and Bulga Village land values which are largely supported by mining related interests have experienced decreases due to increasing unemployment levels, economic uncertainty and poor outlook in line with lower coal prices and some delays to mine extensions. This decrease is supported by new sales evidence in this locality in both RU5 and RU1 zones.
- Brentwood Estate in Pokolbin experienced some significant increases due to market evidence highlighting a premium payable for being within close proximity to communal facilities within this estate.
- The newly developed "Hunter Highlands" estate in Sedgefield have experienced a decrease in value due to account for the unformed roadways throughout the estate. This decrease is supported by new vacant land sales evidence within this subdivision.
- The larger Mount Royal holdings have experienced reductions in line with new sales evidence indicating premiums for larger site area in this remote, heavily timbered, rural retreat location are no longer relevant.
- Putty/Howes Valley rural retreat area have experienced varied movement due to the newly available imagery and sales inspections highlighting the need for regrading in a number of areas for site specific attributes such as accessibility to site and through sites, as well as availability of electricity connection, outlook, creek frontages, on site clearing, remoteness etc.
- Producing coal mines have generally experienced decreases due to individual calculations being based on recoverable resources and newly available imagery requiring land uses to be recalculated resulting in some cases significant variations. Along with increased discount for known problems relating to current low coal prices, high world stocks and ongoing uncertainty relating to resource sector resulting in some significant reductions.
- A number of rural properties have experienced changes in value, with increases to better reflect quality of the country and dwelling entitlements with new imagery assisting in reviews of these features. Also some reductions in rural land values to reflect lack of building entitlements.

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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 Singleton. 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 Singleton LGA is located in the Lower Hunter Valley between Newcastle and Muswellbrook, approximately 200 kilometres north-west of the Sydney Central Business District (CBD). The Singleton Council comprises approximately 4,893 square kilometres predominantly incorporating a variety of land uses from smaller rural retreats, to Pokolbin vineyard sites, to mining associated land, to larger broad acre grazing holdings, to Hunter River alluvial flats. The Singleton LGA is adjoined by eight other LGAs – Upper Hunter Council to the north; Dungog, Maitland and Cessnock Councils to the east; Hawkesbury and Lithgow Councils to the south and Mid-Western Regional and Muswellbrook Councils to the west.

### Principal Towns

#### Singleton

Singleton is the principal town in the Singleton LGA and is a prominent regional centre. It is located approximately 190 kilometres to the south of the Tamworth CBD and 75 kilometres north-west of Newcastle CBD. The CBD of Singleton extends along John Street between Annie's Lane and Ryan Avenue (western side) and between Hunter Street and Gas Street (eastern side). North and south John Street are slightly secondary tier locations with commercial development also located along George Street. It features two large retail complex in addition to several large national tenants, individual shops and offices.

Singleton has full utility services available including reticulated town water supply, reticulated sewer and telecommunication services. A broad range of Government Departments and services are also available including Police Station, Court House, Ambulance Station, Fire Station, Council Chambers and Library.

Community based facilities available in Singleton include a golf course, numerous sporting clubs, recreational playing fields, parks and reserves, showground, racecourse, a public swimming pool and tennis courts.

### Types of Residential Development

Residential development in Singleton City ranges from federation and colonial styles (centrally located), 1950's government built dwellings (south), 1970's brick veneers (south and Singleton Heights) in conjunction with modern brick veneer dwellings (Singleton Heights and Hunterview).

Approximately 70% of properties in the region are owner occupied, 25% are owned by investors and 5% are government owned dwellings.

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## Villages

In addition to Singleton, there are four small rural villages located throughout the Shire being Broke, Bulga, Camberwell and Jerry's Plains. These villages provide basic amenities to the surrounding rural regions.

Broke is located approximately 30 kilometres south-west of Singleton with a population of approximately 630. The village contains a primary school, services station with store and a post office.

The Village of Bulga is situated 20 kilometres south-west of Singleton in close proximity to mines. Bulga has a sports ground including tennis courts and a small tavern supporting the population of 360.

Situated approximately 13 kilometres north-west of Singleton is the Village of Camberwell. It is situated off the New England Highway and is in very close proximity to several mines which provide employment for many of the village's population of 180.

Jerry's Plains is located approximately 40 kilometres west of Singleton along the Golden Highway. Supporting the villages population of 690 is a primary school, police station and a service station with general store.

## Main Industries

Major industries include agriculture, coal, power/energy and tourism. Singleton Shire has a well-established dairy and beef cattle industry and in more recent times the viticulture, market gardening, olive growing and equine industries have developed.

The Singleton Industrial market comprises three distinct localities being Singleton City (western fringe of Singleton CBD); Maison Dieu Rd (industrial precinct located on the northern approach to Singleton) which has been extended by the McDougall Hill Business Park; and Mt Thorley Industrial Estate (10km south east of Singleton).

Mining activity in the Shire has created many mine service industries which has consequently increased demand for industrial land.

Land has also been rezoned for industrial use in the Whittingham locality. To date there has been no development commenced in this area.

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## Significant Retail Centres

Singleton CBD provides the main retail centre for the Singleton Council region. There are two shopping centres within the CBD including Singleton Plaza anchored by IGA and Singleton Square anchored by Coles, Big W and Woolworths. Each centre also has a variety of specialty stores. Singleton Plaza appears to be planning an upgrade/extension as indicated by some recent purchases of adjoining land and strata shops in the Plaza.

The CBD of Singleton extends along John Street between Annie's Lane and Ryan Avenue (western side) and between Hunter Street and Gas Street (eastern side). North and south John Street are slightly secondary tier locations with commercial development also located along George Street but predominantly offices and consulting rooms. The Singleton CBD comprises several large national tenants, and many individual shops and offices.

The Singleton CBD is currently undergoing some adjustment following the completion of the Singleton Square refurbishment in mid-2013 and construction of new Aldi. Council has just completed a street beautification/upgrade of the CBD including footpath widening, tree planting and street scape upgrades. Later works are to include new links between car parks and open space areas.

## Rural

Beef cattle breeding and fattening is the most common agricultural pursuit within Singleton Shire.

Crop cultivation is present, though generally confined to alluvial flats. Extensive Hunter River flats are provided within the Shire with numerous creeks also providing undulating alluvial country. Alluvial flats are utilised for cultivation, equine and grazing purposes.

The extensive vineyard plantings which became popular in the region during the late 1990's have slowed with the dissolution of advantageous tax breaks and recent nationwide wine glut affecting supply contracts and overall demand. Large areas of grapes are now being removed.

Mining Companies continue to be an active purchaser in the Singleton rural property market with purchase prices reflecting high premiums for these 'special interest' purchasers, though with the downturn in the coal industry these purchases have also slowed.

Rural retreat home sites occupy much of the poorer quality land within the district, particularly around the Putty locality where the relative isolation/privacy and the natural bushland settings are attractive features to the 'lifestyle' market.

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## Rural Locations within the LGA

The land values throughout the Shire vary depending on locations, access, soil types and land forms. The following are general descriptions of some localities within the Shire:

### **Putty/Howes/Garland Valley**

The Putty/Howes and Garland Valley rural retreat locality is situated approximately 90 kilometres north of Windsor and 80 kilometres south west of Singleton with the majority of this area accessible from the Putty Road between Bulga Village and the Hawkesbury Shire Boundary. Land holdings in the area extend to the boundaries of the Wollemi National Park in the west and south, the Putty State Forest in the north and the Yengo National Park in the East. The number of large land holdings in this area has reduced to make way for smaller hobby farms/rural retreats being predominantly purchased by metropolitan based investors. Nevertheless the livestock production (primarily beef cattle) still continues on a small scale in the locality. Land form varies from gently undulating along creek and river ways to steep heavily timbered hill country with elevation ranging from 200 to 530 metres above sea level. Soils range from fine sandy loams to sandstone varieties with the locality having an approximate average annual rainfall of approximately 758 millimetres per annum\*.

### **Pokolbin/Rothbury/Broke**

Pokolbin/Rothbury/Broke Vineyards locality has grown into one of the most popular wine tourism region in Australia. This area is situated approximately 35 kilometres south east of Singleton and 160 kilometres north of Sydney, being accessible via the New England Highway and the Pacific Motorway respectively. Tourist accommodation in this area is plentiful due to the wine industry and Pokolbin's close proximity to Sydney. The area includes numerous wineries, ranging from large multi-national to small family run operations; and a range of guest accommodation and restaurants. The area is a successful wine growing region due partly to the mountains that encircle three sides of the valley. Soil types vary from rich red volcanic soil from the long-extinct volcano of Mount View and sandy loam which benefits most white varieties. The red volcanic soil is found mostly on the southern ridges. However, it can be found in patches on the valley floor. The elevation ranges from 40 to 599 metres above sea level with an approximate average annual rainfall of 757 millimetres per annum\*.

### **Scotts Flat/Glendon/Branxton**

Scotts Flat/Glendon/Branxton Hunter River locality is situated approximately 15 kilometres south east of Singleton and 5 kilometres north of Branxton with the majority of this area accessible from the New England Highway between Singleton and Branxton/Cessnock Shire Boundary. This area is prone to substantial flooding in peak rain periods due to the localities long frontage to the Hunter River. Traditionally land holdings in the area comprised mostly dairy and cropping farms with Hunter River frontage, however more recently dairy farms have been replaced by stud and equine grazing enterprises due to highly productive pastures and reliable access to water. The rural hobby farm market within this location has expanded over recent years with 40 hectare lifestyle holdings becoming more prevalent. Land forms vary from level to gently undulating holdings along the Hunter River to timbered sloping hill country. The elevation generally ranges from 30 to 260 metres above sea level comprising predominantly dark brown sandy loam soils with an approximate average annual rainfall of 715 millimetres per annum\*.

### **Mirannie/Glendon Brook/Westbrook**

Mirannie/Glendon Brook/Westbrook locality is located within the north eastern corner of Singleton Shire south of Mount Royal State Forest and west of Dungog Shire Boundary. Access throughout this locality is via Glendon Brook, Myall Creek, Reedy, Mirannie and Westbrook Roadways. The closest major town to this rural locality is Singleton being approximately 25 kilometres south west of the locality. The main land use in this area is livestock production with beef cattle being the areas primary use and smaller rural retreat/lifestyle holdings. The country ranges from undulating to hilly to steep ridge country with stands of shade timber, and typically good natural water. The elevation in this locality is generally 100 to 500 metres above sea level with sandy loam to clay loam to sandstone soil varieties and an approximate annual rainfall of 843 millimetres per annum\*.

### **Greenlands/Goorangoola/Carrowbrook**

Greenlands/Goorangoola/Carrowbrook locality is located within the north western corner of Singleton Shire south of Mount Royal State Forest and east of Muswellbrook Shire Boundary. Land use in this area is primarily cattle grazing/beef production with smaller rural hobby farm holdings becoming more widespread in recent times. Lake St Clair is located within this locality providing recreational pursuits/accommodation and domestic water supply for Singleton Township. Access throughout this area is via Bridgman, Goorangoola and Carrowbrook Roads. The closest major town to this rural locality is Singleton being approximately 25 kilometres south of the locality. The Razorback Ridge being approximately 485 metres above sea level runs through this area east of Goorangoola Creek. The elevation generally ranges from 150 to 500 metres above sea level with sandy loam to clay loam to sandstone soil varieties and an approximate annual rainfall of 870 millimetres per annum\*.

### **Liddell/Ravensworth/Warkworth/Mount Thorley**

Liddell/Ravensworth/Warkworth/Mount Thorley locality is situated approximately 18 kilometres north and south west of Singleton with access throughout this locality including the New England and Golden Highways. Land form varies from gently undulating along the Hunter River and waterways to undulating to steep timbered hill country. Parts of this area are subject to flooding in peak rain periods along the Hunter River. There is generally a mix of land uses comprising coal mining, ancillary mining (i.e. loading facilities, buffer land, infrastructure etc), farming, lifestyle holdings, and larger grazing operations. The elevation in this locality ranges from 50 to 250 metres above sea level with predominantly sandy loams to clay loam soil types and an approximate average annual rainfall of 665 millimetres per annum\*.

Approximate rainfalls for each locality are the closest open station as reported by the Bureau of Meteorology utilising the mean average for all years.

## State & Local Government Legislation for LGA

The Singleton LGA is governed by the Singleton LEP 2013 which was gazetted on 6 September 2013. There have been some minor changes to the LEP since the previous valuation including changes to minimum lot sizes and zoning. Properties affected were checked and changed as required.

Note, Bulga locality is *Deferred Matter* under the provisions of **Singleton Local Environmental Plan 2013** and therefore the rural zoning under the **Singleton Local Environmental Plan 1996** remains current.

The current plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

The Plan aims to make local environmental planning provisions for land in the Singleton Council LGA in accordance with the relevant standard environmental planning instrument under section 33A of the Act. Singleton LGA has development controls including the Singleton Development Control Plan 2014 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	N/A (R1)
	1200m <sup>2</sup> & 2500 m <sup>2</sup> (R2)*
	Varies from 2000m <sup>2</sup> to 40ha depending on location (R5)*
	8000m <sup>2</sup> & 40ha (RU5)*
Rural/Forestry	5ha, 40ha & 80ha (RU1)*
	40ha & 150ha (RU2)*
	Council Consent required (RU3)
	40ha (RU4)
Environmental Protection	Council Consent required (E1)
	150ha & 500ha (E2)*
	40ha, 80ha, 150ha & 50ha (E3)*
	Varies from 8000sqm to 10ha depending on location (E4)*
Business	Council Consent required (B1, B3, B4, B5 & B6)
Industrial	Council Consent required (IN3)
*See LEP Maps for full details	

## Market Overview & Sales of Particular Interest

Opteon Property Group (OPG) as Contractors has undertaken significant analysis of the Singleton district property market to provide an accurate and reliable basis of valuation. Approximately 302 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. OPG Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with the Replacement Cost Method used when appropriate.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement.

Sales which do not have market circumstances including sales between related parties and company transfers, have not been utilised when assessing market changes and determining land values.

General economic factors (including international exchange rates, economic growth and interest rates) commodity prices and climatic conditions strongly influence the Singleton property market.

### Residential

The Singleton LGA comprises approximately 5,595 residential zoned properties.

The Singleton LGA residential market had approximately 189 sales throughout Base Date 2015 with 149 sales analysed.

The Singleton LGA residential market has continued to ease since the prior 2014 Base Date, with majority of sales demonstrating reductions. This market is significantly impacted by the downturn in the coal industry which has resulted in job losses and coal project delays resulting in the volume of improved residential sales slowing over this period due to Singleton's reliance on the coal industry. Values in residential areas have generally weakened across most areas, with the exception being Huntview Estate and Branxton/Whittingham remaining generally stable since the previous Base Date.

Available sales within the Branxton locality (south east of Singleton) have demonstrated an approximate 10% increase to values since the 2014 Base Date, however volume of sales has continued to ease due to continued economic uncertainty, downturn in the coal industry and increased unemployment levels. New residential estate "Radford Park" was released during early 2014 comprising 44 lots in the first stage with only a further four lots settled from 2014BD at very strong sale prices for lots sold 'off the plan' however, under current market circumstances this strong market is considered unsustainable and a cautious approach has been adopted in this new Estate until more sales are contracted in the current market conditions.

The value levels adopted are supported by both vacant and improved sales analysis.

**Typical land value at 1 July 2015 for typical residential properties include:**

Description	Address	Area (approximate)	BD14	BD15	CHG 14-15
Huntermview Estate	Casey Drive, Huntermview	700 m <sup>2</sup>	\$170,000	\$161,000	-5.29%
Darlington	Elliot Cl, Darlington	717 m <sup>2</sup>	\$120,000	\$114,000	-5.00%
Central Singleton (South)	Church Street, Singleton	765 m <sup>2</sup>	\$148,000	\$140,000	-5.41%
Singleton Heights (North)	O'Halloran Avenue	779 m <sup>2</sup>	\$120,000	\$114,000	-5.00%
Singleton Heights (South)	James Cook Avenue, Singleton Heights	796 m <sup>2</sup>	\$122,000	\$118,000	-3.28%
Central Singleton	Pitt Street, Singleton	833 m <sup>2</sup>	\$180,000	\$178,000	-1.11%
Low Density Residential in Huntermview	Brooker Close, Huntermview	1,573 m <sup>2</sup>	\$220,000	\$220,000	0.00%
Rural Residential in Branxton and Whittingham	Brokenback Road, Branxton	9,584 m <sup>2</sup>	\$285,000	\$290,000	+1.75%
Englobo Land	York Street, Singleton	1.5 ha	\$741,000	\$700,000	-5.53%

In the last 12 months there were 29 residential sales over \$600,000. Most of these sales were high valued, single occupancy dwellings, including some rural residential properties; but also included 1 sale of a multiple occupancy unit complex.

## Village (including Large Lot Residential)

The Singleton LGA comprises approximately 359 village zoned properties.

The Singleton village market had 11 sales throughout Base Date 2015, 8 of which were analysed.

The Singleton Villages have experienced limited sales activity in the last year. Village land values are significantly impacted by their proximity to mining works, housing affordability compared to Singleton/Muswellbrook Townships and general mining industry outlook. Values have generally remained stable in the past twelve months despite a downturn in the coal industry attributed to the relatively low value levels; however values in Bulga and Jerrys Plains saw a reduction of up to 7% and 15%, respectively.

The value levels adopted are supported by both vacant and improved sales analysis.

### Typical land value at 1 July 2015 for typical village properties include:

Description	Address	Area (approximate)	BD14	BD15	CHG 14-15
Broke Village	Howe Street	2,023 m <sup>2</sup>	\$114,000	\$114,000	0.00%
Jerry's Plains Village	Piribil Street	2,026 m <sup>2</sup>	\$74,000	\$64,000	-13.51%
Large Lots in Jerry's Plains	Queen Street	2,012 m <sup>2</sup>	\$65,000	\$55,000	-15.38%
Camberwell Village	Lethbridge Street	4,076 m <sup>2</sup>	\$38,500	\$38,500	0.00%
Bulga Village	11 Turnbull Road, Bulga	1.56 ha	\$135,000	\$125,000	-7.40%

There were no sales of significance in the past 12 months within the village markets.

## Commercial

The Singleton LGA comprises approximately 442 commercial zoned properties.

The Singleton LGA commercial zone had approximately 29 sales throughout Base Date 2015, all of which were analysed.

There has been a continued slowing of the Singleton commercial market since the 2014 Base Date. Local agents report an increase in the amount of vacant retail and first floor office accommodation in the City, with extended letting periods and rental reductions required in order to attract tenants. The general downturn in the coal mining industry continues to have an impact on commercial property values in Singleton. The new Aldi store has opened at the southern end of John Street and this together with the extension to the Singleton Square Shopping centre has drawn the retail focus towards this southern end of the main street. The new Hunter Expressway opened in March 2014, giving faster access to Newcastle for Hunter residents. This has potentially taken some trade away from the smaller district centres, such as Singleton, as Newcastle offers a far wider range of retail outlets.

Of note is the first phase of the proposed 10 million Singleton Town Centre upgrade, just completed including footpath widening, tree planting and street scape upgrades. Later works are to include the creation of three new development nodes spaced along John Street, with new links between car parks and open space areas.

There have been a small number of commercial sales in Singleton since the last Base Date. One of these lots was purchased by the Singleton Shire Council as part of the town centre upgrade works. Other commercial sales in Singleton have been investment sales with purchase prices reflecting the length and security of the income stream, not the value of the land and buildings. Overall values in the commercial sector have generally declined by approximately 2 - 8% since the prior Base Date.

The value levels adopted are supported by both vacant and improved sales analysis.

### Typical land value at 1 July 2015 for typical commercial properties include:

Description	Address	Area (approximate)	BD14	BD15	CHG 14-15
Mixed use surrounding CBD	John Street	471 m <sup>2</sup>	\$173,000	\$160,000	-7.51%
CBD	John Street	565 m <sup>2</sup>	\$212,000	\$200,000	-5.66%
Fringe Commercial along New England Highway	George Street	658 m <sup>2</sup>	\$230,000	\$225,000	-2.17%
Fringe Commercial	Mary Street	1,065 m <sup>2</sup>	\$175,000	\$160,000	-8.57%

Maison Dieu and McDougall Hill Business Parks	Enterprise Crescent	3,923 m2	\$213,000	\$204,000	-4.23%
Neighbourhood Shopping Centres	Blaxland Avenue	4,105 m2	\$554,000	\$525,000	-5.23%

There were four significant commercial sales in the past 12 months with a purchase price over \$1,000,000. Two of these sales were of properties sold as a going concern being a hotel and a service station. One property was sold with a strong lease in place, with the sale showing a strong premium for the secure investment. A car showroom site was also sold with vacant possession with existing improvements to be utilised by the purchaser.

## Industrial

The Singleton LGA comprises approximately 86 zoned properties.

The Singleton LGA industrial market has had only one sale since the prior Base Date which was analysed.

Generally a slow industrial market over the past 12 months associated with the continued downturn in the coal mining sector. The local agents report extended selling periods and there are a number of vacant industrial buildings currently available for lease, with extended letting periods and rental reductions required to attract tenants. The new Singleton LEP 2013 has seen a rezoning of a number of "Industrial" lots that are now zoned B5 – Business Development, including those in the McDougall Hill Estate. These lots are however, generally improved with industrial buildings. There were no reliable sales within Mount Thorley, however 21 industrial sales occurred within the business zoned Mc Dougall Hill Estate, 8 of which were vacant.

Overall the land values in the industrial sector have declined by up to 6% over the past 12 months.

### Typical land value at 1 July 2015 for typical industrial properties include:

Description	Address	Area (approximate)	BD14	BD15	CHG 14-15
Industrial at Mt Thorley	Piercefield Road, Mount Thorley	6,000 m2	\$250,000	\$235,000	-6%

There was only one sale over \$1,000,000 in the past 12 months. This sale was of a well improved, modern complex with the sale price reflecting the strong lease in place.

## Rural

The Singleton LGA comprises approximately 3,667 rural zoned properties.

There were approximately 115 rural zoned sales considered to be reliable market indicators recorded and analysed during the 12 month period ending 1 July 2015, and this comprised only 8 larger broadacre farming and grazing properties, and 107 smaller properties being lifestyle, rural retreats, farmlet and rural residential type properties.

The volume of sales available in the rural residential, lifestyle grazing/hobby farms sectors has continued to increase since the prior Base Date with sales showing generally maintained or small increases in values over this period. The Lambs Valley and Glendon Brook localities have experienced increases in value between 5 – 10%, the Wattle Pond and Gowrie values have been maintained, with the Broke, Bulga and Pokolbin markets experiencing a small reduction in value between 1 – 5% over this 12 month period.

The larger broadacre holdings which are in limited supply have generally strengthened since the prior base. This improvement can be attributed to an improved market sentiment, combined with a good climatic season since November 2014, and much improved commodity prices for both cattle and wool in the last 6 months. Whilst there have been a limited number of rural sales, those which have occurred support the 2015 level of values adopted.

The extensive vineyard plantings which became popular in the Broke/Pokolbin areas during the late 1990's have ceased with the dissolution of advantageous tax breaks and recent nationwide wine glut affecting supply contracts and overall demand. A number of vineyards have sold in the Broke area in the last couple of years with the purchasers removing the vines. Values in the Pokolbin area have remained stable at 2015 Base Date, with values heavily influence by metropolitan purchasers due to proximity to Sydney and Newcastle, now improved by the recent opening of Hunter Expressway.

Overall the land values in the Singleton rural sector have remained firm or slightly increased by up to 7% in more well located areas.

The value levels adopted are supported by both vacant and improved sales analysis.

### Typical land value at 1 July 2015 for typical rural properties include:

Description	Address	Area (approximate)	BD14	BD15	CHG 14-15
Flood Liable properties in Glenridding and Dunolly	Carrington Street, Glenridding	1,060 m <sup>2</sup>	\$77,200	\$77,200	0.00%
Rural residential in Broke, Pokolbin and Bulga Vineyards	Blue Cliff Road, Pokolbin	4,126 m <sup>2</sup>	\$74,800	\$73,800	-1.30%
Rural residential land E of Singleton in Branxton and Whittingham areas	Brokenback Road, Branxton	9,584.6 m <sup>2</sup>	\$285,000	\$290,000	+1.80%

Rural properties located within the SE section of the Shire	Glendonbrook Road, Glendon Brook	11.34 ha	\$350,000	\$365,000	+4.30%
Small hobby farms in Broke, Pokolbin and Bulga Vineyards	Wollombi Road, Broke	14.30 ha	\$325,000	\$310,000	-4.60
Rural properties located within the NW section of the Shire	Westbrook Road, Westbrook	27.09 ha	\$295,000	\$308,000	+4.40%
Environmental Conservation land throughout Shire	Maison Dieu Road, Maison Dieu	45.60 ha	200,000	200,000	0.00%
Rural holdings in Putty, Howes Valley and Doyles Creek	Putty Road, Howes Valley	46.12 ha	\$172,000	\$172,000	0.00%
Environs within 15km of the Singleton CBD	Dyrring Road, Dyrring	52.22 ha	\$320,000	\$320,000	0.00%
Forestry Land Throughout Shire	Wollombi Road, Paynes Crossing	65.14 ha	\$38,000	\$37,800	-0.50%
Environmental Management land throughout Shire	Commission Road, Doyles Creek	92.48 ha	\$47,600	\$47,600	0.00%
National Parks and Reserves	Kirkton Road, Belford	150 ha	45,000 (\$300/ha)	45,000 (\$300/ha)	0.00%
Larger Hobby farms in Broke, Pokolbin and Bulga Vineyards	Wollombi Road, Broke	163 ha	\$562,000 (\$3,448/ha)	\$555,000 (\$3,405/ha)	-1.20%

There was only one sale with a purchase prices over \$2,000,000 within the Singleton rural market since the prior Base Date. This rural grazing property is located within the Bridgman locality comprising 1,140 hectares of sandy loam grazing country showing an analysed land value of \$1,765/ha.

In the lifestyle/small holding market there were six sales contracted above \$1,000,000 since the prior Base Date which are outlined below:

- Two sales were properties located in the Pokolbin/Belford vineyard area comprising a small vineyard on each rural residential site. The sales show an overall analysed site value ranging between \$485,000 (10 ha site in Pokolbin) to \$610,000 (40 ha site in Belford) in this locality.
- Two sales located in close proximity to Bulga Village both comprising alluvial creek flat lands with dual creek frontage with property areas of 57 hectares and 85 hectares, respectively. These sales show an overall analysed land value ranging between \$9,700/ha - \$12,000/ha for alluvial flats in this locality.
- Two sales located in the Dalwood area. One sale is a 6.9 hectare rural residential site with creek frontage showing an overall analysed site value of \$300,000; and the other a larger 55 hectare alluvial site with river frontage showing an overall analysed land value of \$13,000/ha.

## Significant Issues and Developments

### Significant Developments – From Prior to Current Annual Valuation

Below is a summary of significant Development Applications. Most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

- Demolition of workshop and removal of infrastructure located in Mount Thorley approved in February 2015.
- Redevelopment of existing Singleton saleyards
- 18 lot subdivision located in Branxton with no DP registered at this time.
- 120 lot subdivision known as 'Murray's Rise' located in Lower Belford approved, but no DP has yet been registered.

## Significant Value Changes

### Significant Values Changes – From Prior to Current Annual Valuation

Minor variations and value changes (generally  $\pm 10\%$ ) in the past 12 months have previously been noted in this Report (see Market Overview). There have been some significant value changes due to verification since the 2014 Base Date, these are summarized below by property type:

- Jerry Plains and Bulga Village land values which are largely supported by mining related interests have experienced decreases due to increasing unemployment levels, economic uncertainty and poor outlook in line with lower coal prices and some delays to mine extensions. This decrease is supported by new sales evidence in this locality in both RU5 and RU1 zones.
- Brentwood Estate in Pokolbin experienced some significant increases due to market evidence highlighting a premium payable for being within close proximity to communal facilities within this estate.
- The newly developed "Hunter Highlands" estate in Sedgefield has experienced a decrease in value due to account for the unformed roadways throughout the estate. This decrease is supported by new vacant land sales evidence within this subdivision.
- The larger Mount Royal holdings have experienced reductions in line with new sales evidence indicating premiums for larger site area in this remote, heavily timbered, rural retreat location are no longer relevant.
- Putty/Howes Valley rural retreat area have experienced varied movement due to the newly available imagery and sales inspections highlighting the need for regrading in a number of areas for site specific attributes such as accessibility to site and through sites, as well as availability of electricity connection, outlook, creek frontages, on site clearing, remoteness etc.
- Producing coal mines have generally experienced decreases due to individual calculations being based on recoverable resources and newly available imagery requiring land uses to be recalculated resulting in some cases significant variations. Along with increased discount for known problems relating to current low coal prices, high world stocks and ongoing uncertainty relating to resource sector resulting in some significant reductions.
- A number of rural properties have experienced changes in value, with increases to better reflect quality of the country and dwelling entitlements with new imagery assisting in reviews of these features. Also some reductions in rural land values to reflect lack of building entitlements.

## Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of OPG Contractor 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 6.6.1. 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.

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