

Final Report 2015

Queanbeyan City LGA

Date: 19/11/2015

EXECUTIVE SUMMARY

LGA OVERVIEW

Queanbeyan City is a regional Local Government Area (LGA) located in south-eastern New South Wales. It adjoins Canberra which is located within the Australian Capital Territory and has a population of 334,000. Queanbeyan City is the main centre of the LGA, and is the largest city in south-east NSW. The LGA has a population of 37,991 (2011 census), and is located 16km SE of Canberra CBD and 289km SW of Sydney. Queanbeyan City Council Area was extended to incorporate Yarrowlumla Shire in 2004, resulting in a new total land area of 172 sq km. The LGA is predominately urban in nature, but also comprises a mix of rural-residential blocks/hobby farms as well as a few larger rural holdings. The city's mixed economy is based on light construction, manufacturing, service and retail. As at June 2015, the unemployment rate in Queanbeyan was 1.8%, compared to the ACT 4.5% and the national unemployment rate of 6.1%.

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

The Queanbeyan City Local Government Area comprises Residential, Environmental, Rural, Commercial, Industrial, Infrastructure and Public Recreation zones.

The close proximity to Canberra drives demand for properties within Queanbeyan. The populations in both centres generally have a relatively high average disposable income when compared to Australia as a whole and approx 50% of Canberrans are employed within Local and Federal Government. A large proportion of Queanbeyan residents commute to Canberra to work.

13,111 properties were valued at the Base Date of 1 July 2015, and the valuations are reflective of the property market at that date. Previous Notices of Valuation issued to owners were for the Base Date of 1 July 2012. The Queanbeyan City property market has remained relatively steady across all sectors.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2015 and 1 July 2012 and the Land Tax Valuation year of 1 July 2014 are as follows:

Properties Valued and Total Land Value							
Zone	Zone Code	No. of Entries	Total LG Land Value (2015)	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2012)	% Change
Residential	R1, R2, R3, R4, R5	10,786	3,474,886,900	3,430,895,670	1.28	3,395,961,260	2.32
Environmental	E1, E2, E3, E4	1062	492,733,321	483,824,951	1.84	468,404,331	5.19
Rural	RU2	28	26,246,350	27,395,100	-4.19	26,212,530	0.13
Commercial	B1, B3, B4, B5, B7	254	183,415,100	182,334,100	0.59	173,484,600	5.72
Industrial	IN1, IN2	646	327,834,380	328,331,380	-0.0015	340,363,100	-3.70
Infrastructure	SP1, SP2	20	5,320,880	5,320,880	nil	5,320,880	nil
Public Recreation	RE1, RE2	315	84,791,170	85,064,170	-0.32	86,235,270	-1.67
Total		13,111	4,595,228,101	4,543,166,251	+1.15	4,495,981,971	+2.21

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The current planning instrument is the Queanbeyan Local Environmental Plan 2012 (gazetted 23 November 2012). The plan is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

Quotable Value Australia (QV Australia) have undertaken significant analysis of the Queanbeyan City district property market to provide an accurate and reliable basis of valuation. 310 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. QV Australia undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In the Queanbeyan City District this year, sales and re-sales of properties indicated little variance in values throughout the year with only a slight increase in values from August 2014 to 1 July 2015 for properties zoned residential.

Rural properties also had a slight decrease in values throughout the year while Rural-Residential properties had a slight increase. Only one rural zoned property sold and comprised a small parcel of land adjoining Queanbeyan residential area. The sale price was not a true reflection of rural land values in Queanbeyan.

Rental and commercial rental analysis demonstrated no change in values since last year and feasibility studies that were carried out also reflected this.

SIGNIFICANT ISSUES AND DEVELOPMENTS

1. Googong Township

This new development is located near Googong Dam on Old Cooma Road, approx 4 km SE of Jerrabomberra, and 16km (26 min drive) from Parliament House, Canberra. Approximately 5,500 homes will be constructed at Googong over the next 20 years. The first residents moved into the Township in March 2014.

CIC (Canberra Investment Corporation) Australia is the company responsible for developing Googong, and has formed a Joint Venture – Googong Township Pty Ltd – with developer Mirvac.

The Googong Masterplan comprises five locales, being Googong North, Googong East, Googong South, Googong West and Googong Central. Current development is restricted to the first neighbourhood- Googong North. It is estimated that Googong will grow over the 20 year period to a population of some 18,000 people. The site is unusual in that there are very few environmental constraints – most of the land is degraded grazing land, with some areas of bushland. The development has been designed around an integrated water cycle incorporating up to 81% water recycling, plus water conservation features, resulting in an overall 70% saving in potable usage compared to traditional developments. 23% of the site (or 183 ha) is dedicated to open spaces including parklands and playing fields.

Googong North is the initial locale being developed. The Googong North Village Centre & supermarket is due to open in 2016, and a public primary school is scheduled for opening in 2018.

Googong Township is zoned R1 and is represented by component code DGA.

2. Tralee Subdivision

Tralee (or South Jerrabomberra as it is also known) is a new residential development next to the Hume Industrial area approx 10km from Canberra Airport and close to Jerrabomberra. The development covers a total of 303ha with up to 3500 homes proposed. Tralee will eventually include two schools, a village centre - retail & offices, low density residential & apartment style residences. The development will include 70 ha of parkland.

Tralee is being developed by the Village Building Company, with the first blocks of land sold in January 2014 to builders, and a second round of blocks sold in February 2014 to the general public. The development covers a timeframe of 6-8 years. The planning and rezoning of this block had taken approx 11 years to complete. Canberra Airport had been fighting the development proposal for years, on the grounds that construction of houses under the airport flight path would be a threat to its 24 hour operating status. No homes are to be built directly under any existing or future flight paths. Civil works on the site began in late 2014.

3. Canberra/ACT Property Market

As at July 2015 the median house price in Canberra was \$410,000 - a slight decrease from the previous few months. Canberra house prices have experienced a volatile past 12 months with periods of growth followed by falls. The current population in the ACT is approx 380,000 with a projected growth rate of less than 2%. Government sector job cuts over the past two years created uncertainty in the economy and house prices suffered as a result during this period. Mass redundancies are now complete in this sector, and departments are also no longer subject to the two-year hiring freeze which had been imposed. Consumer optimism has improved in the ACT, and this has flowed through to increased activity in the housing market, and an increase in housing loans. Having said this, the unit market is still subdued with an oversupply of these in the marketplace. The Canberra market in general is currently in the upward or recovering phase of the property cycle, however within this phase there is still some volatility.

Many of Queanbeyan's residents are employed within the ACT public sector, and Queanbeyan follows closely the property market of the ACT. In effect, it is seen as a satellite suburb of Canberra.

To date, the public sector job cuts appear to have had minimal impact on Queanbeyan residential property prices. Similarly, as to the effect on the increased housing stock as a result of the new Googong (and Tralee) development, and its effect on house prices across Queanbeyan. It is yet to be seen as to whether new housing construction over the next couple of years will outstrip demand, thereby creating a surplus of housing stock.

In relation to the Canberra commercial property market there is a large over supply of property relative to demand. The ACT industrial market is also depressed. Sales of land in Hume and Fyshwick have been slow and have sold at rates/m² less than that of five years ago in the same locale.

4. Mr Fluffy Asbestos Investigation

In late August 2014 the NSW Govt announced that it would investigate the extent of the loose fill asbestos problem facing an unknown number of Queanbeyan houses built prior to 1980 (amongst 14 other LGAs). The Mr Fluffy asbestos company operated in the region in the 1960s to late 1970s, installing loose fill asbestos into homes for insulation purposes. At the time, the health hazards of asbestos were not known. This

follows on from the 1021 homes in the ACT that have earlier been identified as having loose fill asbestos in roof and wall cavities.

In October 2014 the ACT Government announced that it will offer to buy back the 1,021 Canberra houses contaminated by 'Mr Fluffy' loose fill asbestos insulation, with demolition the end result. Under the Scheme, the ACT Government has offered to buy the affected properties at market value as if they were free from asbestos and including any improvements on the property.

Once the blocks have been cleaned, the ACT Government will then consider consolidating or unit titling blocks where appropriate to maximise the value of the blocks. Once the houses are demolished and the land remediated, blocks will be made available for re-sale. Homeowners will be given the first option to buy back the land for their own occupation at market value. However, where blocks have been subdivided, home owners will only be offered smaller, subdivided blocks. Demolition has begun in the ACT.

An increase of property sales was noted over the past 6-12 months particularly in the inner suburbs of South Canberra as this is where the majority of the Mr Fluffy homes are located. Affected owners tend to buy in the same suburb in which they previously lived. Demand for property in this part of Canberra has been higher than many other locales in the region.

The number of affected homes in Queanbeyan currently stands at 56. This includes a block of 38 apartments and 18 free standing houses. Unlike the ACT where Mr Fluffy owners who will have to buy their land back at increased market value, under the NSW scheme, residents can opt to keep their land following demolition and remediation.

SIGNIFICANT VALUE CHANGES

Summary of Valuation Changes to Residential Land

Changes since previous General Valuation (2012)

Growth has been very limited in most residential locations of the market since the last General Valuation in 2012, apart from moderate value increases occurring on some R3

and R4 zoned properties across Queanbeyan. These increases occurred as a result of the impact of the 2012 Local Environment Plan (LEP), resulting in properties which were previously zoned for single residences, being re-zoned to cater for multi-dwelling housing or flats. With a weak Canberra market over the past 3 years, and the fact that Queanbeyan is closely tied to Canberra market conditions, Queanbeyan has also seen very little growth over this period, mirroring the ACT. With a relatively large supply of vacant land/house & land packages on offer across numerous ACT subdivisions, and thus plenty of choice for buyers, Googong Township has seen very little change in values over this period.

Changes since previous Valuation Year (2014)

Over the past 12 months there has been reasonably steady demand for residential property in Queanbeyan, with a 1.28% increase in total values since July 2014. There was a steady volume of improved sales across the LGA, particularly since January 2015. The highest number of vacant land sales occurred in the new Googong Township subdivision, just south of Queanbeyan City, where sales indicated a 3% increase in value levels. Within Jerrabomberra there was no change to 2014 value levels on average, apart from those properties located on the upper slopes of Jerrabomberra which increased slightly. Jerrabomberra remains as a separate distinct locality from Queanbeyan, and includes modern homes developed in the 1990s/2000s. Sales within the older, established part of Queanbeyan, indicated no increase to 2014 value levels on average, apart from properties in lower valued locales such as Karabar, and those located to central west Queanbeyan which increased by 1%.

Summary of Valuation Changes to Rural and Environmental Zoned Land

Changes since previous General Valuation (2012)

The Queanbeyan City LGA Rural and Environmental Zone lands are located to the south and east of the city. And vary from open pasture lands in the valleys to steeper hills, usually bush covered. Similarly the soil types are variable with the hillier land generally being thinner soils over slate or shale. Rural-residential subdivisions at Greenleigh, Weetabalah, Wanna Wanna, Carwoola, Mount Campbell, Royalla and Burra offer popular alternatives to the residential suburbs and are mostly located within a short distance of the City. Googong Dam is a popular recreational area 10 minutes south of the City.

The rural zoned land within the LGA has not changed in value since the last general valuation in 2012 while environmental zoned Rural-residential land has increased by 5%.

Higher priced Rural and Rural-Residential properties within the LGA do not command as much of a premium as they do in other localities on the edge of Canberra as the land is generally inferior and commute times are slightly longer. Higher priced properties over \$800,000 are often difficult to sell unless they are within one of the recent subdivisions close to Queanbeyan. At the same time, there are very few vacant Rural Residential blocks for sale and they tend to sell in the \$400,000 to 500,000 price range. Generally land within the newer subdivisions which have higher priced homes have increased at a faster rate. Land values in the Rural-Residential subdivisions at Wickerslack and The Ridgeway increased by 5%. Larger residential blocks within the Environmental Zone at Jerrabomberra also increased by 5%.

Changes since previous Valuation Year (2014)

The Rural zoned land has reduced in value by 4% over the past 12 months while Rural-Residential land has increased by just under 2%. Land values in the Rural-Residential subdivisions at Wickerslack and The Ridgeway increased by 15% and 6% respectively.

Summary of Valuation Changes to Commercial Land

Changes since previous General Valuation (2012)

Queanbeyan City has a small commercial sector with only 254 properties. A very slight increase in values occurred to commercial zoned land over the period 2012 to 2015. There are five commercial zones, B1, B3, B4, B5, and B7. The rate of change ranged from 0.79% to 3.57% in four of these zones. The largest increase related to the B7 zone being 80.41%. This zone comprises of only one component and one property, being englobo land located in the locale called The Poplars.

Changes since previous Valuation Year (2014)

A small number of market sales occurred in this sector, with a very slight increase on average to 2014 value levels. Overall, the market is considered stable. The only sale of note which took place was the sale of the Karabar Shopping Centre, which is a small neighbourhood centre servicing the immediate suburb of Karabar, with a sale price of \$10,250,000. The analysis indicated no change in land values was warranted. Generally

speaking, sales volumes and interest from buyers in the commercial property sector has been slow during 2014/2015.

Summary of Valuation Changes to Industrial Land

Changes since previous General Valuation (2012)

Industrial values fell slightly over this period, decreasing by approx 3.8%. In general, over the last seven years the industrial market has been fairly subdued. Since January 2010 and through 2011/2012, business confidence had improved from the lows of 2009. During 2013/14, some uncertainty crept back into the local economy, particularly for those small to medium sized industrial properties. The adjacent Canberra industrial market is currently very subdued and there has been little interest in property in this sector over the past 3 years. Recent sales in the Hume subdivision in the ACT have indicated prices below that which was paid five years ago in the same area.

There has been little interest at the upper end of the market. There are a total of 646 properties in Industrial zones IN1 and IN2.

Changes since previous Valuation Year (2014)

There have been a limited number of industrial sales in the Queanbeyan City industrial market over the past 12 months, with the majority of sales contracted showing no change to value levels overall. A couple of sales did indicate a slight decrease to values in certain pockets of the industrial area to the east of Yass Road, and as a result of this, values were handcrafted in certain streets. Premises with long term leases to secure tenants will sell if offered to the market on relatively low yields. For example-51 Aurora Street sold in June 2015 for \$2,660,000 at an initial yield of a low 4.69%. The lease was to the NSW Govt. for a term of 5 years plus options.

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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 Queanbeyan City 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 v6.6.2. The Manual allows mass valuation methodologies that involve assessing large numbers of properties as a group to be utilised where appropriate. Mass valuation methodologies are by their nature likely to be less accurate than individually assessed valuations, however are utilised worldwide for rating and taxing purposes to deliver valuations within an acceptable market range. Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

More information on the valuation process is available from the Land and Property Information website at www.lpi.nsw.gov.au/valuation

LGA OVERVIEW

LOCATION OF THE DISTRICT

Queanbeyan is the largest city in south east NSW, located in the Southern Tablelands and is approximately 18km from Canberra CBD to the northwest and 3 & 1/2 hours drive SW of Sydney. The LGA covers an area of approx 172km². Queanbeyan is accessed from the north-east via the Hume and Federal Highways, from the north-west via the Barton Highway, from the south via the Monaro Highway and from the south coast via the Kings Highway.

With a city population of just under 40,000 and growing at approximately 3% per annum, Queanbeyan is the fastest growing inland city in New South Wales and is a regional centre for approximately 50,000 people. In the surrounding districts around Queanbeyan City are national parks and forests including Tidbinbilla Nature Reserve and Namadji National Park to the west and Tallaganda State Forest and National Park to the east. 10kms south of Queanbeyan via Old Cooma Road is the Googong Foreshores on the edge of the Googong Dam. The area is managed by the ACT Parks and Conservation Service as a water catchment area, a recreation area for public use and as a wildlife refuge.

Topography is mixed and ranges from flat to undulating lands in the valleys with steeper grazing and bush covered hills.

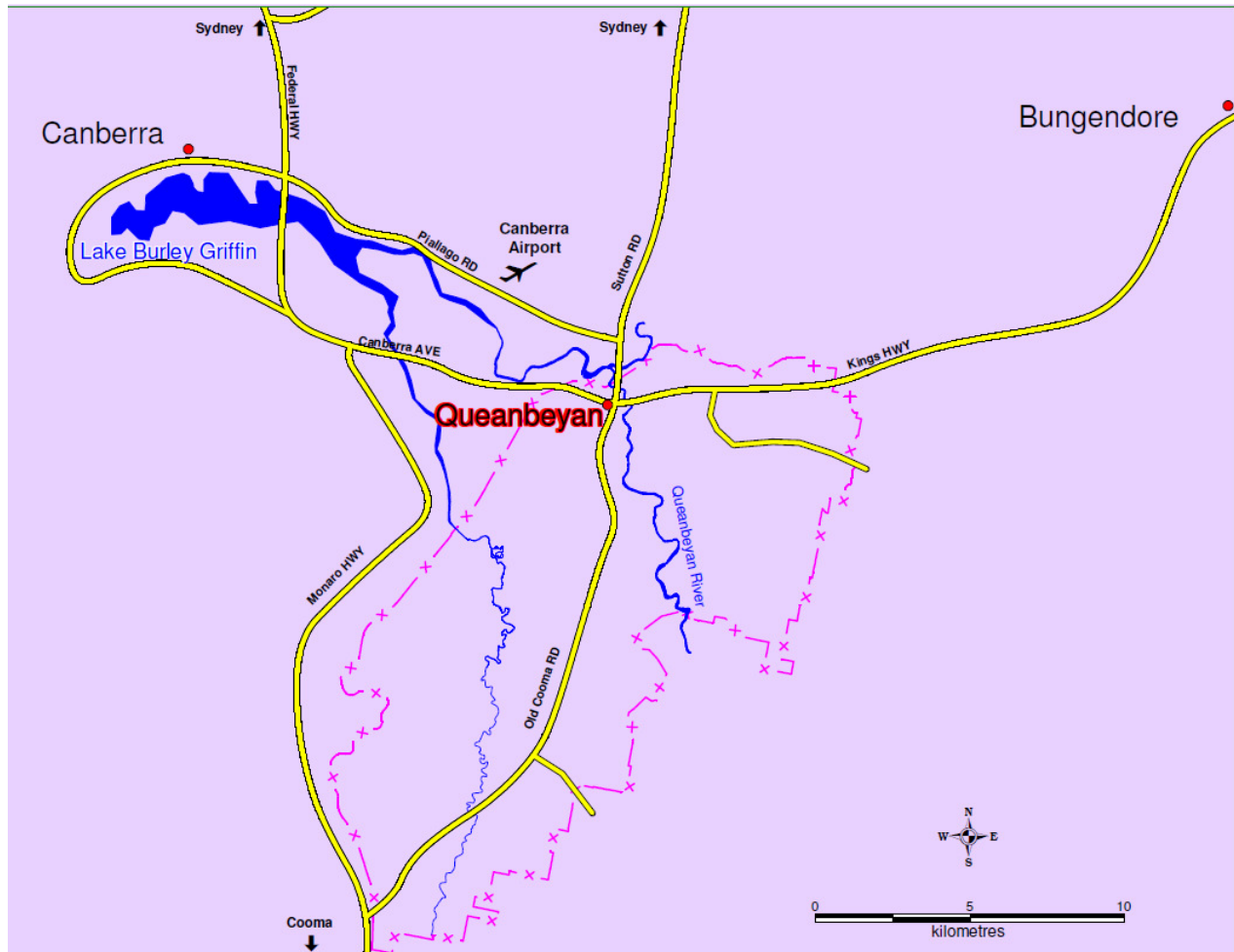
Queanbeyan has significant building, manufacturing, service and retail industry sectors supporting the local region. Recreation and tourism also contributes to Queanbeyan's economy. Neighbouring Canberra provides much of the employment opportunities with 50% of Queanbeyan residents being employed in the Clerical, Professional and Managerial fields within Canberra.

As with neighbouring Canberra, Queanbeyan has only a moderate sized rural area. This provides land for future residential and rural-residential settlement. It has a sizeable number of hobby farms, rural-residential holdings (otherwise referred to as rural home-sites) that are essentially an alternative to living within a city suburb, a small number of farms and open space held as reserves and water catchment area. The city's population is expected to increase to 69,000 by 2031.

Googong Township is a new master-planned township which is currently being developed on 780 hectares of former grazing land located 10km South of Central Queanbeyan, close to the Googong Dam. Construction of houses has commenced and is expected to continue for 15-20 years, ultimately comprising 5,550 homes of varying types and sizes to house approximately 16,000 people. Lot sizes range from 170m² to 1,000m². The project is being developed by CIC Australia (Canberra) and Mirvac.

Land at Tralee, located to the Southwest of Jerrabomberra and next to the ACT border and Hume Park Industrial Estate is being developed by The Village Building Company and others. The development is located 13.6 km from Canberra CBD. It was recently rezoned Residential and Business with 3500 houses and a commercial centre to be built. The development covers 303 hectares, with approx 70 ha proposed for open space and parkland. The average size of blocks sold to date is 592m², with an average price of \$267,000. Two schools and a childcare facility are also proposed to be built.

A map showing Queanbeyan City LGA outlined in pink is shown below:



PRINCIPAL TOWNS

Queanbeyan LGA includes the suburbs and localities of Carwoola (part), Crestwood, Environa, Googong Township, Greenleigh, Jerrabomberra, Karabar, Queanbeyan, Queanbeyan East, Queanbeyan West, Royalla (part), The Ridgeway, and Tralee.

Queanbeyan City

Queanbeyan City is the main centre of this LGA, and provides general services to the surrounding region. The city centre has a selection of retail outlets including discount

department stores, supermarkets, banks, and a small number of independent retailers. The majority of the retailers are located in “Riverside Plaza”, a sub-regional style shopping centre located in the centre of the CBD. Two light manufacturing/industrial precincts are centred on Gilmore Road to the SW of the CBD and Yass Road to the NE. Queanbeyan has two government high schools, and five Primary Schools. The Queanbeyan District Hospital is a small but modern facility providing maternity, emergency and some community health services. Queanbeyan has an ambulance station, indoor and outdoor swimming pool, community centre, performing arts centre, a public library, several parks and a golf course.

Jerrabomberra

A suburb of Queanbeyan located 7km south of the Queanbeyan CBD, which was developed in 1988. Jerrabomberra consists of three sections, The Park, The Heights, and Lakeview. The Park and the Heights are divided by Edwin Land Parkway. As at the 2011 census, Jerrabomberra had a population of 9,420. Jerrabomberra features many community amenities, a post office, primary school, a lake and various other facilities. Some people in Jerrabomberra work in nearby Queanbeyan, but most work in Canberra. Jerrabomberra has a small neighbourhood style shopping centre which features a Woolworths supermarket and a number of small specialty stores.

The Heights is mainly situated on the base of Jerrabomberra Mountain. This mountain divides most of Jerrabomberra from Queanbeyan on the northeast and North Terrace on the North West. The Park is situated on the flat to the south. This urban area extends down to Jerrabomberra Lake, an artificial lake that drains into Jerrabomberra Creek and is dominated by Cove Island, established 1992, (an artificial island which consists of eight homes and a central common facility entailing a tennis court, swimming pool and sauna).

Googong Township

As referred to earlier in the report, approximately 5,500 homes will be constructed at Googong over the next 20 years. This new development is located near Googong Dam on Old Cooma Road, approx 4 km SE of Jerrabomberra, and approx 30 mins drive to Canberra CBD.

The Googong Masterplan comprises five locales, being Googong North, Googong East, Googong, South, Googong West and Googong Central. Current development is

restricted to the first neighbourhood- Googong North. It is estimated that Googong will grow over the 20 year period to a population of some 18,000 people. The site is unusual in that there are very few environmental constraints – most of the land is degraded grazing land, with some areas of bushland. The development has been designed around an integrated water cycle incorporating up to 81% water recycling, plus water conservation features, resulting in an overall 70% saving in potable usage compared to traditional developments. 23% of the site (or 183 ha) is dedicated to open spaces including parklands and playing fields.

Construction is well underway in Googong North which is the first neighbourhood to be developed in the township. This section includes the Display Village, Beltana Park, Club Googong, playing fields, the Village Centre & a primary school which is currently under construction. Blocks sizes range from 170m² to 1100m². Blocks of land are mainly sold to builders whom then on sell house and land packages to the general public. There has been generally good interest in property in the Township to date, with a steady number of house/land packages being sold. Blocks of land have sold on average from \$185,000 for a 350m² lot through to \$310,000 for a 750m² lot, with sale prices depending on location, views and contour within the development. The average sale price is \$250,000.

MAIN INDUSTRIES

Queanbeyan has significant building, manufacturing, service and retail industry sectors supporting the local region. Recreation and tourism also contributes to Queanbeyan's economy. Neighbouring Canberra provides much of the employment opportunities with 50% of Queanbeyan residents being employed in the Clerical, Professional and Managerial fields. Queanbeyan has two distinct light industrial precincts, one being located to the SW, in the vicinity of Gilmore Road, and the other area being to the NE, in the vicinity of Yass Road. Activity is predominately light industrial in nature. The main retail area is centrally located on Monaro St & Crawford St, adjacent to the Queanbeyan River.

Similar to neighbouring Canberra, Queanbeyan has a moderately large rural area. This provides land for future residential settlement. It has a sizeable number of hobby farms, rural residential holdings (otherwise referred to as rural home sites) that are essentially an alternative to living in a city suburb, a small number of farms and open space held as reserves and water catchment area.

Economic activity surrounding the home of the federal and territory governments and public service employee spending, make up a matrix of influences impacting on demand for land and housing, and thus property prices within Queanbeyan.

SIGNIFICANT RETAIL CENTRES

Queanbeyan City Central Business District provides the main retail centre for the Queanbeyan Council region. The CBD comprises Riverside Plaza Shopping Complex with major anchors including Target and a Coles supermarket together with numerous specialty stores. K-Mart opened a new store at the end of 2012 on the ground floor of City Link Plaza, which is opposite Riverside Plaza on Morisset Street. The Karabar Shopping Centre is a small local centre comprising of an IGA and a small number of specialty stores. Jerrabomberra also has a local shopping centre featuring a supermarket as its main tenant.

TYPE OF RESIDENTIAL DEVELOPMENT

Queanbeyan City LGA contains a number of suburbs, with the majority of development occurring in and around Queanbeyan and the new Googong Township. Hobby farm type development is located at Carwoola, Fernleigh Park and Royalla.

Of the 14,111 occupied private dwellings (census 2011) in the LGA, these can be broken down into:

9489	Separate homes
2157	Semi-detached/terraced/townhouses
2384	Flats/units/apartments
70	Other

The centrally located part of the Queanbeyan residential area includes older style brick and weatherboard dwellings dating back to the late 1800s. Many of the older dwellings (particularly the bungalows and villas) have been renovated and modernised and tend to fetch a premium in the current marketplace. A reasonably large Housing Commission Estate is located in the southern section of the City and comprises 25 to 35 year old developments. Abutting that area are similar aged and newer residential estates known

as Riverview, Thorntons and Fairlane with the standard of development in these estates varying from average to good quality. To the east of the Queanbeyan River are exclusive rural/residential estates known as Greenleigh, Kingsway and Weetalabah.

Home unit/apartment and townhouse development is common in Queanbeyan with the older town area having numerous somewhat dated developments, with modern high-rise blocks interspersed.

Jerrabomberra remains as a separate distinct locality from Queanbeyan, and includes average through to executive-quality houses developed over the past 25 years. Many of the blocks in Jerrabomberra Heights obtain excellent views over Queanbeyan towards Canberra, and hence feature the higher priced residences, many being of a high quality and design. Jerrabomberra Heights comprises of homes built post 2000, whilst the homes on the flat and lower slopes were mainly built in the 1990s.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Queanbeyan City Local Government Area is governed by the Queanbeyan City Local Environmental Plan 2012(LEP), gazetted November 2012. There have been no amendments to the LEP since the previous valuation.

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

The Plan aims to make local environmental planning provisions for land in the Queanbeyan City Council Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

Queanbeyan City Council has development controls including the Queanbeyan City Development Control Plan 2012 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Predominant Minimum Allotment Size
General Residential (R1)	330m ² in Googong Township
Low Density Residential (R2)	600m ²
Dual Occupancies (R3, R4)	600m ²
Multi- Dwelling Housing (R3, R4)	750m ² (min width 18m)
Residential Flat buildings (R4)	1000m ² (min width 24m)
Large Lot Residential (R5)	4ha
B1, B3, B4, B5, B7, IN1, IN2	By Council Consent
Environmental Management E3	5ha
Environmental Living E4	6ha (down to 2ha in some locations)
Rural Landscape RU2	80ha

Allowable development in the R3 and R4 zones and the B3 and B4 Business Zones is determined by which neighbourhood precinct the property is located in. Each precinct reflects generally uniform built characteristics. Any new development has to fit in with the themes and style of the character of these different localities. The height of the development has to comply with the height-of-buildings map applicable for each precinct.

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

RESIDENTIAL

Sales volumes have increased slightly in the last twelve months, with residential values generally remaining stable over the past year. This coincides with the adjacent Canberra market in which sales volumes have picked up over the past 1-2 quarters. Although we are seeing an increase in the volume of sales, this has not yet translated into increased prices in general.

The highest number of vacant sales occurred in the new Googong Township subdivision, just south of Queanbeyan City. Jerrabomberra had very few vacant blocks available for sale, with most having now sold & been built on. There was no change to 2014 value levels on average, apart from those properties located on the upper slopes of

Jerrabomberra which increased slightly by 2%. Vacant land sales together with improved sales indicated increased prices on these superior lots, over those located on the flatter sections of the suburb.

Sales within the older, established part of Queanbeyan, indicated nil to a 1% increase in value levels on average. Sales within Jerrabomberra Heights indicated a 2% increase on average, whilst the balance of Jerrabomberra (on the flat & lower slopes) indicated a nil change to value levels. The majority of sales within Googong Township indicated a slight increase of 3% to 2014 value levels.

There were a total of 8582 properties within the R2 zone, and there was an overall increase of 0.49% over 2014 value levels.

Over the period 2012-2015 R2 zoned residential properties increased by 2% on average over 8582 properties, comprised within 10 components. The largest increase in values occurred in Jerrabomberra Heights with a 5.14% increase in values over this period. R3 zoned properties increased by 2.48%, and R4 zoned properties increased by 7.8%.

In general, the majority of residential land in the City of Queanbeyan has had nil change to values since the previous 1/7/2014 revaluation. The market has remained relatively flat over the past 12 months. Despite this flat market, opportunities can still be seen for 'value-adding' projects and increasing the potential rent the property can receive. This has been seen, with some older properties being renovated for profit. The Queanbeyan private rental market represents one of the highest proportions of private rental stock in non-metropolitan NSW.

There was a relatively good volume of sales at the upper end of the market- indicating that confidence had returned from the lows of 4-5 years ago. There is reasonably good demand from developers for multi-unit sites. The re-zoning of some properties to R3 & R4 (from R2) has seen a resurgence of interest from builders/developers looking to redevelop such sites. Of the 1107 R3 zoned properties, land values increased by 1.79%, and of the 472 R4 zoned properties, land values increased by 6.39% since July 2014.

Various properties across Queanbeyan which were re-zoned high density and deemed to be ripe for redevelopment, were re-valued.

Vacant land sales in the recently developed Googong Township indicated a slight increase in value levels to that of 12 months ago, with a steady volume of sales occurring over the past 12 months. Sales were quite erratic over the past 12 months with some sales regarded as quite high, and some regarded as being quite low. This

development is now competing with newly released blocks in the Tralee subdivision, and the release of blocks in various new subdivisions within the ACT.

The current cash rate at the time of writing this report is 2.0%, down from 2.5% 12 months ago.

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

COMMERCIAL

The Queanbeyan City LGA comprises 254 commercial zoned properties. All except one property is located in central Queanbeyan. The commercial market had few market sales over the past 12 months. The sales indicate a relatively stable market with a lack of variance in land values. The sales included a mix of tenanted investments and owner occupied properties.

Over the period 2012-2015, 183 B3 zoned centrally located properties increased by 2.51%, whilst 18 B1 zoned properties (local neighbourhood centres) increased by 1.61%. 47 B4 zoned properties increased by 0.79%, and 5 B5 zoned properties increased by 3.57%.

Central Queanbeyan is in the process of being revitalized. The first stage of the CBD Master Plan was completed in 2012 when the Crawford St Lifestyle Precinct was constructed. The Precinct turned part of the CBD into a pedestrian-friendly area reducing traffic from four lanes to two. Stage two of the CBD Master Plan will occur over 2015-16 and will focus on the entrances to the CBD at Lowe and Collett Sts, Monaro St, Morisset St and Queen Elizabeth Park.

A recent Queanbeyan City Council report (undertaken in early 2015) on commercial and retail floor space vacancy in the CBD, indicated a vacancy rate of 6.33% in the Queanbeyan CBD.

INDUSTRIAL

There are a total of five industrial components in Queanbeyan, and two industrial zones, comprising 646 properties. Queanbeyan City is a prominent regional centre with two industrial precincts. The first industrial precinct is located to the NE of the CBD and

extends along the Yass Road area, approximately 2 kilometres from the CBD. Yass Road is the main road to/from Queanbeyan providing access north to Canberra, the airport and the Hume Highway. The second industrial precinct (Letchworth Estate), located to the SW of the CBD is centred around Gilmore Road, and this area is accessed directly off Canberra Avenue and Lanyon Drive. Canberra Avenue is a main arterial road providing access to/from Queanbeyan from the east. Both of these precincts feature light industry, with no heavy industry. Within these industries a wide range of manufactured products are produced.

There have been a limited number of industrial sales in the Queanbeyan industrial market, with the sales contracted showing values have remained stable on average over 2014/2015. A small number of properties within Faunce St, Cooper Place and Dominion Place had their values reduced slightly, whilst a small number of properties along Gilmore Road had their values increased slightly. On average there was nil change to July 2014 value levels. Although Queanbeyan does not have vast amounts of industrial land, across the border in The ACT, there is a surplus of industrial land, and prices in Canberra have decreased over the past 3 years.

Since the last General Valuation in 2012 there has been a slight decrease in values of 3.63% in IN1 zoned property values and a 3.89% decrease in IN2 zoned property values.

RURAL

Rural areas within the Queanbeyan City LGA are sought-after as an alternative to City Living and offer the ability to have a larger block size within a rural or bush setting. The Queanbeyan rural areas are within easy reach of Canberra and at the same time have the advantage of being close to Queanbeyan City and its services.

The most common rural land use is Rural Residential accommodation with larger blocks offering the ability to graze horses or sheep and to a lesser extent cattle.

The rural property market has experienced no increase since the last general valuation and a drop of approximately 4% over the past 12 months. Rural-Residential properties have experienced a 5% increase since the last general valuation and an almost 2% increase over the past 12 months although certain locales have had slightly higher or lower increases.

Limited availability of Greenfields Rural-Residential land has resulted in land prices close to the City increasing, especially in the newer, more up-market subdivisions. The preceding twelve month period has seen stable numbers of recorded, reliable sales for the two property classes. There were property sales within all areas of the District although few sales were recorded within Royalla.

RURAL AND ENVIRONMENTAL ZONED LOCATIONS WITHIN THE LGA

Land values vary throughout the LGA according to land form, location, access and soil types. The following are general descriptions of some localities within the Queanbeyan City LGA:

Carwoola and Wanna Wanna

Located west of Queanbeyan City and generally hilly with thin soils over slate and shale. Mix of bush cover and open pasture.

The Ridgeway and Weetalabah

Smaller blocks located next to the City. Weetalabah is an exclusive estate with many large homes.

Wickerslack, Mt Campbell and Royalla

Handily located to the south of the City with the newer subdivisions having larger executive quality homes. Older subdivisions tend to have large land areas but are less in demand due to the age of the homes.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

There have been no significant developments apart from the ongoing development of the north neighbourhood within Googong Township.

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

The only significant developments of note are Googong Township and Tralee, which have been commented on earlier in this report.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

As mentioned earlier in this report there were some significant value increases to various properties which were rezoned from R2 to R3 and R4 under the 2012 LEP.

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

Since the last General Valuation in 2012, Queanbeyan residential values have generally been stable with the land values remaining largely unchanged. This follows the same overall trend from the previous valuation year and supports that the current market levels are generally static.

Changes of note are as follows:

- Properties which have been rezoned R3 and R4 under the 2012 LEP have seen some significant value increases. Many of these properties are being targeted by developers, with a noticeable increase in building activity in Queanbeyan over the past 2 years.
- One B7 zoned property located in the Poplars increased by 80.4% due to rezoning.
- One R1 zoned property located at Tralee increased by 182.63% due to rezoning.
- Property values within the Mt Campbell Estate increased by 30%.

In the main, value changes have occurred more consistently over the past 3 years since the previous General Valuation.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

LPI has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of QV Australia and outlines that the Verification process and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and lists of high value and high risk properties is also provided in the Valuation Analysis Report. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value basis' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or reascertainment process were individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 6.6.2. Worksheets have been maintained on all properties where calculations are required. We have also ensured that adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

AUTHOR

Report Prepared by:

A handwritten signature in black ink, appearing to read 'K Williams'.

Keith Williams
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