



CROWN VALUATION SERVICES

FINAL REPORT

BASE DATE 1st July 2015

DISTRICT OF HOLROYD (221)

BLACKTOWN CONTRACT AREA

1 November 2015

EXECUTIVE SUMMARY

LGA Overview: Holroyd City Council.

The Holroyd Local Government Area is situated approximately 25 kilometres west of the Sydney Central Business District. It covers an area of 39.89 square kilometres of slightly undulating land as well as fairly level, lower lying areas generally along natural water courses throughout the district. Holroyd is bounded by the Local Government Areas of Parramatta (north-east), Fairfield (south) and Blacktown (west). Physical boundaries such as Prospect and Toongabbie Creeks, Prospect Reservoir and the main south-western and western railway lines mark the parameters of the local government areas. The Great Western Highway and M4 Motorway provide the districts main east / west road arteries. The Cumberland Highway & Woodville Roads are the district's main north / south road arteries. According to Profile.ID the Holroyd LGA has an estimated population of 111,100 residents (Estimated Residential Population 2014) and has experienced steady population growth over a number of years. The City is served by the main western and south-western railway lines.

Properties Valued and Total Land Value

The Holroyd City local government area comprises residential, commercial, industrial, infrastructure, environmental and public recreation zones.

There were 27,818 properties valued for the base date of 1 July 2015, and valuations are reflective of the property market at that time. In general the property market within the Holroyd LGA continues to remain strong especially within residential zones where there have been significant increases in the market. The Holroyd LGA is well located within close proximity of the Parramatta CBD, which is part of the NSW Government's long term plan to become a second dedicated CBD in Sydney. Good access to the M4 Motorway and Sydney's Orbital road network is also available with further improvements expected once the proposed Westconnex project is completed.

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

ZONE	ZONE CODE	ENTRIES	2015 TOTAL LV	PRIOR ANNUAL VALUATION (2014)	% CHANGE	PRIOR LGA VALUATION 2013	% CHANGE
RESIDENTIAL	(R2, R3, R4)	25,731	\$14,575,790,190	\$10,208,320,190	42.78	\$8,890,115,227	63.96
COMMERCIAL	(B1, B2, B4, B5, B6, B7)	813	\$822,079,700	\$702,483,870	17.02	\$644,642,468	27.52
INDUSTRIAL	IN1, IN2	771	\$1,509,186,700	\$1,424,367,145	5.95	\$1,403,513,935	7.53
INFRASTRUCTURE	SP2	90	\$24,702,640	\$23,202,380	6.47	\$23,191,656	6.52
ENVIRONMENTAL	E2	25	\$6,663,800	\$6,364,190	4.71	\$6,353,440	4.88
RECREATION	RE1, RE2	388	\$134,292,430	\$127,370,360	5.43	\$126,358,260	6.28
TOTAL		27,818	\$17,072,715,460	\$12,492,108,135	36.69	\$11,094,174,986	53.89

State and local government legislation for Holroyd City 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. Holroyd City Council has implemented a new Holroyd LEP 2013 and Holroyd Development Control Plan 2013 (DCP) that applies to all land in the local government area with the exception of the Western Sydney Employment Lands precinct on the western fringe which is zoned under SEPP (Western Sydney Employment Area) 2009 and SEPP (Major Development) 2005.

The latest version of the Holroyd LEP 2013 took effect by publication on the NSW legislation website on the 15th of July 2013. Amendments to Holroyd LEP 2013 can be found at the NSW Government, NSW legislation site.

Market overview and sales of particular interest:

CVS has undertaken significant analysis of Holroyd LGA property market to provide an accurate and reliable basis of valuation. 434 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 accurate calculation 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. In the Holroyd LGA district this year sales and resales of residential properties indicated strong increases in values throughout the year. The commercial and industrial property markets showed steady demand.

Significant issues and developments

As at the date of writing according to the Sydney West Joint Regional Panel website lists the significant developments for the 2015 base date valuation period that are undergoing assessment or have been determined. These include:

1 Addlestone Road, Merrylands development application for S.96(2) modification seeking alterations and additions to an approved mixed use development including reduction of 186m² of commercial floor area; 5 additional parking spaces and 6 additional residential units

510-524 Great Western Highway, Pendle Hill development application for 3 separate buildings incorporating a 4 storey shop top housing development; a 4 storey residential flat building and a 3 storey multi dwelling housing development comprising a combined total of 6 retail units; 72 residential units over 1 level of basement parking accommodating a total of 118 car parking spaces.

Corner of Palmer and Parkes Street, Guildford West development application for group homes under Affordable Rental Housing SEPP 2009 in 2 stages with stage 1 seeking approval for site works including new public road and subdivision into 9 lots and stage 2 seeking approval for construction of 4 x single storey dwellings as group home on lots 1 to 4.

224-240 Pitt Street, Merrylands development application for a mixed-use development containing 3 separate towers ranging in height between 4 and 19 storeys comprising 355 residential units over 5 levels of basement parking accommodating 464 carparking spaces.

Building 1 being part of 1 - 11 Neil Street, Holroyd development application for a 9 storey residential flat building comprising 137 units over 3 levels of basement parking accommodating 156 carparking spaces.

Building 2 being part of 1 - 11 Neil Street, Holroyd development application for a 12 storey residential flat building comprising 118 units over 3 levels of basement parking accommodating 140 carparking spaces.

4-14 Welsford Street, Merrylands development application for a seniors living development comprising 26 units including car parking for 12 vehicles under SEPP Housing for Seniors or People with a Disability 2004.

11 Pastoral Circuit, Pemulwuy development application for a 2 storey 130 bed residential aged care facility (RACF) with part basement car park accommodating 38 carparking spaces.

172-184 Great Western Highway, Westmead development application for a part 6 part 7 storey residential flat building comprising 109 units over 2 levels of basement parking accommodating 132 car parking spaces.

158 – 162 Great Western Highway Westmead and 8 Hannah Street Westmead development application for a part 3; part 5 and part 8 storey mixed use development comprising 88 dwellings and 3 commercial tenancies over 2 levels of basement parking accommodating 114 carparking spaces.

Lot 4012, Driftway Drive, Pemulwuy development application for a 3 storey multi dwelling housing development comprising 97 units over basement parking accommodating 139 car parking spaces.

31-33 and 37B Garfield Street, Wentworthville development application for 3 separate blocks of residential flat buildings ranging in height between 5 and 7 storeys comprising 200 units over 1 level of basement carparking accommodating 257 carparking spaces.

148-150 Great Western Highway, Westmead development approval for a part 6 part 7 storey mixed use development incorporating a residential flat building and a community facility over 1 level of basement car parking accommodating 72 residential units, 59m² of community facility and 38 car parking spaces under the Affordable Rental Housing SEPP 2009.

70 – 74 O'Neill Street, Guildford development approval for a part 4 and part 5 storey residential flat building over basement carparking accommodating 41 residential units and 36 carparking spaces with associated strata subdivision into 41 lots under Affordable Rental Housing SEPP 2009; The proposal has a capital investment value of more than \$5m and the consent Authority is Joint Regional Planning Panel.

INCREASING DEVELOPMENT ACTIVITY AND COUNCIL AMALGAMATIONS

Following the implementation of the Holroyd LEP 2013, Holroyd City Council has provided additional opportunities for medium density development by way of extending and upzoning certain precincts. These precincts are generally concentrated within close proximity to existing commercial centres, railway corridors and stations. The council has taken a proactive approach to increase the numbers of dwellings in the LGA. Through improving the financial viability and creating efficiencies the burden for council to provide services is reduced.

The NSW Government developed the “*Fit for the Future*” Program which required each council to address certain criteria relating to the “*Revitalising Local Government Report*” released in October 2013. According to studies undertaken by Holroyd Council, an independent consultant has determined that as a standalone entity, they will meet or exceed all benchmarks set for 2019/2020 that are required to be met. Through increasing dwelling numbers from redevelopment the Council may be able to further strengthen its financial viability in an environment where Council amalgamations are proposed to reduce the duplication of services and streamline costs and expenditure.

SYDNEY METROPOLITAN STRATEGY

The Sydney Metropolitan Strategy is the New South Wales Government’s long term plan to maintain Sydney’s role in the global economy and to plan for growth and change - a series of ongoing decisions, actions, plans and projects. The State Government as part of its Metropolitan Strategy has identified “new dwelling” targets for all Sydney regions until 2034. Under the Heading Centres and Corridors, Westmead is mentioned as a Specialist Centre. The following is an extract from the website showing what is currently being planned.

“The NSW Government is placing the draft West Central Subregional Strategy on exhibition for public comment. When finalised, the Subregional Strategy will guide land-use planning until 2031 in the Auburn, Bankstown, Fairfield, Holroyd and Parramatta local government areas. Key directions include:

- *Retaining and protecting strategic employment lands to help provide jobs closer to home*
- *Strengthening Parramatta as one Sydney's main city centres*
- *Planning for a broader range of roles for Sydney Olympic Park*
- *Supporting the continuing development of the Westmead Specialised Centre*
- *Promoting Bankstown as a Major Centre*
- *Improving connections between centres and access to regional open space*
- *The Subregional Strategy translates objectives of the NSW Government's Metropolitan Strategy and State Plan to the local level. Local councils were consulted during its preparation.”*

This Metropolitan strategy covers a geographic area of over 10,000 square kilometres, made up of 43 local government areas including two on the Central Coast. It is too large and complex to resolve all the planning aims and directions down to a detailed local level through one Metropolitan Strategy. The metropolitan area of Sydney has been arranged into ten subregions that combine local government areas with similar issues and challenges when it comes to planning for growth and managing change. These subregions also relate to particular transport routes, natural features, and patterns of employment and retail activity that are important factors in the way people move around and use their area.

WENTWORTHVILLE CENTRE REVITALISATION

Council is looking to help facilitate the revitalisation and renewal of Wentworthville Town Centre. This project is called the *Wentworthville Centre Revitalisation Project*. A new planning strategy for Wentworthville Centre is currently being developed and implemented, based on community engagement and expert studies.

According to the Holroyd City Council website the objectives are:

- *to work with the community to identify a shared vision for the future*
- *to understand the challenges and opportunities for Wentworthville Centre*
- *to identify opportunities and priorities for the revitalisation and renewal of Wentworthville Centre*
- *to provide the framework for delivering the desired improvements and growth*

The Strategy provides a vision for the Centre with a focus on built form and character (with two options available for comment), open space and public domain, traffic and parking, connectivity and linkages, retail and employment, centre activity, shopfront revitalisation, public art and culture, safety and security, future development controls. The final land use and development controls as well as a community strategic plan are expected during early 2016.

Significant value changes

Summary of valuation changes to residential land:

Changes since previous General Valuation (2013) and since previous valuation year (2014)

Growth has been evident in most residential locations of the market since the last general valuation in 2013. Within the residential components the values have increased in total by 63.96% from 2013 up until the current 2015 Base Date. Since 2014 the residential component increases are approximately 42.78%.

Throughout the Holroyd LGA, market evidence has demonstrated significant increases for the 2015 Base Date when compared with previous years. The highest increases at the component level have occurred within Wentworthville, Westmead, Merrylands and South Wentworthville. These areas have shown increases above the broader LGA in the order of 5%-10%. Purchasers have demonstrated continued demand for these areas which provide convenient access to the M4 Motorway and Parramatta CBD. There have been few vacant land sales that have occurred throughout the district.

Sales volumes of single residential dwellings have reduced over the last twelve months in comparison to the preceding 12 months with results that appear to be meeting vendor expectations.

Density sites in the Holroyd LGA have shown continued growth. Traditional property fundamentals remain the same in terms of a desirable site, but as social and economic parameters expand so does the need for extra housing within the LGA. The market across the board has shown rises relative to potential, although the discounting for larger sites does not seem to be of a concern with developers. Given the levels of demand through 2015 from purchasers, construction activity appears to be continuing at a steady pace. There also seems to be circumstances where sales have occurred in an option arrangement with some transactions inconsistent with broader market results even though sales were contracted over the 2015 valuing year.

Residential zoned land (inclusive of all "R" Residential) comprises approximately 92% of the entries in the LGA. The levels of value determined are based on analysis of the available market evidence.

Summary of valuation changes to commercial land:

Changes since previous General Valuation (2013) and since previous valuation year (2014)

There have been a limited number of commercial sales that have occurred during the 2015 valuing year in the Holroyd LGA commercial market, with the sales contracted showing values have increased to varying degrees in the last 12 months.

Within the B1 to B7 Commercial components the values have increased in total by 27.52% from 2013 up until the current 2015 Base Date. Since 2014 the B1 to B7 Commercial component increases are approximately 17.02%.

The B4 zoned sites have experienced slightly larger increases, however more substantial increases have been limited to sites that do not require amalgamation to capitalise on development potential. This has become particularly evident in the last 12 months. The residential component of a mixed use zone continues to be the catalyst for high growth. Sales volumes of commercial properties have reduced over the last twelve months in comparison to the preceding 12 months with results that appear to be meeting vendor expectations. Commercial zoned land (inclusive of all "B" Business) comprises approximately 4.5% of the entries in the LGA. The large increases have occurred in those sites which have a strong residential component. The levels of value determined are based on analysis of the available market evidence.

Summary of valuation changes to industrial land

Changes since previous General Valuation (2013) and since previous valuation year (2014)

There have been a reasonably limited number of industrial sales that have occurred during the 2015 valuing year in the Holroyd LGA industrial market, with the sales contracted showing values have increased slightly in the last 12 months.

Within the IN1 to IN2 Industrial components the values have increased in total by 7.53% from 2013 up until the current 2015 Base Date. Since 2014 the IN1 to IN2 Industrial component increases are approximately 5.95%.

There has been steady demand for properties through the various sizes and classes. Sales volumes of industrial have increased over the last twelve months in comparison to the preceding 12 months with results that appear to be meeting vendor expectations. Industrial zoned land (inclusive of all "I" Industrial) comprises approximately 3% of the entries in the LGA. The levels of value determined are based on analysis of the available market evidence.

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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 Holroyd 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.

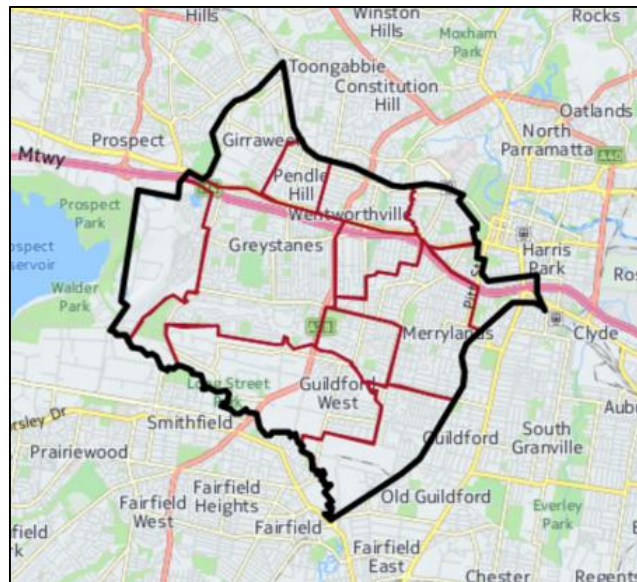
The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

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

LGA OVERVIEW:

Location of the District

The Holroyd Local Government Area is situated approximately 25 kilometres west of the Sydney Central Business District. It covers an area of 39.89 square kilometres. Land is typically lightly undulating with lower lying areas generally through various areas along natural water courses throughout the district. More elevated areas generally exist in parts of Greystanes, Pemulwuy, Merrylands, Pendle Hill and Holroyd. The district is bounded by the Local Government Areas of Parramatta (north-east/east), Fairfield (south) and Blacktown (west). Physical boundaries such as Prospect and Toongabbie Creeks, Prospect Reservoir and the main south-western and western railway lines mark the parameters of the local government areas. The Great Western Highway and M4 Motorway provide the districts main east / west road arteries. The Cumberland Highway & Woodville Roads are the district's main north / south road arteries. Holroyd's estimated residential population according to Profile.id as at June 2014 was 111,100. The population is characterised by its cultural diversity with 34.2% born overseas. The City is served by the main western and south-western railway lines.



Data presented by Economy.id shows that approximately forty thousand people were employed in the Holroyd LGA with about 8,074 local businesses operating. The main centres provide a large percentage of employment with businesses working from retail and commercial premises as well as extensive employment generated from the substantial industrial lands mainly located along the southern region of the LGA around Smithfield and Yennora and to the north in the Girraween industrial precinct. Compared to 2011 there appears to be marginal increases in jobs within the district which is generally in line with the State of NSW employment averages.

The Holroyd LGA includes about 252 parks and reserves for active and passive recreational activities which include sportsgrounds, playgroups and bushland areas. There are a variety of park facilities with the addition of 9 new sportsgrounds being developed for the LGA to meet future requirements.

According to Profile.id approximately 59% of households were purchasing or fully owned their home, 25.7% were renting privately, and 7.2% were in social housing in 2011.

Principal Towns and Suburbs

Holroyd LGA incorporates 16 suburbs that are predominantly residential in nature. The largest commercial centres are Merrylands and Wentworthville. The main industrial precincts are located at Smithfield, Prospect, Girraween and Yennora. The LGA's other main features include Cumberland Country Golf Club, Central Gardens, Merrylands Park and Holroyd Gardens.

Holroyd City includes the suburbs of Girraween, Granville (part), Greystanes, Guildford (part), Guildford West, Holroyd, Mays Hill, Merrylands (part), Merrylands West, Parramatta (part), Pemulwuy, Pendle Hill (part), Smithfield (part), South Wentworthville, Toongabbie (part), Wentworthville (part), Westmead (part), Woodpark and Yennora (part).

The main commercial centre of the Holroyd LGA is Merrylands which is serviced by the Stocklands Merrylands Shopping Centre while also including the Holroyd City Council chambers, emergency services and Merrylands Bus/Railway Interchange.

Main Industry

The districts most significant sources of employment within the LGA include the commercial & industrial centres. The largest commercial/retail centres are located at Merrylands, Wentworthville and along The Great Western Highway. The most significant industrial precincts are situated in Smithfield, Prospect, Girraween and Yennora. The LGA is situated close to the Parramatta CBD which is the largest city centre within close proximity.

According to Economiy.id Holroyd City's Gross Regional Product was estimated at \$4,712m as of the 30th June 2014, which represents 1.0% of the state's GSP (Gross State Product) with the largest industry being manufacturing.

Significant retail centres

Merrylands is the main commercial area in the L.G.A. and includes the Stockland Merrylands Shopping Centre, with the strip retail area and the Merrylands Railway/Bus interchange within the immediate vicinity. The Merrylands Police Station and Holroyd Council Offices are also situated within the centre. The council is in the process of community consultation for the planned Merrylands City Centre Revitalisation. Through this initiative the opportunity to refresh and update the look and feel of the Merrylands City Centre can be realised which will help with the revitalisation of the Merrylands City Centre. Objectives include improving connectivity within the Merrylands City Centre, supporting the activation of laneways for pedestrians and creating a blueprint for developers to achieve the Council's future vision for the Merrylands City Centre. Benefits from this will also include new infrastructure to support growth within the Centre. The provision of additional housing, aligning with the State Government's plan for managing growth and housing demand in the Greater Metropolitan Sydney will also support demand.

There are smaller village centres located at Guildford, Toongabbie, Pendle Hill and Wentworthville. Holroyd City Council is currently progressing with community engagement and consultation for the Wentworthville Centre Revitalisation which will eventually include draft land use and development controls being established.

Type of Residential Development

Residential development in Holroyd consists predominantly of free standing residential dwellings with some higher density development clustered around major centres throughout the LGA. Free standing dwellings range in age and construction from small older style cottages to large modern homes built to a high specification.

The district was initially settled along the railway lines and main roads. These areas contain remnants of the original dwelling styles constructed between the 1800's to the 1930's. These older dwellings range from worker styled cottages to grander Victorian homes. These older areas also contain an increasing occurrence of redevelopment for modern single dwellings, duplexes or townhouses. Locations more removed from the railway

lines were originally developed with brick or timber framed houses between the 1940's to the present day. These again range in quality from modest lower cost structures to a number of elaborate large houses of a high standard. These areas also contain an increasing presence of redevelopment for modern houses and duplexes.

Greystanes is the largest residential suburb of the district on a square kilometre basis with a village centre and several small neighbourhood centres scattered around the suburb. The area includes predominantly freestanding single residential dwellings on typical sized residential lots. Improvements generally range in age, size and condition.

Pemulwuy is the most recently created suburb comprising generally of smaller sized lots. The area has good access to the Great Western Highway and M4 Motorway and is serviced by its own small village centre. The area is virtually fully developed with few vacant sites remaining. Without substantial rezoning taking place through industrial precincts, Pemulwuy is the last new suburb providing vacant land for single residential dwellings. Where substantial infill sites exist, medium and higher density development will most likely occur.

The replacement of single dwellings with duplexes continues to be a popular form of in-fill development throughout the LGA. Townhouse sites are also spread throughout the LGA but are more common in areas that have large existing lots and good access to transport links. Existing medium density sites are all located in the LGA's major centres. These areas tend to be well serviced, close to commercial precincts and railway stations. Amendments to Holroyd's LEP have extended R3 zoned precincts in various locations throughout the LGA.

Redevelopment through Wentworthville, Pendle Hill and Toongabbie has continued with medium and higher density developments being built. These areas are generally along the railway corridor and have easy access to amenities.

STATE and LOCAL GOVERNMENT LEGISLATION:

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. The Holroyd Local Environmental Plan (LEP) 2013 replaced LEP 1991 and came into effect on 5 August 2013. Holroyd City Council has implemented the Holroyd Development Control Plan 2013 (DCP) that applies to all land. Further amendments have occurred since the original LEP was gazetted.

Holroyd Local Environment Plan 2013:

The Zones specified under the Holroyd LEP 2013 are:

Residential Zones:

- R2 - Low Density Residential
- R3 - Medium Density Residential
- R4 - High Density Residential

Business Zones:

- B1 - Neighbourhood Centre
- B2 - Local Centre
- B4 - Mixed Use
- B5 - Business Development
- B6 – Enterprise Corridor
- B7 – Business Park

Industrial Zones:

- IN1 - General Industrial
- IN2 -Light Industrial

Special Purposes Zones

- SP2 - Infrastructure

Public Recreation

- RE1 – Public Recreation
- RE2 - Private Recreation

Environment Protection Zones

- E2 – Environmental Conservation

Minimum lot sizes vary depending on the zoning and type of development. There are also various other items that require compliance to allow for subdivision which can be found on the Holroyd City Council website as part of the Holroyd LEP 2013 and Holroyd DCP 2013.

All development is assessed and must comply with this planning legislation. There is no broad summary for these documents and maps with details, including relevant amendments can be found at the New South Wales Government's NSW legislation website <http://www.legislation.nsw.gov.au/>.

Joint Regional Planning Panels:

As a result of the removal of Part 3A of the Environmental Planning and Assessment Act, the newly elected government implemented the Joint Regional Planning Panels.

“The *Environmental Planning and Assessment Amendment (Part 3A Repeal) Act 2011* (the Repeal Act) commenced on 1 October 2011. New classes of regional development are now set out in Schedule 4A of the *Environmental Planning and Assessment Act 1979* (the Act). This schedule replaces the former classes of regional development set out in Part 3 of State Environmental Planning Policy (Major Development) 2005 (MD SEPP).”

Types of development that regional panels determine:

“From 1 October 2011, as part of the government's reform of the NSW planning system, the regional panels will no longer determine:

- development applications (DAs) for some designated development
- DAs for smaller coastal subdivisions and other coastal development
- DAs lodged from 1 October 2011 for residential subdivisions of more than 250 lots
- DAs lodged from 1 October 2011 for 'general development' with a capital investment value (CIV) of between \$10 million and \$20 million.

The regional panels will now determine the following new classes of regional development:

- development with a CIV over \$20 million
- development with a CIV over \$5 million which is
 - council related
 - lodged by or on behalf of the Crown (State of NSW)
 - private infrastructure and community facilities or
 - eco-tourist facilities
- extractive industries, waste facilities and marinas that are designated development
- certain coastal subdivisions
- development with a CIV between \$10 million and \$20 million which are referred to the regional panel by the applicant after 120 days
- Crown development applications (with a CIV under \$5 million) referred to the regional panel by the applicant or local council after 70 days from lodgement as undetermined, including where recommended conditions are in dispute.”

The table below highlights the structural format on how the new JRPP currently operates.



MARKET OVERVIEW and SALES OF PARTICULAR INTEREST:

Holroyd Residential Market 2015:

The Holroyd LGA in both single dwelling and density residential markets have seen very strong growth with vendor expectations appearing to have been continually met. In the last 12 months the median house value LGA wide has increased by approximately 37% with the median over the past two years showing an approximate gain of 60%. Clearance rates up until the end of the 3rd quarter of 2015 were regularly up around 75%-80% mark although at the writing of this report this does appear to be tapering.

As at the 2011 Census, there were 22,122 separate dwellings (60.7%), 8,481 semi-detached dwellings and townhouses (23.3%), 5,748 flats and units (15.8%) and 98 other dwellings (0.3%). When compared to the 2006 Census it can be seen that the number of dwellings across the three dwelling types has increased. According to the 2011 Census, 27.7% of all dwellings were fully owned, 31.3% were being purchased and 33.4% of all dwellings were being rented.

Demolition and infill development continues to be a popular style of development in the district. This is especially the case with existing larger lots which continue to be met by the market with strong demand. This increases the amount of dual occupancies and townhouse/villa style developments across the LGA. The analysis of these sales where existing improvements are demolished is important and provides good evidence for land values. Sites with DA approval, or located within an area where a saturation point hasn't been reached, still show a solid return. In relation to the density site market, we also note the increasing added value of a development approval. Initial sales of properties for site amalgamation, when compared to the resale of an amalgamated site with approval can show a large increase.

Density sites in the Holroyd LGA have shown continued growth. Traditional property fundamentals remain the same in terms of a desirable site, but as social and economic parameters expand so does the need for extra housing within the LGA. The market across the board has shown rises relative to potential, although it is noted that discounting for larger sites does not seem to be of a concern with developers. Given the levels of demand through 2015 from purchasers, construction activity appears to be continuing at a steady pace. Should an oversupply or major market changes occur, it will become evident over the next 12-18 months.

There have been a number of factors coming together to cause the large rise in demand for medium density and residential unit development sites in the Sydney area. Government planning policy to address the population increase of Sydney has in part been addressed by planning for very large developments near existing and new transport infrastructure. With continued State Government announcements and planning reform, low interest rates, cost of housing issues and an underlying demand for housing the parameters are set to see continued residential development activity which in more recent times has been facilitated even further by the influx of overseas investors.

Further evidence of this market can be found in the tables below which shows year ending volumes of building approvals for both single and density dwellings. Whilst in previous years the increases have been relatively steady, 2014/2015 volume approved has shown a significant increase on the previous year mainly for dwellings other than houses.

Residential building approvals

export reset

Holroyd City		Number			Annual change		
Year (ending June 30)	Houses	Other	Total	Houses	Other	Total	
FYTD (1 mth)	30	51	81	--	--	--	
2014-15	245	672	917	-24	+346	+322	
2013-14	269	326	595	+52	+116	+168	
2012-13	217	210	427	-60	-223	-283	
2011-12	277	433	710	+5	+45	+50	
2010-11	272	388	660	+27	+138	+165	
2009-10	245	250	495	+83	-6	+77	
2008-09	162	256	418	-112	-409	-521	
2007-08	274	665	939	+37	+425	+462	
2006-07	237	240	477	+18	-439	-421	
2005-06	219	679	898	-26	+270	+244	
2004-05	245	409	654	+56	-29	+27	
2003-04	189	438	627	+9	+1	+10	
2002-03	180	437	617	+41	-105	-64	
2001-02	139	542	681	--	--	--	

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

This table indicates approvals only with our investigations showing a number of developments currently awaiting final approval.



COMMERCIAL/MIXED USE MARKET:

The commercial/mixed use market in Holroyd is categorised by the majority of activity channelled towards the mixed use development sector of the market. Commercial property has remained fairly steady when consideration is given to single holding properties that have limited re-development potential without amalgamation taking place. The main commercial centres are generally located around the railway stations and transport hubs which benefit from the passing trade of the local residents. Other areas include retailing areas along main roads and highways which comprise of a mix of business zonings with associated variations in permissible uses. Where residential development is not permitted, sites have not shown as significant increases, due primarily to significantly less demand from developers currently active in the current market.

With the Parramatta CBD adjacent to the Holroyd LGA, the demand for commercial space in the LGA is mainly generated from locally based, smaller operators servicing the LGA's communities. The main centre where commercial space is available is Merrylands which includes the Stockland Shopping Centre and the bus/railway interchange as part of the centre. Other locations include Wentworthville, Pendle Hill, Toongabbie and Guildford which comprise of smaller numbers of commercial spaces and are also adjacent to railway stations.

Recent changes for Holroyd's commercial market are attributed to the direction of new planning to encourage mixed use developments on a range of the business zoned sites. The mixed use style of development is permissible in a number of the business zones. The value of the residential component in commercial developments has increased in line with the strong interest by developers in the unit market. This is a feature of the current property market particularly on the larger business/mixed use sites within the established business precincts. As further development takes place and amalgamated sites are formed into the future there may be a slight reduction of typical commercial space available for lease to locally based operators which may place slight upward pressure on rents within these centres. For the 2015 valuing year rents appeared to remain fairly steady, commensurate with the age and quality of the space available.

According to the Australian Bureau of Statistics the August 2015 Key Figures, the Australian retail turnover figures rose 0.4 per cent in August following a fall of 0.1% in July 2015, seasonally adjusted. On a seasonally adjusted basis the largest contributor to the rise was food retailing (0.6%). Other retailing (1.3%), department stores (1.3%) and household goods retailing (0.2%) also rose. There were falls in clothing, footwear and personal accessory retailing (-1.4%) and cafes, restaurants and takeaway food services (-0.3%). Australian retail turnover rose 0.2% while NSW retail turnover rose 0.5%, on a seasonally adjusted basis. This trend estimate shows a 4.3% increase when compared to August 2014.

Major Commercial/Mixed Use Sales:

1 Florence Street South Wentworthville sold January 2015 for \$15,000,000. Purchased by Romdech Pty Ltd. Development approval for 1 x 8 storey mixed use building and 2 x 7 storey residential flat buildings above 3 levels of basement car parking with 216 parking spaces. Sold through Lencorp-Sydney. Development comprises 154 residential units and 3 commercial spaces. Irregular shaped site with three street frontages and positioned within immediate vicinity of the M4 Motorway. Site area 6,506.92m²

326-332 Church Street Granville sold February 2015 for \$14,500,000. Purchased by Sime Darby Automobiles Pty Ltd. Multi-level commercial building comprising showroom, office, service area and basement parking. Advised gross building area of approximately 5,300 m². Corner site within immediate vicinity of M4 Motorway. Site area 4,193m²

INDUSTRIAL MARKET GENERAL:

The Holroyd LGA includes a variety of industrial properties which can accommodate a range of facilities. The smaller industrial properties are mainly located in the more established precincts of Holroyd, Guildford and Yennora. The medium and larger properties are principally located in Smithfield, Yennora and Guildford West as well as in the northern precincts of Toongabbie and Girraween. The main logistics facilities are generally located in and around the Smithfield precinct. These industrial precincts generally have good access to arterial roads or highways such as the Cumberland Highway or Great Western Highway. The most recently developed industrial precinct in the Holroyd LGA is the Boral Mines site at Pemulwuy. Development of all major infrastructure for this location has occurred over recent years with a number of logistics and mixed office/warehouse premises currently operating.

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. Furthermore the proposed Westconnex project aims to reduce travel times and increase capacity through improved accessibility for commuters and heavy vehicle traffic. At the time of writing Stage 1 widening of the M4 has had substantial commencement.

Industrial land values increased slightly over the last 12 months. The market has been fairly steady with stable vacancy rates. Within the market owner occupiers have remained active while the larger investors appear to be purchasing properties with good lease coverage and with quality tenants. It is noted there are some larger investors also securing well located properties with future redevelopment potential.

Vacancy rates in the Holroyd LGA industrial market appear to be fairly stable. According to Knight Frank Industrial Research July 2015 vacancy rates for the outer west and central west appear to be trending down which will assist the investment performance of the asset class in the coming 12 months allowing for a continued recovery. It is also noted in Knight Frank's research that speculative stock under construction is generally reducing for the Sydney industrial market. Rents have remained fairly stable commensurate with the age, utility and quality of the space available over the course of 2015.

Major Industrial Sales:

2 Dursley Road Yennora sold August 2014 for \$46,000,000. Purchased by The Trust Company (Australia) Limited. Substantial industrial warehousing facility and offices with extensive sealed yard areas. Advised building area of approximately 52,548 m². According to market commentary the site was subject to a triple net lease to Woolworths which expires in 2023. Sold through Colliers International. Site is generally level with three street frontages. Site area 13.760 hectares.

1-15 Sturt Smithfield sold June 2015 for \$15,050,000. Purchased by Bunnings Properties Limited from Coca Cola Amatil. Comprises two freestanding buildings with substantial sealed yard areas. Includes one high clearance warehouse and an older style low clearance factory. Advised building area of approximately 15,612 m². The site is fairly level and has extensive street frontage to Sturt Street. Site area 2.952 hectares.

16-20 Oramzi Girraween sold October 2014 for \$7,950,000. Purchased by Universal Property Group Ltd from MSA Australia P/L. Combination of modern and older style warehousing, showroom and factory buildings all well-maintained with extensive sealed yard areas. Advised building area of approximately 8,215 m². Marketed through CBRE. Level corner site. Site area 1.578 hectares.

39 Britton Street Smithfield sold October 2014 for \$20,500,000. Purchased by Mirvac Group from The Trust Company (Australia) Limited. Modern high clearance warehouse building with attached office and extensive yard areas. Advised building area of approximately 13,390 m². Sold as part of a portfolio. Site has extensive frontage to Britton Street and backs onto the Sydney Water pipeline. Site area 2.540 hectares.

150-156 McCredie Rd Yennora sold October 2014 for \$18,880,000. Purchased by Mitsa Pty Ltd from Valad Commercial Management. Freestanding, high clearance industrial warehouse facility with extensive sealed hardstand area/parking. Advised lettable area of approximately 19,765 m². Slightly irregular shaped site with good street frontage. Site area 4.733 hectares.

SIGNIFICANT ISSUES AND DEVELOPMENTS:

Examples of Major Development sites within the LGA:

As at the date of writing the Sydney West Joint Regional Panel website lists the following significant developments for the 2015 base date valuation period that are undergoing assessment or have been determined include:

1 Addlestone Road, Merrylands: Development application for S.96(2) modification seeking alterations and additions to an approved mixed use development including reduction of 186m² of commercial floor area; 5 additional parking spaces and 6 additional residential units

510-524 Great Western Highway, Pendle Hill: Development application for 3 separate buildings incorporating a 4 storey shop top housing development; a 4 storey residential flat building and a 3 storey multi dwelling housing development comprising a combined total of 6 retail units; 72 residential units over 1 level of basement parking accommodating a total of 118 car parking spaces.

Corner of Palmer and Parkes Street, Guildford West: Development application for group homes under Affordable Rental Housing SEPP 2009 in 2 stages with stage 1 seeking approval for site works including new public road and subdivision into 9 lots and stage 2 seeking approval for construction of 4 x single storey dwellings as group home on lots 1 to 4.

224-240 Pitt Street, Merrylands: Development application for a mixed-use development containing 3 separate towers ranging in height between 4 and 19 storeys comprising 355 residential units over 5 levels of basement parking accommodating 464 carparking spaces.

Building 1 being part of 1 - 11 Neil Street, Holroyd: Development application for a 9 storey residential flat building comprising 137 units over 3 levels of basement parking accommodating 156 carparking spaces.

Building 2 being part of 1 - 11 Neil Street, Holroyd: Development application for a 12 storey residential flat building comprising 118 units over 3 levels of basement parking accommodating 140 carparking spaces.

4-14 Welsford Street, Merrylands: Development application for a seniors living development comprising 26 units including car parking for 12 vehicles under SEPP Housing for Seniors or People with a Disability 2004.

11 Pastoral Circuit, Pemulwuy: Development application for a 2 storey 130 bed residential aged care facility (RACF) with part basement car park accommodating 38 carparking spaces.

172-184 Great Western Highway, Westmead: Development application for a part 6 part 7 storey residential flat building comprising 109 units over 2 levels of basement parking accommodating 132 car parking spaces.

158 – 162 Great Western Highway Westmead and 8 Hannah Street Westmead: Development application for a part 3; part 5 and part 8 storey mixed use development comprising 88 dwellings and 3 commercial tenancies over 2 levels of basement parking accommodating 114 carparking spaces.

Lot 4012, Driftway Drive, Pemulwuy: Development application for a 3 storey multi dwelling housing development comprising 97 units over basement parking accommodating 139 car parking spaces.

31-33 and 37B Garfield Street, Wentworthville: Development application for 3 separate blocks of residential flat buildings ranging in height between 5 and 7 storeys comprising 200 units over 1 level of basement carparking accommodating 257 carparking spaces.

148-150 Great Western Highway, Westmead: Development approval for a part 6 part 7 storey mixed use development incorporating a residential flat building and a community facility over 1 level of basement car parking accommodating 72 residential units, 59m² of community facility and 38 car parking spaces under the Affordable Rental Housing SEPP 2009.

70 – 74 O'Neill Street, Guildford: Development approval for a part 4 and part 5 storey residential flat building over basement carparking accommodating 41 residential units and 36 carparking spaces with associated strata subdivision into 41 lots under Affordable Rental Housing SEPP 2009; The proposal has a capital investment value of more than \$5m and the consent Authority is Joint Regional Planning Panel.

Infrastructure and Other Items:

Westconnex: The project will provide 33 kilometres of motorway to link western and south-western Sydney with the city, Kingsford Smith Airport and port precincts. It will be constructed in the M4 and M5 corridors and will comprise approximately 14 kilometres of road above ground and approximately 19 kilometres of tunnels. The main objective is to reduce travel times and move heavy vehicle traffic underground to enable neighbourhood revitalisation. The WestConnex project is due to be delivered in stages with an expected completion in 2023. At the date of writing Stage 1 widening of the M4 has had substantial commencement.

Increasing Development Activity and Council Amalgamations

Following the implementation of the Holroyd LEP 2013, Holroyd City Council has provided additional opportunities for medium density development by way of extending and upzoning certain precincts. These precincts are generally concentrated within close proximity to existing commercial centres, railway corridors and stations. The council has taken a proactive approach to increase the numbers of dwellings in the LGA. Through improving the financial viability and creating efficiencies the burden for council to provide services is reduced.

The NSW Government developed the "Fit for the Future" Program which required each council to address certain criteria relating to the "Revitalising Local Government Report" released in October 2013. According to studies undertaken by Holroyd Council, an independent consultant has determined that as a standalone entity, they will meet or exceed all benchmarks set for 2019/2020 that are required to be met. Through increasing dwelling numbers from redevelopment the Council may be able to further strengthen its financial viability in an environment where Council amalgamations are proposed to reduce the duplication of services and streamline costs and expenditure.

Sydney Metropolitan Strategy

The Sydney Metropolitan Strategy is the New South Wales Government's long term plan to maintain Sydney's role in the global economy and to plan for growth and change - a series of ongoing decisions, actions, plans and projects. The State Government as part of its Metropolitan Strategy has identified "new dwelling" targets for all Sydney regions until 2034. Under the Heading Centres and Corridors, Westmead is mentioned as a Specialist Centre. The following is an extract from the website showing what is currently being planned.

"The NSW Government is placing the draft West Central Subregional Strategy on exhibition for public comment. When finalised, the Subregional Strategy will guide land-use planning until 2031 in the Auburn, Bankstown, Fairfield, Holroyd and Parramatta local government areas. Key directions include:

- *Retaining and protecting strategic employment lands to help provide jobs closer to home*
- *Strengthening Parramatta as one Sydney's main city centres*
- *Planning for a broader range of roles for Sydney Olympic Park*
- *Supporting the continuing development of the Westmead Specialised Centre*
- *Promoting Bankstown as a Major Centre*
- *Improving connections between centres and access to regional open space*
- *The Subregional Strategy translates objectives of the NSW Government's Metropolitan Strategy and State Plan to the local level. Local councils were consulted during its preparation."*

This Metropolitan strategy covers a geographic area of over 10,000 square kilometres, made up of 43 local government areas including two on the Central Coast. It is too large and complex to resolve all the planning aims and directions down to a detailed local level through one Metropolitan Strategy. The metropolitan area of Sydney has been arranged into ten subregions that combine local government areas with similar issues and challenges when it comes to planning for growth and managing change. These subregions also relate to particular transport routes, natural features, and patterns of employment and retail activity that are important factors in the way people move around and use their area.

Wentworthville Centre Revitalisation

Council is looking to help facilitate the revitalisation and renewal of Wentworthville Town Centre. This project is called the *Wentworthville Centre Revitalisation Project*. A new planning strategy for Wentworthville Centre is currently being developed and implemented, based on community engagement and expert studies.

According to the Holroyd City Council website the objectives are:

- *to work with the community to identify a shared vision for the future*
- *to understand the challenges and opportunities for Wentworthville Centre*
- *to identify opportunities and priorities for the revitalisation and renewal of Wentworthville Centre*
- *to provide the framework for delivering the desired improvements and growth*

The Strategy provides a vision for the Centre with a focus on the following key areas:

- *Built form and character- two built form options are provided for comment*
- *Open space and Public Domain*
- *Traffic and Parking*
- *Connectivity and Linkages*
- *Retail and Employment*
- *Centre Activity*
- *Shopfront Revitalisation*
- *Public Art and Culture*
- *Safety and Security*
- *Future Development Controls*

Final land use and development controls as well as a community strategic plan are expected during early 2016.

SIGNIFICANT VALUE CHANGES:

Significant value changes – from prior to current annual valuation

In broad terms the Sydney wide market has seen unprecedented increases particularly in residential/mixed use markets. Spurred on by current interest rates which sit at their lowest rates since the 1960's, the influx of global money, clearer development pathways with the new and standardised LEP's and the fear of missing out scenario, Sydney's median house price is now hovering close to the \$1mill mark.

On average the Sydney wide median house price has increased 23% in the 12 months prior to the 2015 Base Date. 8.4% of that growth occurred in the last quarter to 2015 Base Date. This level and speed of growth has not been seen since the boom period of the early 1980'S.

Within the Holroyd LGA there has been significant and consistent interest across all levels of single/multi residential dwellings and mixed use development. The demand for residential property within the LGA has been widespread and improved markedly over the current valuation year with good levels of supply available.

These increases are consistent within each of the components and also on a component by component basis. There has not been a single major factor within the LGA that has led to widespread fluctuations in values but there has been broad and significant positive market shift evidenced by this year's sales and subsequent issued values.

The case remains that dwellings and sites with good public and private infrastructure or good development potential and where vendors have realistic expectations are being sold in reasonable time frames with general market indicators continuing to show a positive outlook for the foreseeable future.

Properties within the LGA have had significant movements in their Land Values in this current year program. In some instances it is considered that some values have moved significantly enough that its variation does not just represent normal market conditions but is the result of a variation in the development potential of a particular site.

Other significant variations in values are the result of handcrafting through verification and one off value changes that have been brought about by sales analysis.

All new values have been struck that are considered to be of a significant change have been included in the values upload that attached the VAR and have been given a Risk Rating of 1 - indicating a high value change.

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



Mark Everitt

CONTRACT SERVICES MANAGER
BLACKTOWN CONTRACT
4th November 2015