



INLAND PACIFIC
PROPERTY GROUP PTY LTD
INDEPENDENT VALUERS & CONSULTANTS

BELLINGEN SHIRE COUNCIL

Final Report 2018

Report Dated: 9th November 2018

Executive Summary

LGA Overview

Bellingen Shire comprises an area of approximately 1,604 square kilometres on the Mid North Coast of New South Wales between Sydney and Brisbane. It is bounded to the north by the Coffs Harbour City Local Government Area (LGA), to the south by Nambucca Shire and to the west by the Armidale and Clarence Valley Local Government Areas. The current population of the Shire is approximately 12,668 (2016 - Australian Bureau of Statistics).

Bellingen Shire is topographically divided into two primary areas with the western portion comprising the more elevated undulating hills and valleys of the Dorrigo plateau, and the eastern portion dominated by the Bellinger and Kalang River coastal flood plains.

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

6,173 properties were valued at the Base Date of 1 July 2018, and valuations are reflective of the property market at that time. Previous Notices of Valuation were issued to property owners for the Base Date 1st July 2016.

Valuation changes in the Local Government Area (LGA) and percentage changes between the Council General Valuation of 1st July 2016, Land Tax Valuation of 1st July 2017 and the current 1st July 2018 Valuation Program, are as follows;

Properties Valued and Total Land Value							
Zone	Zone Code	Number of Entries	Current Total Land Value 2018 (\$)	Prior Annual Valuation 2017 (\$)	% Change	Prior Local Government Valuation 2016 (\$)	% Change
Residential	R1 & R5	3,834	1,044,432,781	976,097,311	7.0	837,745,021	24.7
Rural	RU1, RU2, RU3 & RU4	1,641	778,881,220	705,895,650	10.3	646,567,310	20.5
Commercial	B1 & B2	182	53,374,030	48,962,520	9.0	46,934,590	13.7
Industrial	IN1	52	11,306,100	10,450,900	8.2	10,365,000	9.1
Special Uses	SP1 & SP2	7	1,896,100	1,806,200	5.0	1,748,400	8.5
Environmental	E1, E2, E3 & E4	340	126,428,250	115,094,710	9.9	113,928,240	11.0
Recreation	RE1 & RE2	111	16,652,710	16,041,250	3.8	14,775,530	12.7
Waterway	W2	6	87,660	79,700	10.0	66,700	31.4
Total		6,173	2,033,058,851	1,874,428,241	8.5	1,672,130,791	21.6

State & Local Government legislation for LGA

The Bellingen Local Government Area is governed by the Bellingen Local Environmental Plan 2010. The plan is based on the standardised Local Environmental Plan (LEP) prescribed by the New South Wales Legislation.

Bellingen Local Environmental Plan 2010 was gazetted on the 6th August 2010. Since then there has been ten (10) minor Amendments to the Plan.

On 6th December 2017, Bellingen Shire Council adopted a new DCP (Bellingen Shire Development Control Plan 2017) to regulate development of land within the LGA. The 2017 DCP is presented in 17 Chapters which share, rationalise and expand the objectives of establishing certain general controls to facilitate development permissible under the Bellingen LEP 2010.

Market Overview and Sales of Particular Interest

Inland Pacific Property Group Valuers have undertaken significant analysis of the Bellingen District property market to provide an accurate and reliable basis of valuation. 205 sales have been analysed to enable the establishment and verification of land values as at 1 July 2018. These analysed sales also support the grading and relativity of land values across components. Analysed sales reports are provided to DFSI/Property NSW/Valuation Services on a progressive basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. Inland Pacific Property Group Valuers undertake this process utilising the Paired Sales Approach.

In analysing sales before or after the 1st July Base Date it may be necessary to adjust the contract price to reflect market movements. In the Bellingen District this year sale and resale properties and median sales trends indicated that the prevailing market has generally experienced a strong increase in overall terms. Analysis of these data sets coupled with the interpretation of the current market conditions by Inland Pacific Property Group Valuers indicated that the majority of sales analysed would require no significant adjustment of analysed land value levels to reflect market movements to the Base Date.

There has been a moderate increase in land values in the Bellingen Local Government Area between 2017 and 2018. This trend was consistent across most classes of property in the residential, commercial and industrial market sectors. Rural land values however have shown a strong increase driven primarily by continued high demand for quality property on the sought after and tightly held Dorrigo Plateau.

Sustained levels of demand from both local and sea-change purchasers seeking affordable property offering good coastal and rural amenity, close to the regional centre of Coffs Harbour, has underpinned market movements within the Bellingen Local Government Area over the 2017 to 2018 period.

Additionally, the recent completion of Pacific Highway Upgrades between the major regional centres of Coffs Harbour and Port Macquarie now completes divided dual carriage motorway conditions south to Sydney. This has significantly reduced travel times, improved road safety and enhanced the general accessibility of the region.

There have been a number of significant sales that have occurred across the LGA in the past twelve months that are considered noteworthy. These are;

- Bellingen Post Office sold in May 2018 for \$1,500,000. This site is situated at one of the busiest intersections in Bellingen's main street and includes the original Post Office structure which has been added to over the years, but which retains its original style.
- A relatively large, 195 hectare, rural grazing holding at the western edge of the LGA has sold in May 2018 for \$4,300,000. This holding comprises very good secondary grazing country on the Dorrigo Plateau, and confirms the recent increases in this sector of the market over the last 12 months.
- A 7.08 hectare englobo residential site fronting Giinagay Way at south Urunga sold to a locally based development company for \$2,200,000 in March 2018. The property forms part of the South Urunga Investigation Area identified by the Bellingen Growth Management Strategy. The site, which has potential for a 66 lot residential subdivision, adjoins another large englobo residential holding (83.39 Ha – 239 lot potential) purchased by the same developer in late 2016.

Significant Issues and Developments

There has not been any significant developments or applications for developments outside of those permissible under the current zoning framework, and therefore no special considerations were required. However, the following development applications are worth noting;

- An application to redevelop 84 Hyde Street Bellingen was lodged in March 2018 with a decision still pending. This site is the former "Fosters Garage", which comprises a former petrol station, NRMA office and mechanical business. The property was sold in August 2015 for \$1,298,000 to a local developer. The proposed development includes demolition of the existing buildings and construction of fifteen residential units with underground carparking.
- An application for the next stage of residential subdivision in North Bellingen comprising twenty-eight lots was submitted in May 2018, and is still pending a decision. This land adjoins other recently established residential subdivision areas.

Significant Value Changes

Summary of Valuation Changes to Residential Land

Changes since previous Valuation Year (2017)

There has been a moderate increase in residential land values across most localities within the Bellingen Local Government Area between 2017 and 2018. The market continues to be driven by sustained levels of demand from both local and sea-change purchasers seeking affordable property offering good coastal and rural amenity, close to the regional centre of Coffs Harbour.

Strong land value increases were experienced in the northern Urunga localities of Newry Island and Yellow Rock, primarily attributable to increased demand from purchasers attracted by the relative affordability of these localities in comparison to other more highly valued residential locations within the Local Government Area.

Similarly, land values in the rural village of Fernmount showed strong increases resulting from continued high demand for a limited supply of available properties.

Land values for rural-residential properties in central Bellinger Valley localities and fringing Bellingen township have remained steady following periods of stronger growth that prevailed through 2016/2017.

Summary of Valuation Changes to Rural Land

Changes since previous Valuation Year (2017)

The rural land market within the Bellingen Local Government Area has shown a strong increase in value levels over the period 2017 to 2018, with recorded increases being reasonably consistent across most classes of rural property.

Continued high demand for good quality rural property holdings on the historically sought after and tightly held Dorrigo Plateau, has resulted in strong land value increases being recorded for this locality.

Rural homesite holdings, hobby farms and prime grazing lands situated on the lower Bellinger River and Kalang River coastal plains have generally shown moderate increases due to sustained levels of demand for property offering good coastal amenity and close proximity to community based services available in the nearby regional centre of Coffs Harbour.

Summary of Valuation Changes to Commercial Land

Changes since previous Valuation Year (2017)

Commercial property within the Bellingen Local Government Area experienced moderate increases in land values from 2017 to 2018.

Established commercial precincts within central Bellingen and Dorrigo township localities experienced moderate increases in land values reflecting continued good levels of demand for a comparatively low and historically inconsistent supply of quality property entering the market.

Commercial property land values in the coastal township of Urunga have shown a moderate increase in a trend closely mirroring that of the surrounding residential property sector.

Summary of Valuation Changes to Industrial Land

Changes since previous Valuation Year (2017)

There has been a moderate increase in industrial land values within the Bellingen Local Government Area over the 2017 to 2018 period. This trend has been driven primarily by increased demand from purchasers attracted by relatively low industrial land values in comparison to those of the nearby major regional centre of Coffs Harbour.

Decreased travel times and improvements in accessibility attributable to recent Pacific Highway Up-grades have also supported increased levels of demand in this sector of the market.

Contents

	Page
Executive Summary	2
Disclaimer – Purpose of this Report	9
LGA Overview	10
State & Local Government Legislation for LGA	13
Market Overview & Sales of Particular Interest	14
Significant Issues and Developments	17
Significant Value Changes	17
Overview of Quality Assurance Process	18
Author	18

Disclaimer – Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1st July 2018 Valuation of Bellingen 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 the 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 used 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 Valuer General's website at www.valuergeneral.nsw.gov.au

LGA Overview

Location of the District

Bellingen Shire comprises an area of approximately 1,604 square kilometres on the Mid North Coast of New South Wales between Sydney and Brisbane. It is bounded to the north by the Coffs Harbour City Local Government Area (LGA), to the south by Nambucca Shire and to the west by the Armidale Dumaresq and Clarence Valley Local Government Areas. The current population of the Shire is approximately 12,668 (2016 - Australian Bureau of Statistics).

Bellingen Shire is topographically divided into two primary areas with the western portion comprising the more elevated undulating hills and valleys of the Dorrigo plateau, and the eastern portion dominated by the Bellinger Valley coastal flood plain.

The Dorrigo Plateau was formed 19 million of years ago by a large volcano located at Ebor. The resultant lava flow covered the area in what are now rich volcanic soils. This area was opened up much later than the coastal areas of the Bellinger Valley, and was originally used as a major source of cedar timber. As the cedar supply diminished other valuable timber was then harvested. This process cleared vast areas of the plateau which was then utilised for stock grazing purposes as the timber industry declined. These strong grazing roots are continued today throughout the LGA.

The Bellinger Valley is the traditional homeland of the Gumbaynggir aboriginal people. The territory of the Gumbaynggir extended from Stuart's Point in the south, across the Dorrigo plateau, to Grafton in the north.

Principal Towns

The principal towns within the Bellinger LGA are Bellingen, Dorrigo and Urunga. There are a number of villages scattered throughout the Shire including Fernmount, North Dorrigo, Mylestom, Raleigh and Repton. Additionally, there are small rural communities at Bostobrick, Brierfield, Deervale, Fernbrook, Megan and Thora.

Bellingen is located centrally within the LGA and is dissected, roughly in half, by the Bellinger River. The two residential areas comprising the town are north and south of the river. Bellingen has a population of approximately 4,000 people and is the largest urban environment in the LGA. It includes a historic commercial area, Police Station, Court House, Fire Station and Hospital. There is a Primary and separate High School also located within the urban environs of the town.

The town of Dorrigo is located on the Dorrigo Plateau, which is located in the western part of the LGA. This town has a more older and sedate feel than Bellingen, and has an approximate population of 1,200 people. It has a relatively large commercial and industrial precinct. Generally residential development in this town is older than that situated in Bellingen and Urunga. On the outskirts of the town is a site that is owned by the Dorrigo Steam Railway which houses approximately 65 carriages and locomotives dating back to 1855.

Urunga is a small coastal village situated at the confluence of the Bellinger and Kalang Rivers. The town has a population of approximately 3,000 people with a comparatively high proportion of retirees. The local economy is primarily based on tourism but has an expanding residential profile largely influenced by its lower value base and a reduced commuting time to the Regional Centre of Coffs Harbour (approximately 25 Km to the north) following recent Pacific Highway upgrades. Development in the town is dominated by older style single residences with a limited quantity of medium density residential units.

Mylestom, Repton and Raleigh are small residential/tourist villages situated on the coastal plain north of Urunga. Mylestom adjoins North Beach and has a particular tourism base while Repton and Raleigh are more small residentially based enclaves catering to local residents.

The villages of Fernmount and North Dorrigo are located away from the coast and are historic remnants of former settlement times. They offer basic services with no operating commercial development. Residential development could best be described as slow to develop in these villages. However, sales regularly occur in both, and the population of each is not considered to be in decline.

Main Industries

Major industries within the Shire include tourism, timber and primary industries such as beef cattle, dairying and legume crops.

The tourism industry is mainly focussed around the coast and the coastal villages. This is at the Mylestom and Urunga localities. However, the Waterfall Way is a major arterial road through the LGA, and the main road from the New England area of New South Wales to the coast. It carries a relatively high traffic volume including tourists which use this road to visit areas such as Dorrigo and Bellingen.

Primary industries are another export from this LGA, and are based upon the high productive nature of most soils throughout this LGA. These soils coupled with relatively high rainfall and a mild climate mean the Bellingen LGA is highly desired by rural producers. Predominantly these are cattle based, but in the last few years producers of potatoes and legume crops such as beans have also sought to secure property in the LGA, mainly on the Dorrigo Plateau.

The timber industry is primarily based around the large tracts of State Forest land in this LGA. It is regularly logged by private contractors under Forest NSW guidelines. Most of this land is relatively remote and difficult to access; being in the upper reaches of remote valley's.

Significant Retail Centres

There are three main retail centres in this LGA; at Bellingen Dorrigo and Urunga. Each of these centres is subject to localised features and conditions, which makes each one "independent" from each other. The Bellingen and Dorrigo centres have older, historic buildings, whilst the Urunga centre is more modern.

Bellingen has the strongest commercial centre in the Shire and comprises an eclectic mix of traditional retail outlets as well as boutique cafes, art and craft galleries and specialty stores complementary to the alternative lifestyle common amongst residents of the area. It is essentially a strip retail centre extending along Hyde Street, generally between Hill Street and Oak Street. Most buildings in this area range between fifty to over one hundred years old, and the whole Bellingen CBD has a local "heritage" notation.

The Dorrigo commercial precinct is typical of smaller country towns and is centred on the town square at the intersection of Hickory Street and Cudgery Street. It contains a basic level of retail services including two small supermarkets, newsagency, butcher, bakery, take-away food outlets, hotels, real estate agencies, several specialty stores and a full service Post Office as well as a motor vehicle dealership and various agricultural product suppliers.

Urunga commercial centre is generally bounded by Morgo Street, Bonville Street, Newry Street and Bellingen Street. Development generally comprises a mix of older style and more modern single level retail shops, typically with 6.0 to 10.0 metre frontages and includes two small supermarkets, newsagency, butcher, bakery, take-away food outlets, hotels, real estate agencies, various specialty stores and a full service Post Office

Urunga and Bellingen in particular are popular tourist destinations and as such many town businesses are heavily reliant on tourism and derive a significant proportion of their income from this source.

Type of Residential Development

Residential development within Bellingen Shire is primarily contained within the coastal influenced settlements of Urunga and Bellingen and the inland township of Dorrigo. A high proportion of development in these centres comprises privately owned single residences that vary in size, quality, style and construction. Additionally, there are a small number of medium density residential developments, within Urunga and Bellingen townships. The coastal areas have numerous single residences and tourist parks available for holiday accommodation in places such as Mylestom, Repton and Urunga. The township of Dorrigo almost exclusively contains privately owned single residences.

Bellingen's residential development comprises an even mix of older, Federation style homes, newer conventional designed homes as well as houses of eclectic design features and construction. Residential development in Dorrigo is dominated by older homes from the 1900's onwards, with a relatively small percentage, approximately less than 20%, being modern conventionally designed and constructed homes. Residential development in villages throughout the LGA is also dominated by older designed and constructed houses.

Urunga township originally developed as a small coastal fishing village and much of the residential development, particularly around the town centre reflects a basic, older style of construction typical of such foundation. Over time the town has evolved and development has expanded concentrically to the west and south. The newest development is within the Bellingen Keys Estate (established late 1990's) situated off the Pacific Highway at the southern entry to the township. Residences here are of a more substantial, modern style.

The higher end of the Urunga residential market is represented by a number of prestige riverfront allotments situated along Morgo Street, Vernon Street, Old Punt, Rosedale Drive and Burrawong Parade.

A limited quantity of smaller scale medium density residential unit development also exists, particular around the fringes of the town centre.

Urunga, Bellingen and Dorrigo all have full utility service availability including a reticulated town water supply, reticulated sewerage and telecommunication services. The Bellingen Shire also has an extensive range of Government services including two State High Schools (Bellingen and Dorrigo), six State Primary Schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES and Ambulance, two Hospitals (Bellingen and Dorrigo), Council Chambers and administrative office's for various Government Agencies.

Additional community based facilities available within the Shire include various denominational churches, four private primary schools, child care centres, various aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis and squash courts.

State & Local Government Legislation for LGA

The Bellingen Local Government Area is governed by the Bellingen Local Environmental Plan 2010. The plan is based on the standardised Local Environmental Plan (LEP) prescribed by the New South Wales Legislation.

Bellingen Local Environmental Plan 2010 was gazetted on the 6th August 2010. Since then there has been ten (10) minor Amendments to the Plan.

The Plan aims to make local environmental planning provisions for land in the Bellingen local Government Area in accordance with the relevant standard environmental planning instrument under Section 33A of the Act.

On 6th December 2017, Bellingen Shire Council adopted a new Development Control Plan (Bellingen Shire Development Control Plan 2017) to regulate development of land within the LGA. The 2017 DCP is presented in 17 Chapters which share, rationalise and expand the objectives of establishing certain general controls to facilitate development permissible under the Bellingen Local Environmental Plan 2010.

The controls embodied within the 2017 DCP include provisions relating to the subdivision of land and the erection of dwellings/buildings which may impact land values. These include;

Zone	Minimum Allotment Size
Residential	600m ² (R1)
	1 Hectare (R5)
Rural	70 Hectares (RU1)
	70 Hectares (RU2)
	70 Hectares (RU3)
	40 Hectares (RU4)
Business	Merit Assessment - Council consent required
Industrial	Merit Assessment - Council consent required

Market Overview & Sales of Particular Interest

Residential

Single Residential

Bellingen LGA contains a number of coastal and inland towns and villages, with the most intensive development based around the townships of Bellingen, Urunga, Dorrigo and on the coastal plain. The majority of residential properties are single dwellings located in the towns and villages throughout the LGA. There is also a significant number of dwellings situated in rural zones. Density residential development across the LGA is minimal with a small number of properties in Bellingen and Dorrigo, and a slightly greater amount in Urunga. However, this type of development is still considered at low levels compared to surrounding, more intensively developed LGA's.

Bellingen's residential development is generally a broad mix of older, conventional designs and eclectic designed houses, both of older and newer construction. There is minimal newly subdivided residential vacant land available in the LGA and as such, newer homes represent a small proportion of the market.

During the last twelve months residential property in Bellingen has experienced slight value level increases. This year there has been a stabilisation in the real estate market from that experienced in prior, recent years. From 2015 to 2018 value levels in this town increased by over 50% due to increased demand, a limited supply and assisted by historically low interest rates. For the last twelve months (2018 valuation year) the level of demand has eased, with value levels only increasing incrementally (4%). This period of stabilisation has coincided with a reduction in the amount of total sale transactions recorded for residential property in this town since 1st September 2017, compared to the prior twelve month period.

The town of Dorrigo experienced moderate increases in value levels for residential land in the last twelve months. These increases have coincided with a decrease in the total number of recorded sale transactions. A limited supply of available property and the relative affordability of residential property in the township are the primary driving factors underpinning value level increases.

Urunga, being an older, well established residential locality, has very little remaining vacant land available for new development. Accordingly, the vast majority of sales analysed are of improved properties. Analysis of these sales during the 2018 valuation year has shown a consistent increase in values around 9% across most property. Residential land values in the northern Urunga localities of Newry Island and Yellow Rock have increased in a range of 12% to 14% from a comparatively lower value base.

Villages

There are a number of villages scattered throughout the LGA which include; Fernmount, North Dorrigo, Mylestom, Raleigh and Repton. Additionally, there are small rural communities at Bostobrick, Brierfield, Deervale, Fernbrook, Megan and Thora.

Village areas and smaller rural communities on the Dorrigo Plateau including North Dorrigo, Megan, and Deervale, all experienced moderate increases in value during the last twelve months following a strengthening of demand. These villages are relatively remote, which contributes to the levels of value within them being comparatively low assisting their desirability in the market.

The coastal influenced villages of Mylestom, Repton, Raleigh and Fernmount are nearing full development with very few, if any, vacant allotments remaining available for development. Consequently, the analysis of improved sales has formed the basis of valuation assessments for the 2018 Valuation Program in these localities. Analysis of these sales has shown a strong, consistent increase in values of around 10% in Mylestom, Repton and Raleigh, ranging up to around 16% in Fernmount.

Large Lot Residential Homesites

The market for large lot residential land within Bellinghen Shire has shown increases in some areas while other areas have shown minor or no increases over the past 12 months. Supply has tightened somewhat for these types of properties across the Shire, particularly in coastal locations.

Demand for large lot residential homesites in the coastal influenced areas of Urunga, Raleigh and Repton has remained strong over the past 12 months and has contributed to land values increasing by around 8%.

Inland Bellinghen Valley large lot residential homesite values have tended to remain steady through 2018 following a period of consistent increases over preceding years. Demand remains consistent for a diminishing supply of available property.

The market for large lot residential property on the Dorrigo Plateau has tended to mirror that of other land classifications in the locality with strong value increases of around 10% being recorded over the past 12 months.

Commercial

The Bellinghen LGA comprises approximately 180 commercially zoned property across two commercial zones. These properties are divided into three main commercial precincts; in Bellinghen, Dorrigo and Urunga. Each of these precincts is different from the other, and geographical locations are far enough away from each other that neither of the precincts can be described as relying on another. The Bellinghen commercial precinct is the largest in the LGA, followed by the Dorrigo and then Urunga precincts.

In the last twelve months value levels in the Bellinghen CBD area experienced moderate increases. There has been minimal development in this precinct recently but Bellinghen Shire Council are currently mid-way through their beautification program for the main street, which includes replanting of trees, re-aligned pedestrian crossings and the creation of footpath blisters. During the last year the total number of recorded sale transactions has decreased.

Dorrigo commercial precinct experienced a strong increase in value levels in the prior twelve month period, and an increase in the total number of recorded sale transactions during this period. Demand for commercial property in this town has risen in the last year.

In Urunga, commercial property values have increased by around 5% since the prior valuation year in a trend that has mirrored comparable commercial markets on the coastal strip and appears to be in direct response to the continued strong demand and consistent value increases achieved by coastal residential property markets. Although there has been a limited number of recently recorded sales, modest rental growth, low vacancy and consistent rates of return over the period have contributed to the stability of the prevailing market.

Industrial

There are three distinct Industrial sectors within this LGA being at Dorrigo, Raleigh and Urunga, with the two latter sectors being closely located and similarly aligned in terms of development and value levels.

There has been a moderate increase in industrial land values in the Raleigh/Urunga Industrial precincts during the 2018 valuation year. Increases in the order of 8% have been typically recorded. This trend has been driven primarily by increased demand from purchasers attracted by relatively low industrial land values in comparison to those of the nearby major regional centre of Coffs Harbour. Decreased travel times and improvements in accessibility attributable to recent Pacific Highway Up-grades have also supported increased levels of demand in this sector of the market.

The Dorrigo industrial precinct is relatively small, and includes properties of mixed use including residences and vacant sites. It has not seen any progressive development for several years. Value levels in this category experienced moderate increases during the last twelve months in a trend mirroring that of coastal industrial markets. These increases are in line with those of the commercial and residential sectors within the township and indicate that land value relativities are consistent and within expected parameters.

Rural

Rural localities within the Bellingen LGA are generally categorised as being those on the Dorrigo Plateau and those on the lower coastal plain with land usage generally divided between larger rural holdings used for agricultural production, forestry and rural home sites of varying scale. The rural land market in Bellingen LGA reflects the important role rural production has played historically in this area. The highly productive nature of the soils, relatively high and consistent annual rainfall and the appealing aspect most rural property obtains in the overall Bellingen Shire rural outlook all contribute significantly to market dynamics.

Larger rural holdings, zoned both RU1 – Primary Production and RU2 – Rural Landscape, on the Dorrigo Plateau experienced strong increases in value during the last twelve months (up 10% to 15%), in line with recent increased demand for this type of property. The total amount of recorded sale transactions for this type of property has decreased from the prior period, however, the clear increases in demand have resulted in the value level changes.

On the lower coastal plain, larger rural holdings, zoned both RU1 – Primary Production and RU2 – Rural Landscape, experienced moderate increases in value during the last year (5% to 10%), however, this year there was an increase in the total number of recorded sale transactions for this type of property compared to the prior period.

E4 - Environmental Living zoned land is closely related to rural zonings, and covers two valleys west of Bellingen; the Thora and Kalang Valleys. These valleys include many properties that with rural usage and perspectives. Property in this zone experienced strong value increases of around 10% in the last twelve months.

Smaller rural home sites, zoned both RU1 – Primary Production and RU2 – Rural Landscape, on the Dorrigo Plateau experienced moderate increases in value in the last year. On the lower coastal plain, rural home sites zoned RU1 experienced slight increases in value, whilst rural home sites in the RU2 zone experienced moderate increases in value in the last twelve months. The amount of recorded sale transactions for this property class, across both zones and both areas decreased in the last twelve months.

Significant Issues and Developments

Significant Developments – From Prior (2017) to Current Annual Valuation (2018)

There has not been any significant developments or applications for developments outside of those permissible under the current zoning framework, and therefore no special considerations were required. However, the following development applications are worth noting;

- An application to redevelop 84 Hyde Street Bellingen was lodged in March 2018 with a decision still pending. This site is the former “Fosters Garage”, which comprises a former petrol station, NRMA office and mechanical business. The property was sold in August 2015 for \$1,298,000 to a local developer. The proposed development includes demolition of the existing buildings and construction of fifteen residential units with underground carparking.
- An application for the next stage of residential subdivision in North Bellingen comprising twenty-eight lots was submitted in May 2018, and is still pending a decision. This land adjoins other recently established residential subdivision areas.

Additionally, the recent completion of Pacific Highway Upgrades between the major regional centres of Coffs Harbour and Port Macquarie now completes divided dual carriage motorway conditions south to Sydney. This has significantly reduced travel times, improved road safety and enhanced the general accessibility of the region.

Significant Value Changes

Significant Value Changes – From Prior (2017) to Current Annual Valuation (2018)

There has been a moderate increase in land values in the Bellingen Local Government Area between 2017 and 2018. This trend was consistent across most classes of property in the residential, commercial and industrial market sectors. Rural land values however have shown a strong increase driven primarily by continued high demand for quality property on the sought after and tightly held Dorrigo Plateau.

Sustained levels of demand from both local and sea-change purchasers seeking affordable property offering good coastal and rural amenity, close to the regional centre of Coffs Harbour, has underpinned market movements within the Bellingen Local Government Area over the 2017 to 2018 period.

The most significant value level increases over the preceding twelve months are summarised as follows;

- In the residential sector, a strong increase in land values was experienced for property in the village of Fernmount (16%) and the Northern Urunga localities of Newry Island and Yellow Rock (14%). Moderate increases of around 9% to 10% were recorded in Dorrigo township, Urunga and the coastal villages of Mylestom, Repton and Raleigh.
- Commercial property values in the main commercial precincts of both Bellingen and Dorrigo townships have increased by 10%.

- Industrial values in the Urunga/Raleigh locality have increased by 8% while the Dorrigo industrial area has experienced value level increases of 7.5%.
- Property values for larger rural holdings on the Dorrigo Plateau experienced increases of 15%, whilst values for the same type of property on the lower coastal plain experienced increases of 10%. Property values for smaller rural home sites on the Dorrigo Plateau experienced a 10% increase in values.

Overview of the Quality Assurance Process

Property NSW/Valuation Services has been provided with a comprehensive Valuation Analysis Report, which details the Quality Assurance Process of Inland Pacific Property Group. It outlines the Verification process undertaken and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and listings of high value and high risk properties, are provided. 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 have had land values amended through the objection or re-ascertainment process were individually examined to reconcile surrounding land values and ensure the accuracy of the gradings and relativities. 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 7.2.1. 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.

Author

Report Prepared By:



Craig Lewis AAPI CPV
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Report Approved By:



Robert Glover AAPI CPV
Contract Services Manager
9th November 2018