

BYRON LOCAL GOVERNMENT AREA Final Report 2018 v2

10 November 2018

Executive Summary

LGA OVERVIEW

Number of Properties Valued in 2018 and Total Value in Dollars (\$AU)

Byron Shire Council local government area comprises residential, rural, commercial, industrial, infrastructure, special uses, environmental, open space and public recreation zones.

13,262 properties were valued as at the base date of 1 July 2018, and valuations are reflective of the property market at that time. Previous Local Government Notices of Valuation were issued to landowners for the base date of 1 July 2016.

Valuation changes in the local government area and percentage changes between land tax valuation years of 1 July 2017 and 1 July 2018 and the council valuations last issued for 1 July 2016 base date and 1 July 2018 are as follows:

Zone*	Zone Code	Number of Entries	2018 Total	2017 Total	% Change	Band Trend 2017-2018	2016	% Change
			Land Value	Land Value	2017 to 2018		General LV	2016 to 2018
Residential	A, B4, R2, R3, R5, RU5, Z	9,216	\$7,313,424,260	\$6,619,043,240	10.49	Strong Increase	\$5,256,968,400	1.39
Commercial	B1, B2, B7	406	\$836,816,020	\$762,254,470	9.78	Moderate Increase	\$621,672,820	1.35
Industrial	IN1, IN2	255	\$282,933,710	\$239,195,150	18.29	Strong Increase	\$167,015,040	1.69
Rural	R, RU1, RU2	2,753	\$2,360,265,450	\$2,022,366,876	16.71	Strong Increase	\$1,720,569,330	1.37
Tourist, Infrastructure, Environmental, Recreation	SP3, SP2, P, E1, O, RE1, RE2, W2	991	\$1,225,060,380	\$1,113,040,030	10.01	Strong Increase	\$940,587,380	1.30
Total		13,262	\$12,018,499,820	\$10,755,899,766	11.74	Strong Increase	\$8,706,812,970	1.38

*Zone Groupings have been allocated in accordance with R+T Procedure Manual 7.2.1 – Media Release Commentary

Zone Exceptions

Parent zone	Zone code	Zone description	2018 LV	2017 LV	General LV	% change	Band Trend
Residential	RU5	Village	\$42,918,510	\$42,350,890	\$36,856,500	1.34	0 Steady
Rural	R	Non Urban	\$175,766,760	\$171,482,030	\$149,993,730	2.50	1 Slight increase

Component Exceptions

Zone code	Comp code	Comp description	Comp count	Comp calc count	% change	Band Trend
R	RA	0<15 HA - COASTAL	99	99	1.98	0 Steady
R	RB	0<15 HA DM-WEST MULLUMBIMBY + DM WEST ESCRP	95	95	-2.03	-1 Slight decrease
R2	AKW	WATEGOS BEACH / LIGHTHOUSE RD	112	112	4.04	1 Slight increase
R3	AKC	BYRON BAY MEDIUM DENSITY & TOURIST	91	91	1.55	0 Steady
RU5	RJL	VILLAGES - FEDERAL BILLINUDGEL MAIN ARM	118	118	1.34	0 Steady

Market Overview

Valuers Australia valuation contractors have undertaken significant analysis of the Byron Shire property market to provide an accurate and reliable basis of valuation. A total of 566 reliable sales have been analysed to enable the establishment and verification of land values as at 1 July 2018. The analysed sales are also used to support the grading of values across components and throughout the LGA. Analysed sales reports are provided to Property NSW on a consistent basis throughout the year and are updated as required as market trends emerge/evolve throughout the program. The added value of improvements are also analysed to enable the accurate deduction of land values. Valuers Australia valuation contractor 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 Byron LGA this year sales and resales of properties indicated variable movement in values throughout the year and across the LGA, depending primarily on zone, location and value range, but also on a range of other market based factors which affect value.

In general terms there was strong market movement from August 2017 to 1 July 2018 for residential and rural zoned properties. Commercial market analysis demonstrated a moderate increase in commercial zoned land values since 2017 with the exception of B7 zoned properties located at the Byron Bay industrial estate, which experienced a strong increase in values. Industrial land values in Byron Bay, Billinudgel and Bangalow increased strongly in value while industrial land in Mullumbimby increased slightly in value after values increased strongly from 2016 to 2017. The increases in land values resulted from very strong demand from both investors and owner occupiers and limited supply of properties on the market. Other significant local drivers were demand from interstate and metropolitan buyers, strong tourism and low interest rates.

General Overview

There was a strong increase in land values in the Byron local government area between 2017 and 2018, with this trend being consistent in the residential, rural and industrial land values. However, there was a moderate increase in commercial land values.

The increase in land values was driven by high demand for the limited supply of properties on the market.

Residential Overview

There was a strong increase in residential land values in the Byron local government area, driven by high demand from investors and owner occupiers for the limited supply of properties on the market. Residential land values were supported by employment in tourist based industries, retiree purchasers, local service industries and employment in nearby centres with owners choosing to live in Byron and commute to work.

Residential land values at Wategos Beach showed a slight increase, while value levels in Byron Bay tourist and medium density zones generally remained steady. These areas generally experienced land value increases in prior years with market conditions slowing.

Value levels in village areas were steady with demand easing after increasing in value significantly in 2017.

Commercial Overview

Commercial land values showed a moderate increase in land values, driven by the continued strong tourist sector and high investor demand combined with low interest rates.

Industrial Overview

There was a strong increase in land values for industrial land in Byron Bay due to high demand and limited supply.

Strong land value increases were experienced in the Bangalow and Billinudgel industrial estates following high demand for a limited supply of lots, and due to affordable prices compared with Byron Bay industrial estate.

Slight land value increases were experienced in Mullumbimby industrial estate after values increased strongly in 2017.

Rural Overview

There was a strong increase in rural land values across the Byron local government area, due to the demand for well-located rural home sites with coastal views, particularly those near amenities and facilities.

Strong macadamia nut prices also contributed to the strength of the market for rural land.

West of Mullumbimby the market was inconsistent with some steeper, timbered areas slightly decreasing in value.

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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 2018 Valuation of Byron 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 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 and Valuers Australia 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/land_values.

LGA Overview

Location of the district

Byron Shire, covering an area of 556 square kilometres, is located on the Far North Coast of NSW. In general terms it is located approximately 180km south of Brisbane and 800km north from Sydney. The Shire includes the world renowned town of Byron Bay which lies at Australia's eastern-most point. Byron LGA is a well-known tourist destination, attracting over 2.1 million visitors annually. The main source of revenue for the Shire is tourism, approximately \$722 million in 2017 with a total of approximately 4,500,000 visitor nights (Destination Byron Bay). For the year ending June 2017 in Byron Bay alone there were 831,000 domestic visitors and 214,000 international overnight visitors, generating approximately 4,560,000 visitor nights. Tourism has a significant impact on a range of industries in the Shire, such as retailing, health facilities and spas, accommodation, restaurants and cafes, transportation and construction. Agriculture and related value-added and creative industries are also important areas of activity in the region.

There are a number of small towns and villages in the shire, which has a total population of 31,556 (Source: ABS, 2016). In 2006 approximately 30% of people were living in rural areas. The main towns/villages comprise Byron Bay, Mullumbimby, Suffolk Park, Bangalow, Ocean Shores and Brunswick Heads.

Principal Towns

The main town/villages in the shire are:

- **Byron Bay** – Byron Bay is the largest commercial centre in Byron Shire. It is located on the easternmost point of the Australian mainland and is located approximately 200 kilometres south from Brisbane. As at the 2016 Census Date 5,521 persons were usually resident in the Byron Bay Urban Centre/Locality. The town is heavily reliant on tourism, which by far provides the main income stream for the local economy, supporting/impacting upon a range of industries in the town including retail, health facilities, hospitality (including accommodation, restaurants, cafes), transport, construction, agriculture and local creative/specialist industries. The town has an expanding commercial centre, predominantly comprising retail premises supported by tourist dollars. As at the 2016 Census there were 3,122 private dwellings in the Byron Bay locality, (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Byron Bay were Professionals 23.8%, Managers 13.5%, Technicians and Trades Workers 13.4%, Community and Personal Service Workers 12.9%, Labourers 9.7%, Sales Workers 9.5%, Clerical and Administrative 8.8% and Machinery operators and Drivers 3.2%.
- **Mullumbimby** – Mullumbimby is a small township located in the Byron Hinterland. As at the 2016 Census Date 3,596 persons usually resided in the Mullumbimby Urban Centre/Locality. The town accommodates the Shire Council Chambers and provides general services to the surrounding area as well as catering to the tourist industry. As at the 2016 Census there were 1,717 private dwellings in the Mullumbimby locality, (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Mullumbimby were Professionals 24%, Technicians and Trades Workers 14.4%, Labourers 11.7%, Managers 11.1%, Sales Workers, 11.1%, Community and Personal Service Workers 10.9% and Sales Workers 11.7%, Clerical and Administrative Workers 9.1%, and Machinery operators and Drivers 4.6%.
- **Suffolk Park** – Suffolk Park is located on the coast approximately 3 kilometres south from Byron Bay. It is predominantly a residential area, but provides several tourist developments, including the “Byron at Byron” tourist accommodation located on the eastern side of Broken Head Rd. The 2016 ABS Census Data indicates that as at the Census Date 3,750 persons usually resided in the Suffolk Park Urban Centre/Locality. There is a small neighbourhood shopping centre providing basic services. As at the 2016 Census there were 1,674 private dwellings in the Suffolk Park locality (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Suffolk Park were Professionals 27.1%, Managers 15.3%, Community and Personal Service Workers 13.2%, Technicians and Trades Workers 12.9%, Sales Workers

10.5%, Labourers 8.4%, Clerical and Administrative Workers 8.4%, and Machinery Operators and Drivers 3.0%.

- Brunswick Heads** – Brunswick Heads is a small coastal township located in the northern part of the Shire. As at the 2016 Census Date 1,737 persons usually resided in the Brunswick Heads Urban Centre/Locality, which includes the Brunswick Heads village and the nearby Bayside Estate. The town centre provides basic services to the residential areas as well as providing a limited amount of tourist accommodation. As at the 2016 Census there were 1,071 private dwellings in the Brunswick Heads locality, (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Brunswick Heads were Professionals 18.3%, Technicians and Trades Workers 16.5%, Community and Personal Service Workers 14.5%, Managers 14.4%, Labourers 11.8%, Clerical and Administrative Workers 10.6%, Sales workers 8.7% and Machinery Operators and Drivers 3.9%.
- Bangalow** - Bangalow is a small township located in the Byron Hinterland, approximately 13 kilometres west from Byron Bay. As at the 2016 Census Date 2,021 persons usually resided in the Bangalow Urban Centre/Locality. The town provides basic services to the surrounding area as well as catering to the tourist/hospitality industry, with several well known and popular eateries. It has a small industrial estate located on the western town fringe. As at the 2016 Census there were 850 private dwellings in the Bangalow locality, (includes all dwelling types) of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Bangalow were Professionals 28.1%, Managers 17.4%, Technicians and Trades Workers 11.6%, Community and Personal Service Workers 10%, Clerical and Administrative Workers 10.0%, Sales workers 9.3%, Labourers 8.4%, and Machinery operators and drivers 3.5%.
- Ocean Shores** (including New Brighton) – Ocean Shores is situated in a near coastal locality in the northern part of the Shire. By road it is located approximately 20 kilometres north from Byron Bay. It is predominantly a residential area but has a small-medium size shopping centre featuring a Coles Supermarket and a number of retail shops and small offices providing basic services to the surrounding residential areas. Ocean Shores has a 27 hole Golf Course. As at the 2016 ABS Census Date 5,137 persons usually resided in the Ocean Shores Urban Centre/Locality. In the 2016 Census there were 2,371 private dwellings in the Ocean Shores locality (includes all dwelling types), of which the majority comprised single residences. The most common occupations for employed people usually resident in Ocean Shores were Professionals 23.6%, Technicians and Trades Workers 16.1%, Community and Personal Service Workers 13.2%, Clerical and Administrative Workers 10.8%, Labourers 10.7%, Sales Workers 10.4%, Managers 9.7%, Machinery operators and drivers 4.0%.

***Refer 2016 Australian Bureau of Statistics (ABS) Data and Analysis – Quickfacts.**

(http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC10733?opendocument)

Main Industries

Byron Shire economy is highly reliant on tourism. Much of the local industry is therefore directly related to tourism or support of the tourism industry, the majority of which is centred around Byron Bay. Tourism has a significant impact on a range of industries in the Shire, notably retailing, health facilities and spas, accommodation, restaurants and cafes, transportation and construction.

Agriculture and related value-added and creative industries are also important areas of activity for the Shire. Home-based businesses focused on alternative, cultural and knowledge industries, also add to the local economy with a growing population of artists, writers and filmmakers.

Significant Retail Centres

The majority of tourism in Byron Shire is centred around Byron Bay. The other main local centres of Mullumbimby, Bangalow and Suffolk Park predominantly provide residential centres with associated local service industries.

A summary of the major industry in the area is as follows:

Industrial

There are several industrial estates located throughout the shire including Byron Bay, Mullumbimby, Bangalow and Billinudgel.

The Byron Industrial Estate is the largest and strongest industrial estate in the Shire with 142 industrial premises (not including individual strata allotments).

Industrial development in Billinudgel, Bangalow and Mullumbimby is generally based around service of the local population. Development in the Byron Bay Industrial Estate is highly variable, providing local services but also supporting the strong tourist retail market in Byron Bay. A number of retail outlets in Byron Bay have internet based businesses which are serviced out of the industrial estate. The industrial estate also features a number of retail outlets for ladies fashion, surf wear, surf boards, small local industries etc.

In general terms there is a shortage of industrial land in the shire. This problem is exacerbated by a general lack of undeveloped land zoned for industrial purposes.

Commercial

Byron Bay and to a much lesser extent Mullumbimby, are the main commercial centres in the LGA and provide a range of services for the local community.

The coastal strip, particularly around Byron Bay, features a strong tourist influence particularly for Backpacker type accommodation, and is the main support base for the local economy.

The majority of commercial premises in Byron Bay comprise retail shops/businesses supported by the tourist industry. There is also a range of professional and semi-professional service providers located in the town centre and in the Byron Arts and Industry Estate, servicing the needs of the local population.

The Byron Bay commercial centre continues to grow steadily through redevelopment of existing sites.

The 2017/2018 season has been one of the best tourist years in recent record and this has been reflected in commercial rents. Continued investor activity has also seen a firming of capitalisation rates over the past 18 months and strengthening of values.

Land tax is an increasing burden on commercial real estate, particularly in Byron Bay where the high land values result in significant land tax burdens.

Commercial premises in Mullumbimby are more aligned to providing services to the local population, (from Mullumbimby and the surrounding rural localities), supported by the tourist trade. There are very few shop vacancies in Mullumbimby and these are typically non-food approved and or are in fringe locations. It is noted however that due to the limited market for goods, increases in rental levels are hard to justify. The Woolworths Shopping Centre in Mullumbimby, which opened in 2012, has drawn some of the trade from the town centre.

There is a Woolworths and Aldi supermarket in Byron Bay, a Woolworths supermarket in Mullumbimby, a neighbourhood shopping centre at Sunrise Beach near Byron Bay, a Coles supermarket and Target Country at Ocean Shores and a small neighbourhood shopping centre at Suffolk Park but otherwise there is a general lack of larger retailers in the LGA.

The shopping centre in Byron Bay is currently being redeveloped. Part of the complex has been demolished and construction of the two storey Byron Bay Shopping Plaza has commenced. The following article from the Australian Financial Review dated 15 Oct 2015 provides an overview of the

development: *“investor Wingate has invested in its first retail development, buying a 75 per cent equity stake in a new \$100 million shopping centre project in Byron Bay”.*

“Mercato on Byron” is the first commercial development of its kind to be approved in Byron Bay in many years.

The new centre will reportedly comprise an 8500-square-metre, two-level shopping centre on a 5500-square-metre site at 108-110 Jonson Street, Byron Bay and will be anchored by a Woolworths supermarket, a nine-screen Palace cinema complex and about 50 specialty stores.

The development will replace a car park, the existing three-screen Byron Bay cinema complex and shops that take up half of the 11,000-square-metre site.

The top half of the site at 98 Jonson Street houses an existing Woolworths supermarket and shops. This will be developed as stage two of the project, after Woolworths moves into the new mall”.

Construction of the new mall began in 2017 and is behind schedule based on the initially reported completion date of December 2016.

The nearby towns of Lismore, Tweed Heads and to a lesser extent Ballina comprise the regional centres for the Far North Coast and as such much business is lost out of Byron Shire and into the larger centres.

Rural

A significant proportion of rural zoned lands have been developed as rural home sites and hobby farms. This is partly due to rough topography and poor quality soils, however is also a result of past planning schemes allowing small rural lot subdivision of what would otherwise have been good agricultural land.

There is some very high quality agricultural land in the southern and western sectors of the LGA and these areas are generally used for horticultural purposes, with macadamia production being the most common horticultural enterprise in these areas.

In other areas throughout the shire rural zoned land is utilised for sugar cane growing (generally closer to the coast), banana growing, grazing and a diverse range of other horticultural pursuits including coffee growing, stone fruit, berries, limes etc. as well as emerging industries such as medicinal herbs/plants, industrial hemp, bamboo etc. Again it is noted however that the value of the majority of these land parcels is tied to value as a home site.

Type of Residential Development

Residential

Byron LGA contains numerous coastal and rural settlements however the majority of the Shire’s population is centred in and around Byron Bay and Suffolk Park, Ocean Shores and the Villages of Mullumbimby and Bangalow.

Throughout the LGA the majority of residential accommodation comprises privately owned single dwelling housing that varies in quality, style and construction materials. Many of the houses in the coastal areas date from the 1970’s and 1980’s and are of more basic design and construction. In recent years, in order to provide affordable accommodation, Council policy has encouraged the development of secondary dwellings (“granny flats”). In 2011 Council waived developer contributions on secondary dwellings and over time this has stimulated significant growth in this type of accommodation, although it is noted that many “granny flats” remain unapproved.

There is a significant amount of tourist accommodation in Byron Bay but in general there is very limited supply of medium density residential accommodation in the shire.

As at the 2016 Census there were 15,540 private dwellings within the shire, of which on census night 11,374 were occupied. Of the occupied dwellings 9,266 (81.5%) were separate houses, 814 (7.2%)

were semi-detached, row or terrace houses etc. 731 (6.4%) were flats, units or apartments, and 392 (3.4%) comprised other dwellings.

Approximately 69.2% of properties in the region are owner occupied, 30.8% are rented.

State and Local Government Legislation for LGA

State and Local Government Legislation for Byron LGA

Byron Shire Local Environmental Plan, gazetted 21 July 2014, applies to the majority of land within Byron LGA. The LEP is based on the standardised LEP instrument prescribed by New South Wales Legislation.

The Plan aims to make local environmental planning provisions for land in the Byron Shire Council Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act and provides a basic framework of zones and objectives for land uses and development in each zone. It also provides details of development/uses permissible with and without council consent and prohibited uses in each zone.

In September 2012, the Minister for Planning & Infrastructure announced a review into the way environmental zones and overlays are applied to land on the Far North Coast and engaged consultants, Parsons Brinckerhoff to undertake the review. The review applies to E2 Environmental Conservation, E3 Environmental Management and E4 Environmental Living zones in the Ballina, Byron, Lismore, Tweed and Kyogle local government areas.

The consultant provided the Department of Planning & Environment (DP&E) with an interim report which was on exhibition for public comment until 5 June 2014. In October 2015 the Northern Council's E Zone Review Final Recommendations Report was published by NSW Department of Planning and Environment.

As part of Council's implementation of the Environmental Zones (E Zones) review process, areas currently identified as a Deferred Matter (DM) under Byron Local Environmental Plan (LEP 2014) are being assessed against the State Government's criteria that must be met to rezone land to Environmental Conservation (E2) or Environmental Management (E3).

Pending the outcome of this review, areas with environmental zones and overlays are deferred from the LEP 2014. Byron LEP 1988 zones continue to apply to land within these deferred areas. The current Byron Shire Development Control Plan (DCP) 2010 will also apply to those deferred areas.

Byron LEP 2014 Gazetted 21 July 2014

Development on Land in Byron Shire (excluding land deferred from the LEP) is controlled by Byron Local Environmental Plan 2014.

The plan provides a basic framework of zones and objectives for land uses and development in each zone. It also provides details of development/uses permissible with and without council consent and prohibited uses in each zone.

Byron LEP 2014 maps as held on the NSW Legislation Internet Site <http://www.legislation.nsw.gov.au/> displays various Planning Maps embraced within the LEP, including:

- Land Application Map (identifies where LEP 2014 applies and land Deferred from the LEP)
- Land Reservation Acquisition Map
- Land Zoning Map
- Heritage Map
- Height of Buildings Map
- Floor Space Ratio Map
- Lot Size Map

- Acid Sulfate Soils Map
- Multiple Occupancy and Community Title Map
- Drinking Water Catchment Map.

Zone	Minimum Allotment Size Varies for each zone (Refer minimum allotment size map)
Residential/ Village R2 R3 R5 RU5	600m ² , 2,500m ² 450m ² , 600m ² 5,000m ² , 8,000m ² , 1ha, 2ha, 2.5ha 2,000m ² , 2,500m ²
Rural/Forestry RU1 RU2	10ha, 40ha 10ha, 40ha 5000m(RU3) 40ha(RU4)
Business B1 B2 B4	400m ² 200m ² , 300m ² 600m ² , 1,000m ²
Industrial IN1, IN2	Council Consent required 1000m ² (IN1)

Byron LEP 1988 gazetted 22th April 1988.

Development on land in Byron Shire that is deferred from Byron LEP 2014 is controlled by Byron Local Environmental Plan 1988 (as amended).

The plan provides a basic framework of zones and objectives for land uses and development in each zone. It also provides details of development/uses permissible with and without council consent and prohibited uses in each zone.

On 14 November 2014, Byron LEP 1988 was amended to effect the Department of Planning and Environment's state significant rezoning of the West Byron urban release area. The site is now zoned for a combination of residential, business and light industrial purposes.

There is also a suite of other land use controls contained in Part 4 of Byron LEP 1988 that apply only to that urban release area e.g. minimum lot sizes, flood planning. Byron Development Control Plan 2014, Chapter E8 West Byron Urban Release Area, became effective on 20 July 2017.

Development in Byron LGA is also guided by Byron Development Control Plan (DCP) 2014 and Byron Development Control Plan (DCP) 2010.

Byron Development Control Plans (DCPs)

Byron Shire Development Control Plan (DCP) 2014

The primary purpose of DCP 2014 is to specify Council's requirements for quality development and sustainable environmental outcomes on land to which Byron LEP 2014 applies and to give effect to the aims of Byron Local Environmental Plan (LEP) 2014 and provide guidance for development that is permissible under that Plan.

Byron Shire Development Control Plan (DCP) 2010

DCP 2010 specifies Council's requirements for quality development and sustainable environmental outcomes on land to which Byron LEP 1988 applies (i.e. all land deferred from LEP 2014).

Draft Coastal Zone Management Plan (CZMP)

Byron Shire Council has developed a new draft Coastal Zone Management Plan (CZMP) for beaches from Cape Byron to Main Beach at Byron Bay.

The Eastern Precincts CZMP includes Main Beach, Clarkes Beach, The Pass, Wategos, Little Wategos and Cape Byron.

The Eastern Precincts CZMP does not include the Belongil area. In 2017, the Minister for the Environment, allowed Council to split the Byron Bay Embayment CZMP into two planning areas which are now known as the eastern and western precincts.

One of the highest priorities of the Eastern Precincts CZMP is understood to be the upgrading of coastal protection works at Main Beach (Jonson St) to protect the Byron Bay town centre from coastal hazards and to improve beach access and amenity. Council have stated that it views the Jonson St/Main Beach protection works as having a strong public benefit for the community, businesses and visitors because it will improve public safety, amenity and the aesthetics of the area.

Council spokesperson has advised that Planning controls, dune management and the management of cultural and natural environmental values are key cornerstones to the draft Eastern Precinct CZMP.

The draft CZMP (PDF, 16MB) and Emergency Action Sub Plan (PDF, 1MB) (EASP) were submitted to the Minister for the Environment on 4 July 2018 for certification. It is understood that Council is awaiting the Minister's response.

Market Overview & Sales of Particular Interest

Residential

Byron LGA contains numerous coastal and rural settlements however the majority of the Shire's population is centred in and around Byron Bay, Suffolk Park, Ocean Shores and the Villages of Mullumbimby and Bangalow.

Throughout the shire the majority of residential accommodation comprises privately owned single dwelling housing that varies in quality, style and construction materials. Many of the houses in the coastal areas date from the 1970's and 1980's and are of more basic design and construction. Over time these are being modernised or, in more upmarket localities, demolished and replaced with quality residences.

There is a significant amount of tourist accommodation in Byron Bay but in general there is very limited supply of medium density residential accommodation in the shire.

As at the 2016 Census there were 15,540 private dwellings within the shire, of which on census night 11,374 were occupied. Of the occupied dwellings 9,266 (81.5%) were separate houses, 814 (7.2%) were semi-detached, row or terrace houses etc. 731 (6.4%) were flats, units or apartments, and 392 (3.4%) comprised other dwellings.

Approximately 69.2% of properties in the region are owner occupied, 30.8% are rented.

Byron Bay, Suffolk Park, Ocean Shores, Brunswick Heads, New Brighton, South Golden Beach, Golden Beach, Billinudgel and Mullumbimby all have full utility services available including reticulated town water supply, reticulated sewerage and telecommunication services. Byron Shire LGA has an array of Government Services including 2 State High Schools, 9 State Primary Schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES, Council Chambers and Administrative Offices. There are also two other Steiner Schools (Primary/Secondary) and 4 Christian Primary Schools. A new central hospital has been constructed at Ewingsdale near Byron Bay which has replaced Byron Bay and Mullumbimby Hospitals.

Additional community based facilities available within the LGA include various denominational churches, a private school, child care centres, various aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis courts and golf courses.

Residential values in Byron Shire are supported by employment in tourist based industries, retiree purchasers, local service industries and employment in the larger nearby centres with owners choosing to live in the Byron locality and commute to work.

In line with very strong demand by owner occupiers and investors value levels increased strongly throughout the majority of the residential areas in the LGA. A shortage of supply of properties on the market however limited the volume of sales being recorded and as a result, sales volume in 2018 was reduced compared to 2017.

In recent years, predominantly due to lack of availability of suitably zoned land, the only substantial land releases to have occurred in Byron LGA have been on the western fringes of Mullumbimby and Bangalow villages. Virtually all allotments have sold in Bangalow while small land releases continue to occur in the more recent stages of the Tuckeroo Estate at Mullumbimby.

The value levels adopted are supported by analysis of both vacant land and improved sales with approximately 359 residential (and village) zoned sales having been analysed for the 2018 valuation program. Continued strong demand through the majority of the revision period combined with limited supply resulted in strong increases in residential land values throughout the majority of Byron Local Government Area from 1 July 2017 through to 1 July 2018, particularly for residential properties suitable for tourist accommodation and with proven record of high occupancy, and for central, well

located properties, or those with some degree of development potential. As noted sales volumes fell through late 2017 and early 2018 compared to the same period in 2017, predominantly due to lack of supply of properties on the market, however late in the program also due to an easing of demand.

Moderate land value level increases were experienced for properties with limited ocean views at Wategos Beach where value level increases were tempered due to traffic congestion having an adverse impact on demand.

Villages

There are a small number of residential dwellings located in various villages within the Local Government Area (LGA).

Due to limited supply there has been limited sales evidence within the village localities. The predominant sale type was improved residential properties with purchase prices generally reflective of the age, style and condition of the dwelling and any ancillary ground improvements. Values generally increased slightly in village areas after increasing moderately to strongly from 1 July 2016 to 1 July 2017. No distinct trend appears in relation to increases or decreases of value in the eastern, western, southern or northern areas of the LGA.

Commercial

There are approximately 406 commercial zoned properties in Byron LGA, the vast majority located in Byron Bay but with others located in Suffolk Park, Bangalow, Ocean Shores, Brunswick Heads and Mullumbimby. Commercial properties are typically tightly held and as a result few commercial properties sell in Byron Shire.

In total, 17 reliable sales occurred between 1 July 2017 and October 2018 and these, combined with older sales adjusted for time provided good evidence to determine value levels, with a total of 31 sales within Byron LGA analysed for the 2018 program. Generally the sales indicated that values had increased moderately between 1 July 2017 and 1 July 2018. The market is predominantly driven by continued strength in the tourist sector, strong investor demand, low interest rates and strong rental demand/rents, particularly for food premises.

Very strong value level increases were experienced in the commercial properties located at the Byron Bay industrial estate, following the same trend as industrial land in the same location.

Land Tax remains a very strong issue in the area, with increased Land Tax liability adversely affecting the net return on investments.

Industrial

There are several industrial estates located throughout the Shire including Byron Bay, Mullumbimby, Bangalow and Billinudgel.

There are only 255 industrial properties in Byron LGA. The Byron Industrial Estate is the largest and strongest industrial estate in the Shire with 142 industrial premises (not including individual strata allotments). Industrial development in Billinudgel, Bangalow and Mullumbimby is generally based around service of the local population. Development in the Byron Bay Industrial Estate is highly variable, providing local services but also supporting the strong tourist retail market in Byron Bay. A number of retail outlets in Byron Bay have internet based businesses which are serviced out of the industrial estate. The industrial estate also features a number of retail outlets for ladies fashion, surf wear, surf boards, small local industries etc. The Byron Bay industrial market benefits from the strong local, national and international tourism industry and strong demand from both owner occupiers and investors. A shortage of supply of industrial land has resulted in strong competition which has driven up values.

In Byron Shire industrial land is tightly held and due to the low number of properties limited sales evidence exists. In total 11 reliable confirmed sales occurred between 1 July 2017 and October 2018

and these, combined with older sales adjusted for time provided good evidence to determine value levels. In total 16 industrial sales within Byron LGA were analysed for the 2018 program.

From 1 July 2017 through to 1 July 2018 the total value of industrial land in Byron LGA increased strongly. Differential market movement was however experienced throughout the LGA with value levels increasing strongly in Byron Bay, Bangalow and Billinudgel while a slight increase was experienced in Mullumbimby which had experienced strong increases in value from 2016 to 2017.

Rural locations within the LGA

Byron LGA is a highly regarded coastal locality. The majority of rural zoned land parcels are purchased for home sites, therefore the value of rural land is predominantly driven by residential/home site based factors rather than rural based factors.

A possible exception to this is land suitable for Macadamia growing, although in recent years a number of macadamia plantations have been cleared for use as home sites, indicating that in premium hinterland locations the land is more valuable for home site uses than for macadamia production.

There were 90 rural zoned sales analysed for the 2017 valuation program, which supported strong value level increases in rural land values in most locations throughout Byron local government area from 1 July 2017 through to 1 July 2018. Continued strong demand in the more popular hinterland localities such as Coopers Shoot, Mcleods Shoot, well located sites and sites with ocean views, resulted in strong value level increases in these locations.

The strong prices being achieved for macadamia nuts has been maintained, resulting in continued demand for land by macadamia growers, however as previously noted the value of macadamia land, which is typically well located, is typically the same, or sometimes higher as a rural home site.

The overall percentage increase in value levels is skewed to some degree by higher value movements in the more popular localities.

The value of good quality rural land within close proximity to the villages of Bangalow and Federal, increased moderately to strongly, predominantly due to continued demand for rural residential/small rural home sites in these locations. West of Mullumbimby the market was inconsistent with properties with good access and better topography increasing in value strongly, however some steeper, timbered areas slightly decreasing in value.

Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

Regular checks of Byron Shire Council web site have been made throughout the program to identify significant development approvals. Development approvals (DAs) have also been checked in relation to commercial and industrial properties.

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

- Progress toward the development of the West Byron Urban Expansion Area has continued with the applicable Development Control Plan (DCP) having been adopted in July 2017. The DCP applies to approximately 108 ha of land to the south of Ewingsdale Road and west of Belongil Creek which in 2014 was rezoned to allow low density residential, medium density residential, light industrial uses and a neighbourhood centre. A substantial portion of the site remains zoned environmental protection and will not be developed.

- Development of residential land west of Mullumbimby continues. On 22 September 2017 an additional area of land (approximately 7ha to 8ha) was rezoned from rural to R2 Low Density Residential.
- The redevelopment of the Byron Plaza Shopping Centre continues.

The following additional points of interest were noted.

- Several small scale infill residential subdivisions have been approved.
- Byron Bay Town Centre Bypass Road project which received approval from the independent Joint Regional Planning Panel in 2016 is yet to commence construction. Construction was initially planned to commence in 2016 however was delayed due to Court challenges by members of the public. The project is being funded with a \$10.5 million commitment from the NSW state government and Byron Shire Council development contributions.

The Byron Bay town centre bypass is a two lane low speed road. It will include:

- Upgrade of the existing roundabout at the junction of Shirley Street, Lawson Street and Butler Street.
- Upgrade of Butler Street at the southern extent of the existing pavement (approximately 600 metres), including a new roundabout at Somerset Street.
- Construction of a new road within the road reserve extending to the south of the existing Butler Street (approximately 600 metres).
- A new level rail crossing between the Butler Street extension and the Browning Street extension.
- A new roundabout at the intersection of the new Browning Street extension, Jonson Street and the existing Browning Street.

Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

Since 2017 value levels have increased moderately to strongly in most areas within the Local Government Area.

Notable value level increases were:

- Industrial land values in Byron Bay and Billinudgel in general, increased by approximately 20%.
- Industrial land values in Bangalow increased by approximately 21%.
- B7 zoned land values at Byron Bay industrial estate increased by approximately 23%.
- SP3 Tourist zoned land in Byron Bay increased in value by approximately 28%.
- Residential values in Byron Bay increased by approximately 10% to 15%, depending on location, with the exception of smaller sites on Bayshore Drive Byron Bay which increased in value by an average of 29%.
- Demand for properties with limited views in Wategos Beach was subdued and values remained stable.
- Residential land values in Suffolk Park and Bangalow increased by approximately 10% to 14% in general.
- Residential land in Mullumbimby increased by approximately 10% in general with the exception of select locations where values remained stable.
- Residential land values in Brunswick Heads village increased by an average of 6% while residential sites in the Bayside subdivision at Brunswick Heads increased in value by an average of 17%.
- Large lot residential land values in Ewingsdale increased by approximately 21%.
- Land values in rural residential areas increased by approximately 10% to 25% in general.

- Value movement in coastal rural locations was variable. The majority of land values increased between 17% and 20% with the exception of sites located close to the beach at New Brighton and South Golden Beach which increased in value by 29% to 35%.
- Commercial land in Byron Bay increased in value by between 5% and 13% depending on location. Several commercial sites toward the southern end of Jonson Street increased in value to a greater extent due to being in close proximity to the exit to the proposed bypass.
- Commercial values in Bangalow increased in value by an average of 22% while commercial values in Brunswick Heads increased in value by between 7% and 16%.
- Rural land generally increased in value between 10% and 16%, with the exception of superior sites and those with ocean views which increased by approximately 28% or more, depending on location.

Overview of the quality assurance process

PNSW has been provided with a detailed valuation analysis report, which details the quality assurance process of Valuers Australia, outlines the verification process and certifies that the land values meet all statistical measures and component data analysis. In addition, a quality statement, lists of high value and high risk properties and exception reports detailing and explaining exceptions to statistical analysis are 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 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.

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