



CESSNOCK FINAL REPORT

2018

Prepared for:

Department of Finance, Services and Innovation
Valuation Services

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EXECUTIVE SUMMARY

The Cessnock Local Government area (LGA) comprises a total of 25,757 properties which were valued during the 2018 program.

Zone Totals

Zone	2018 LV	2017 LV	General LV	% change	Band	Trend
Residential	\$3,579,817,800	\$3,346,865,360	\$3,138,401,405	6.96	2	Moderate increase
Commercial	\$90,383,070	\$87,937,300	\$83,508,100	2.78	1	Slight increase
Industrial	\$71,960,710	\$65,835,000	\$63,470,980	9.30	2	Moderate increase
Rural	\$1,739,876,762	\$1,541,108,072	\$1,401,747,692	12.90	3	Strong increase
LGA	\$5,715,448,883	\$5,252,797,123	\$4,873,335,088	8.81	2	Moderate increase

Zone Exceptions

Parent zone	Zone code	Zone description	2018 LV	2017 LV	General LV	% change	Band	Trend
Industrial	IN1	General Industrial	\$16,789,000	\$16,789,000	\$16,789,000	0.00	0	Steady
Residential	R3	Medium Density Residential	\$700,173,200	\$689,623,910	\$657,418,640	1.53	0	Steady

Component Exceptions

Zone code	Comp code	Comp description	Comp count	Comp calc count	% change	Band	Trend
R2	AAP	R2 LOW DENSITY RESIDENTIAL HEDDON GRETA/CLIFFLEIGH	1374	1374	-.35	0	Steady
R3	MAA	R3 MEDIUM DENSITY RESIDENTIAL CESSNOCK CENTRAL	3109	3109	.13	0	Steady
RU4	RAD	RU4 PRIMARY PRODUCTION SMALL LOTS (COMMUNITY TITLE ESTATES)	68	68	3.83	1	Slight increase

**General Overview** ↑**Trend – Moderate Increase**

A moderate increase in land values was experienced across the breadth of the Cessnock local government area (LGA) property market. Growth has been driven by continued strong demand for housing at an affordable level, low interest rates, road and infrastructure improvements throughout the LGA and an improved environment for investors from within and outside the Lower Hunter region. This growth is in line with the trend of other regional areas of NSW which have seen growth continue despite the downturn noted in the Sydney market and the stricter lending conditions that appear to be affecting the major cities.

Residential Overview ↑**Trend - Moderate Increase**

Residential land values increased moderately overall across the Cessnock LGA. The most significant suburbs of growth include the low density residential areas of Weston and Abermain along with large lot residential located south of Cessnock, most notably in the suburb of Millfield. The increase in the residential market sector overall is due to strong demand for new and established housing within the Hunter region from owner occupiers and investors, assisted by a low interest rate environment along with private and public investment in local infrastructure. The steady trend noted in the low density residential suburbs of Heddon Greta and Cliftleigh along with the medium density residential in Cessnock and Kurri Kurri indicates that the continued supply of new residential subdivision releases such as Huntlee, Cliftleigh Meadows, Avery's Rise and Wyndham Ridge, is meeting demand in the northern sector of the LGA.

Commercial Overview ↑**Trend - Slight Increase**

The market showed a slight increase overall to commercial land values in the Cessnock LGA. Positive influences from investment in infrastructure, such as the Hunter Expressway, have been realised. The areas which showed the greatest increases were the mixed use properties in Kurri Kurri, North Rothbury (Huntlee) and Weston and local centre properties in Weston. In contrast, the commercial core zoned values in Cessnock and neighbourhood centre zoned properties in Cessnock trend was steady.

Industrial Overview ↑**Trend – Moderate Increase**

Industrial land demonstrated a moderate increase over the last 12 months. The re-emergence of investment in the mining industry has had a positive influence on to the Industrial sector with owner occupiers being the significant driver in the market. The only exception to this is the general industrial Hunter Economic Zone, which has had no sales activity for an extended period.

Rural Overview ↑**Trend – Strong Increase**

Rural land values in the Cessnock LGA have shown a strong increase between 2017 and 2018 with the largest increases in value experienced by the properties within the 5 to 25 hectare range situated southeast of Millfield. This was followed closely by villages located south of Cessnock CBD most notably the suburb of Millfield having been influenced predominantly by the popularity of the Rosehill Estate. The smaller lifestyle and hobby farm market segment also showed strong increase with only a few areas showing more moderate increases. The increased growth within this sector is attributed to strong demand for the tree-change lifestyle from Newcastle and Sydney buyers. The major exception to these increases were the primary production small lots (Community Title Estates) which showed only a slight increase in values and the forestry land which remained steady.



Disclaimer – Purpose of this Report

This report has been prepared on behalf of the Valuer General. The purpose of this report is to provide an overview of the valuation program for the 1 July 2018 valuation in the Local Government Area of Cessnock.

To make a land valuation, regard must be had to the requirements and assumptions set out in rating and taxing legislation, such as the Valuation of Land Act 1916 (NSW). Land values are also determined by the rules set out in the “Rating and Taxing Valuation Procedures Manual”. The manual permits large numbers of properties to be assessed using mass valuation methodologies.

Although mass valuation methodologies may be less accurate than individually assessed land valuations, they are routinely used across the globe to deliver land valuations for rating and taxing purposes that are within an acceptable range of variation. Consequently, land valuations from the Valuer General may vary from an individually assessed market valuation for a parcel of land. All land valuations are, however, subject to a risk based verification process which ensures each parcel of land is individually reviewed periodically.

Whilst the content of this report has been prepared with all due care and skill, the Valuer General does not warrant that it is complete or free from error.

During the valuation process, information is compiled from third party sources, such as information relating to town planning, land use, zoning and other market related information. The Valuer General is not responsible for, and makes no warranty in relation to, the accuracy, currency, reliability or completeness of that information. Readers are directed to contact the source of the information.

The land values made in accordance with the valuation program have been made for rating and taxing purposes only, therefore, the land values should not be used for any other purpose. No reliance should be made on the contents of this report. To the extent permitted by law, the Valuer General disclaims all liability to any person(s) who relies on, or uses, any 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

Cessnock Local Government Area

The City of Cessnock, located to the west of Newcastle, is part of the Hunter region of New South Wales. It is approximately 160 kilometres north of Sydney and covers an area of nearly 2000 square kilometres. Cessnock Local Government Area (LGA) is the third largest in terms of properties in the Maitland Contract which also comprises the LGA's of Maitland, Port Stephens and Dungog.

The district of Cessnock, having been traditionally built around the local coal mining industry and benefitting greatly from the Coal Industry Resources boom in recent years, has been somewhat forced to adapt to the decline of mining on the South Maitland Coalfields.

The main focus of this shift has involved taking advantage of the proximate Hunter Valley wine region and associated tourism industry. The other main industries in the region include manufacturing, agriculture, horse breeding, dairy and beef farming and associated service industries.

The region around Cessnock is anticipating expanding growth and a shift from primary and secondary industries (such as mining and rural industries) to an increased range of service industries. In this context, Cessnock has the benefit of a stable but slowly growing population and access to growing tourism in the Hunter Valley.

As a result, the centre of Cessnock, as the major regional centre for the area, is expected to provide new employment opportunities. With significant land releases in Cliftleigh, North Rothbury (Huntlee), Heddon Greta, and the future approval of the Bellbird North estate on the north western edge of Cessnock, the population of Cessnock is expected to grow more rapidly over the next 10-20 years.

Important Statistics: ¹	Population 57,521 <small>(ABS ERP 2017)</small>	Land area 196,642 hectares (1,966km²)	Population density 0.029 persons per hectare
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Major features of the LGA include Watagan National Park, Werakata National Park, Yengo National Park, Koolang Astronomical Observatory, Richmond Vale Railway Museum and over 100 vineyards and wineries based around the Pokolbin area.

¹ <https://profile.id.com.au/cessnock>



Principal Towns

Cessnock

Cessnock is a historically significant country city with the central business district (CBD) presenting an impressive number of heritage items and historic buildings lining its main street, Vincent Street.

The key supermarkets and retail facilities are located close to Vincent Street and there is a range of civic community and entertainment facilities such as the TAFE, the Council Administration Building, the Library, Art Gallery and Performing Arts Centre located within the CBD.

The surrounding suburbs include Bellbird to the southwest, Kitchener to the south, Kearsley to the southeast, Neath and Abermain to the east and Nulkaba to the north.

Kurri Kurri

Kurri Kurri is a small town situated approximately 12km east of Cessnock CBD. It was founded in 1902 to service the Stanford Merthyr and Pelaw Main collieries and later an Aluminium smelter was established which continued to operate until 2012.

There are many examples of miner's cottages remaining throughout the town along with some Federation style buildings such as the Chelmsford Hotel. The centre of Kurri Kurri provides a strip shopping mall including several large chain supermarkets and the hospital is located at the western fringe of the town.

The Hunter Expressway lies to the east and is accessible via Main Street. Heddon Greta and Cliftleigh are developing suburbs on the eastern side of the expressway and the other adjoining suburbs are Stanford Merthyr and Pelaw Main to the south and Weston to the west.

Branxton, Greta and Huntlee

Branxton and East Branxton are at the northern most part of the Cessnock LGA with part of Branxton falling within the Singleton Shire. The nearby suburb of Greta holds the heritage listed Greta Army Camp which was built in 1939 to train soldiers during WWII. Branxton is considered the gateway to the Hunter Valley wine country of Pokolbin and Rothbury.

North Rothbury is the site of the master planned township of Huntlee which is in the process of being developed. Two precincts have been released to date within the Katherine's Landing Village which is the first of four planned villages for the new town. The commercial precinct is also underway with completion of a childcare facility and construction commencement of the Coles shopping centre imminent.

Wollombi

Wollombi is a small village located in the valley between the Yango and Corrabare State Forests with the other small villages of Laguna to the south and Paynes Crossing and Cedar Creek to the north. Quorrobolong, Ellalong, Paxton, Millfield, Greta Main and Pelton are another group of villages positioned roughly midway between Wollombi and Cessnock CBD.

Hunter Valley

The decline of mining has been paralleled by growth in the wine industry. The Hunter Valley wine-growing area in the Cessnock LGA is Australia's oldest wine region and one of the most famous, with around 4,500 acres under vine. The vineyards of Pokolbin, Mount View and Allandale, with their rich volcanic soils tended by entrepreneurial vignerons, are also the focus of a thriving tourism industry.



Significant retail centres

The Cessnock CBD is the retail hub for the LGA with Vincent Street being a traditional strip retail main street. There are also three shopping malls located within the CBD. Cessnock Plaza which includes Woolworths supermarket and several specialties, Cessnock City Centre which includes a Coles supermarket, Target and specialties and Cessnock Market Place which includes an IGA supermarket and specialties. A bulky goods centre including a Big W is also located in the CBD. An ALDI supermarket is also located in close proximity to the CBD.

Kurri Kurri is considered the secondary retail centre and provides a traditional strip retail main street including Coles and IGA supermarkets. An ALDI supermarket is also located in close proximity to the CBD.

A significant retail centre which will include all the major retailers is planned for the developing Huntlee town centre. The first commercial land parcels in the town centre are nearing completion.

Types of residential development

Cessnock provides a mix of housing opportunities in both rural and residential surrounds. Detached housing is by far the predominant form of residential development within the Cessnock LGA. Weatherboard cottages and bungalows dating from the early 20th century still comprise a significant proportion of the available housing stock in central Cessnock and Kurri and also the villages surrounding the early coal mine pit heads. Contemporary brick and tile project style dwellings are ubiquitous in the newly developing residential estates throughout the LGA.

Medium density housing including attached townhouses, villas and retirement units are continuing to increase as part of the overall residential mix. High density residential flat building development is yet to play any significant role in the Cessnock LGA.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Cessnock Local Environmental Plan (LEP) 2011

The Cessnock Local Environmental Plan 2011 (LEP 2011) came into effect on Friday 23 December 2011. The Cessnock LEP 2011 is the main environmental planning instrument that applies to the Cessnock Local Government area.

The Cessnock LEP 2011 has been prepared in accordance with the NSW State Government's Standard Instrument (Local Environmental Plans) Order 2006, which requires Local Councils to implement a Standard Instrument LEP to assist in streamlining the NSW Planning system.

Land that was the subject of an Environmentally Significant Area (ESA) was deferred from the Cessnock LEP 2011 for further assessment with zoning provisions for Rural 1(a) and Rural 1(c) of the Cessnock LEP 1989 still continuing to apply in the meantime. An amendment was gazetted in April 2016 subsequently rezoning these deferred matters to RU2.

The Cessnock LEP 2011 has indicated minimum lot sizes for subdivision on the lot size maps within the legislation website. These minimum lot sizes pertain to Large Lot Residential, Primary Production, Environmental Living and Environmental Management. With regard to the other zones for minimum lot subdivision, unless otherwise stated within Cessnock Development Control Plan, are site specific and or subject to other planning considerations.



In summary the stated Cessnock minimum lot sizes for subdivision are as follows:

Zone		Minimum allotment size
Residential/Village	R1	Subject to consent
	R2,R3&R5	450 m2
	RU5	600 m2
Rural	RU2	4 ha
	RU3,RU4	40 ha
Business		Subject to consent
Industrial		Subject to consent
Environmental	E1,E2&E3	40 ha
NB: Minimum lot sizes will vary dependant on location. Reference must be had to the relevant zoning and lot size maps for each parcel.		

The Hunter Regional Plan 2036

The Hunter Regional Plan 2036 is a 20 year blueprint reflecting the community and stakeholder's aspirations along with the significance of the Hunter Regions contribution to Gross State Product and its location on the fastest growing population corridor in the state. The plan will guide the NSW Government's land use and planning priorities and decisions through an overarching framework that will guide subsequent and more detailed land use plans, development proposals and infrastructure funding decisions.

The Hunter Development Corporation will deliver, co-ordinate and be accountable for achieving the vision and goals of the plan and in the short term will develop a Greater Newcastle Metropolitan Area Plan and oversee action of planning for land along the Hunter Expressway; global gateways; economic changes in the Upper Hunter; the protection of regionally significant biodiversity corridors. The Hunter Region Special Infrastructure Contributions Plan outlines a schedule of infrastructure projects to support growth with funding being provided to growth areas. New housing and jobs and targets growth in strategic centres and renewal corridors close to transport to deliver social and economic benefits are the key focus of the plan.

The Greater Newcastle Metropolitan Plan 2036

The Greater Newcastle area, incorporating Cessnock, Lake Macquarie, Newcastle and Port Stephens, is considered a global gateway for northern NSW and is facing a new future with investment in aviation, transport, education, health and tourism. The Greater Newcastle Metropolitan Plan, launched on 17 September 2018, is the first of its kind for the area and sets out strategies and actions that will drive sustainable growth and help to achieve the vision set out in the Hunter Regional Plan 2036. The key outcomes envisioned in the plan include:

- Create a workforce skilled and ready for the new economy
- Enhance environment, amenity and resilience for quality of life
- Deliver housing close to jobs and services
- Improve connections to jobs, services and recreation.

The Lower Hunter Regional Strategy (LHRS) 2010

In 2010 a plan was prepared to ensure the region develops in a strong and sustainable way. The NSW Government's 25-year land use strategy for the region guides local planning in the five local government areas of Newcastle, Lake Macquarie, Port Stephens, Maitland and Cessnock.

The Lower Hunter Regional Strategy is a land use planning document that outlines the provision of sufficient, appropriately placed housing and employment land to cater for the Region's predicted growth over the next 25 years. The strategy is based on population growth projections which forecast that there will be an additional 160,000 people in the Region by 2031.



City Wide Settlement Strategy (CWSS) 2010

The CWSS was established prior to the new LEP to set out strategic directions and prepare for the new LEP whilst implementing a number of the outcomes and actions arising from the Lower Hunter Regional Strategy 2006. A fundamental action from the CWSS is the need to contain the urban footprint of the Cessnock LGA to that identified in the Lower Hunter Regional Strategy 2006 (LHRS) and the CWSS. Projected population forecasts in the LHRS have yet to be realised in the Cessnock LGA. A conservative approach needs to be taken to the development of land beyond that already identified for growth to ensure that the community is provided with an appropriate level of service and support.

Cessnock Development Control Plan (DCP) 2010

Development Control Plans (DCPs) guide certain types of development or specific areas within a Local Government Area (LGA). These guidelines are in addition to the legal provisions of a Local Environmental Plan (LEP) or State Environmental Planning Policy (SEPP). Development Control Plans (DCPs) contain more detailed provisions than a Local Environmental Plan. They provide guidance to developers and are performance based documents providing objectives for development. Under Section 79C of the Environmental Planning and Assessment Act 1979, Council is required to take into consideration the relevant provisions of any applicable DCP when determining an application for development.

The Cessnock Development Control Plan (DCP) 2010 came into effect on Friday 23 December 2011 and was updated by Council to coordinate with the new structure of Cessnock LEP 2011 coming into effect simultaneously. The new DCP contains detailed planning controls that support Cessnock LEP 2011.

Cessnock LEP 2011 and the new DCP 2010 must both be considered when planning the development of land within Cessnock Local Government Area. The plan provides a comprehensive guide to development and is divided into 6 parts, Part A (Introduction), B (General Information), C (General Guidelines), D (Specific Development) & E (Specific Areas).

Community Strategic Plan Cessnock 2027

The Community Strategic Plan is the highest level plan that a council will prepare and is required as a result of legislation enacted in October 2009, whereby, all NSW local councils are required by the Local Government Act 1993, to develop a long term community strategic plan covering a minimum timeframe of 10 years. This must be done in consultation with the community, developed and endorsed by council, addressing social, environmental, economic and civil leadership issues in an integrated manner. The plan must be based on the social justice principles of equity, access, participation and rights giving due regard to the State Plan and other relevant state and regional plans. A community Engagement Strategy based upon the social justice principles must be prepared and implemented to guide the engagement of the community in the development of the Community Strategic Plan.

Strategic objectives along with strategies to achieve those objectives are included in the plan. Some of the key objectives identified include maintaining the levels of Open Space and Green Corridors whilst increasing the area of land protected for conservation purposes; providing better transport links and improving the road network along with improving access to health services locally and promoting social connections.

Cessnock have updated their Community Strategic Plan in 2017 to look forward to 2027. Some other supporting strategies and plans include:

- Cessnock City Council Road Safety Strategic City Council
- Recreation & Open Space Strategic Plan 2017
- Reflect Reconciliation Action Plan 2016 Plan 2014-18.
- Cessnock City Cycling Strategy, Cessnock City Council 2016.
- Library Review, Report & Strategy, Cessnock



Cessnock Local Environmental Plan (LEP) Amendments

These amendments are tracked using the Department of Planning Gateway System with amendments reported in each Monthly Progress Report for the Cessnock Contract.

Most LEP Amendments relate to changes in zoning, enabling clauses, heritage listing etc.

Various State Environmental Plan Policies (SEPPs) and Other Plans

SEPP (Major Development) Amendment (Huntlee New Town Site) 2015 (2015-127) – published LW 5 March 2015.

Local Government Valuation Market Information

Cessnock LGA's last General Valuation Year was 1 July, 2016.

MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

Market Overview

Overall, there were moderate increases in land value experienced across the Cessnock Local Government Area (LGA) between 2017 and 2018. The exceptions to this trend were to be found in the commercial sector which showed only a slight increase and the rural sector which showed strong results. Low interest rates and the relatively high price points in the greater Sydney and Newcastle Regions continued to fuel demand for investment in weekender and holiday style properties in proximity to the wine growing areas as well as affordable alternatives for first home buyers and those priced out or wanting to cash-out of the Sydney, Newcastle and Central Coast markets.

Residential land values generally showed moderate increases especially within long established areas such as Kearsley, Kurri Kurri, Greta, Branxton and Neath. The suburbs of Abermain, Weston, Aberdare East and Cessnock West showed strong increases, proving to be least affected by the supply of new land releases offered by the larger greenfield development sites of Huntlee and Cliftleigh Meadows. The Kelman Estate, a boutique vineyard community titled estate, also showed strong increases following mixed results over previous years. The steady trend noted in the low density residential suburbs of Heddon Greta and Cliftleigh along with the medium density residential in Cessnock and Kurri Kurri indicates that the continued supply of new residential subdivision releases such as Huntlee, Cliftleigh Meadows, Avery's Rise and Wyndham Ridge, is meeting demand especially in the northern portion of the LGA.

Englobo values across the LGA continued to perform with moderate increases as did similar medium density large unit sites in Kurri Kurri. The significant englobo parcels in Huntlee showed a strong increase as any risk around the viability of that development subsides with several successful stages released and the commercial precinct commencing.

There has been a slight overall increase in commercial land values between 2017 and 2018. The mixed use commercial land in Huntlee, Kurri Kurri and Weston along with the local centres in Weston showed the strongest growth. Moderate increases were noted in the neighbourhood centres with all the other smaller commercial centres steady to slight growth. Increases in residential values and population growth in the Lower Hunter Region have produced a positive influence in the commercial market segment.

Sales activity in the industrial sector was limited with only five market sales analysed. However, values across the LGA showed a slight increase with the exception of Branxton which remained steady. This increase is after a slow few years following the downturn in mining related investment. Owner occupiers have driven the lower end of the market higher. Light and heavy industrial land at Weston and Kurri Kurri showed the strongest growth.



Rural land values in the Cessnock LGA have shown a strong increase between 2017 and 2018 with the largest increases in value experienced by properties within the 5 to 25 hectare range situated southeast of Millfield. This was followed closely by villages located south of Cessnock CBD, again most notably the suburb of Millfield having been influenced predominantly by the popularity of the Rosehill Estate. The suburb of Quorrobolong showed strong increases with equine interests suited to the area pushing up values. The smaller lifestyle and hobby farm market segment continued to show strong increases across the majority of localities with only a few areas showing more moderate growth. The increased growth within this sector is attributed to better access via the Newcastle Expressway and the strong demand for the tree-change lifestyle from Newcastle and Sydney buyers. The major exception to these increases were the primary production small lots (Community Title Estates) which showed only a slight increase in values and the forestry land which remained steady.

Sales

To date, in the current 2018 Annual Program for the Maitland Contract, we have completed sales analysis for over 2000 sales (over 620 Cessnock LGA sales). These sales have been used to determine the 2018 value recommendations, which have now been accepted and applied by the Valuer General. Comprehensive statistical and quality assurance checks were completed by both us, as the contractor, and by Valuation Services in the function of Audit Managers.

These sales have been used through the component methodology, which currently utilises 66 components and 201 benchmarks being valued to determine the 2018 value recommendations for all of Cessnock LGA, which comprises a total of about 25,757 properties at the moment.

The following sales are of particular interest, in that we consider them key sales that represent what is happening to particular segments of the market.

Address	Sale Price	Sales Date	Land Area	Land Use	
1 Peppertree Drive, Rothbury	\$595,000	22/11/2017	7188m ²	Residential	
Address	Sale Price	Sales Date	Land Area	Land Use	
12 McDonalds Road, Pokolbin	\$2,100,000	17/08/2018	40ha	Primary Production	
Address	Sale Price	Sales Date	Land Area	Land Use	
252 Deaseys Road, Pokolbin	\$5,000,000	22/12/2017	317.8ha	Primary Production	
Address	Sale Price	Sales Date	Land Area	Land Use	
304 Heaton Road, Quorrobolong	\$850,000	18/04/2018	16.3ha	Vacant Rural Residential	



Address	Sale Price	Sales Date	Land Area	Land Use	
389 Vermont Road, Mulbring	\$760,000	08/06/2018	74.77ha	Farm/ Environmental Protection	
Address	Sale Price	Sales Date	Land Area	Land Use	
47 Rosehill Road, Millfield	\$400,000	13/12/2017	6019m ²	Residential	
Address	Sale Price	Sales Date	Land Area	Land Use	
65 Lindsay Street, Cessnock	\$215,000	10/05/2018	673m ²	Low Density Residential	

Significant issues and developments

Significant issues and developments have been reported throughout the year, as they happen in the Monthly Progress Reports. Issues and Developments include:

- Cessnock wins National Economic Development Award
- Correctional Centre Expansion and Access Issues
- Cliftleigh Meadows
- Huntlee
- Rosehill Estate
- Watagan Rise Paxton
- Wyndham Ridge Greta
- The Vintage Golf Resort Estate Rothbury

Cessnock wins national economic development award

The Youth First Employment Project developed by Cessnock City Council was awarded the nation's top prize for Economic Development Strategic Thinking. "The Youth First Employment Project supported local young people to become job ready and saw the development of a toolkit. The toolkit has now been distributed to every Council across Australia to help unemployed youths nationally showing that local government can be a leader within their community and an advocate for a major national issue.

In 2015 the Hunter Valley youth unemployment was at a crisis point at over 21 percent. The response by Cessnock Council to launch the Youth First Project resulted in a model which was tested locally then further developed to become the national toolkit. Youth unemployment in the region currently stands at 13.4 percent.

Advance Cessnock City, the council's unique business platform, was also recognised in the top three programs in the category of Economic Development Initiatives over 15,000 residents. The project has been very successful, offering an online platform and business engagement tool providing local business and prospective businesses with a single reference point.²

² <http://www.cessnock.nsw.gov.au/council/news/economicdevelopmentaward> – 24 October 2018.



Cessnock Correctional Centre Expansion and Access Issues

Cessnock Correctional Centre is in the process of a three stage expansion including:

- the 400-bed Hunter Correctional Centre that opened in January 2018;
- a new 330-bed maximum security wing currently under construction and due for completion in mid-2019; and
- a 280-bed minimum security facility including five accommodation blocks, a new reception area, health clinic, gatehouse and visits area and additional parking for staff and visitors due for completion by late 2020.

Community concerns about the access roads to the Cessnock Correctional Centre have been expressed to Cessnock Council with a campaign to see the access changed so as to be via a direct route to the state road network rather than the current format utilising the local road network. Current access through Lindsay and Mavis Streets are deemed to be unsuitable and an unreasonable burden for ratepayers to bear in terms of maintenance costs especially given the extra traffic expected as a result of the expansion. Other local roads considered alternatives, such as Kerlew Street in Nulkaba, are proving just as unpopular with the community.

Cessnock City Mayor, Councillor Bob Pynsent, said based on community feedback Council rejects the three options proposed by NSW Department of Justice. Further consultation and negotiations are ongoing.³

Cliftleigh Meadows

Cliftleigh Meadows is a large residential development situated in the suburb of Cliftleigh which is positioned nearby to the Hunter Expressway interchange, between Heddon Greta to the south and Gillieston Heights to the north. The developers, Winton Property Group, state that the estate will eventually feature over 1000 homes with over 50 hectares of parkland with recreational areas and facilities provided. The majority of the development features home sites ranging from 450m² to 700m² and priced between \$155,000 and \$195,000. Some of the later stages include a small proportion of larger lots up to 1430m².

Huntlee

The new medium-sized master planned township of Huntlee, located south of Branxton and nearby to the Hunter Expressway, has shown marked progress over the past 3 years. Construction of houses commenced mid-2015 with the number of houses currently under construction or completed numbering over 350.

Only a handful of vacant lots remain available in Katherine's Landing Precinct 1 which encompasses the first six stages of the development in which nearly 200 lots have been titled. Katherine's Landing Precinct 2 comprises approximately 360 lots so far.

Sales appeared to have slowed towards the tail end of the first releases compared to the initial response and increases to the incentives were added to boost interest in the development. Momentum increased with the release of the second residential precinct which is currently selling stage 17 that is due to be registered in April 2019. Progress is continuing on the commercial town centre section of the development with earthworks and roads well underway and the preschool opening in October 2018.⁴

³ <http://www.cessnock.nsw.gov.au/council/news/councilbackcommunity> – 21 September 2018.

⁴ Huntlee.com.au – October 2018



Rosehill Estate Millfield

The village of Millfield has seen significant increases in sales activity and growth over the past 2 years in particular with the new boutique style development, Rosehill Estate, offering 100 large lot residential blocks released over 4 stages. January 2018 saw the first residents moving into the new estate which has proved to be a popular scenic alternative to the higher density offerings of Cliftleigh and Huntlee.

Watagan Rise Paxton

The Watagan Rise Estate at Paxton is a 106 lot subdivision with preliminary 3 stages comprising mostly large residential blocks of over 2000m². The recently released fourth stage is offering residential lots of 750-940m² priced between \$129,900 and \$185,000 with 50% having been sold off the plan by early June 2017. Stages 5 and 6 followed with increasing interest generated in the area predicted to be part of a housing boom for the western villages of the Cessnock LGA.

Wyndham Ridge Greta

Mid-2017 saw Iris Capital begin marketing their \$60 million development at Greta, Wyndham Ridge, which comprises 248 lots to be released over 11 stages with sizes ranging in size from 612m²-2747m². The official launch was held in early March 2018 with Stages 1A and 1B priced from \$190,000 for the smaller lots and from \$295,000 for the larger sized parcels. After a fairly strong start some incentives on the house and land packages were introduced in April and May followed in July by some reductions on the already registered lots bringing the minimum price point to \$179,000. As of late September 2018 the developer was reporting that 80% of stage 1 lots had been sold and stage 2 had been fast tracked due to high demand. ⁵

The Vintage Golf Resort Estate Rothbury

The Greg Norman designed 18 hole golf course provides the backdrop for The Vintage Resort that offers 11 precincts of residential land, established houses and investment apartments centrally located within Hunter Valley wine country. The block sizes range from 477m² to 1.2ha with vacant land for sale in the newest release, The Figtrees, for between \$365,000 and \$395,000. The development currently also includes 2 hotels, conference/wedding/function and recreational facilities. The developer, Stevens Group, obtained a development approval in mid-2017 for the future development of The Vintage Village Precinct incorporating a restaurant, pub, café, small bar, commercial premises, health services facilities, 40 tourist units and a sales office. The value of the extension has been estimated at \$400 million bringing the total investment in the estate to over \$900 million. ⁶

SIGNIFICANT VALUE CHANGES FROM 2017-2018

Several locations and property types showed significant land value increases:

- Rural holdings in the 5-25ha range located in suburbs such as Quorrobolong, Ellalong, Mount Vincent, Congewai and Brunkerville showed the strongest increases of mostly between 17-26%.
- The small segment of environmentally sensitive land, mostly situated in Quorrobolong, Richmond Vale and Stockrington, showed strong increases of 13-20% off a low value base.
- The majority of residential land in the villages of Millfield, Paxton, Kitchener and Ellalong increased in value by up to 20% fuelled by interest created by developments such as the Rosehill Estate at Millfield and Paxton's Watagan Rise.
- The heavy industrial land in Kurri showed an increase of approximately 20% off a very low value base after several years very low demand following the downturn in mining related investment
- The significant residential englobo parcels and mixed use commercial englobo parcels in Huntlee showed an increase of approximately 20% as any risk around the viability of that development subsides with several successful stages released and the commercial precinct commencing.

⁵ Wyndham Ridge Facebook Post 27 September, 2018

⁶ Planning Proposal – The Vintage and the Vintage Balance Lands – Wine Country Drive, Rothbury Page 3 of 90

https://www.cessnock.nsw.gov.au/resources/file/Agendas/2014/Further%20Attachment%20-%20Vintage%20Balance%20Lands%20Planning%20Proposal%20End%201_web.pdf



OVERVIEW OF THE QUALITY ASSURANCE PROCESS

Property NSW provide Valuation Analysis Tools (VA Tools) and exception files, these are imported to our database MVP3 Quality Assurance applications. Together these quality assure the delivered future values and market data analysis. Exceptions highlighted through the VA Tools are reconciled in our database MVP3 and reported to Property NSW via electronic file transfer.

Property NSW has been provided with a detailed valuation analysis report, which details the quality assurance process of Robertson & Robertson (Central Coast) 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 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.

ROBERTSON & ROBERTSON AS AUTHOR OF THIS FINAL REPORT

Robertson & Robertson is the author of this report, produced on behalf of the NSW Valuer General and forwarded to Valuation Services - Property NSW.

Town planning, land use and other market information contained in this report have been compiled based on enquiries undertaken during the valuation process. Third parties should make their own enquiries 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 Generals website: www.valuergeneralnsw.gov.au

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