

2018 CLARENCE VALLEY MARKET REPORT

WARWICK REID & JOE FEENEY

SOUTHERN CROSS VALUATION SERVICES

EXECUTIVE SUMMARY

CLARENCE VALLEY L.G.A DISTRICT 303 – BASE DATE 1ST JULY 2018

SIGNIFICANT VALUES

There was a moderate increase in land values across Clarence Valley local government area between 2017 and 2018, with this trend reflected across all market segments except for industrial land values which showed a slight increase.

Out of area purchasers influenced the demand for residential and rural residential properties.

Other local drivers included the ongoing construction of the Pacific Highway upgrade, which is continuing to decrease travel times to Coffs Harbour and Brisbane, as well as increased demand for affordable rural and industrial land with good access to markets.

SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Residential land values in Clarence Valley local government area increased moderately between 2017 and 2018, with the continued demand from out of area purchasers. The exception being steady values in Junction Hill due to a balanced supply and demand in this locality.

SUMMARY OF VALUATION CHANGES TO RURAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Rural land values for both rural home sites and larger properties showed a moderate increase in land values, driven by demand for affordable property as compared with Coffs Harbour and Ballina.

Larger rural properties north and west of Grafton remained steady due to a lower demand in these localities.

SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Commercial land values showed a moderate increase across the local government area due to increased demand. This trend is being influenced by a number of ongoing construction projects including the Pacific Highway upgrade, the additional bridge over the Clarence River at Grafton and the Clarence Correctional Centre at Lavadia.

SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Industrial land values showed a slight increase with easing demand after values increased moderately in 2017.

DISCLAIMER – PURPOSE OF THIS REPORT

The purpose of this report is to describe the process and considerations for the 1 July 2018 Valuation of Clarence Valley Local Government Area. This 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 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.

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CLARENCE VALLEY LGA OVERVIEW

Clarence Valley area is located in the far north coast of NSW. Approximately 600 kilometres north of Sydney and 300 kilometres south of Brisbane. The Clarence Valley comprises a land area of approximately 10,441 square kilometres. This is a diverse shire with Grafton as its central focal point. It includes the coastal town of Yamba as its fastest growing centre. Other towns & villages include Angourie, Ashby, Brooms Head, Brushgrove, Copmanhurst, Coutts Crossing, Cowper, Diggers Camp, Glenreagh, Iluka, Junction Hill, Lawrence, Maclean, Minnie Waters, Sandon, Tucabia, Ulmarra and Wooli. The Local Government Area (LGA) is adjoined by eight other LGAs – Richmond Valley & Kyogle to the north. Coffs Harbour, Bellingen & Armidale in the south. Tenterfield, Glen Innes & Guyra to the west.

NUMBER OF PROPERTIES VALUED THIS YEAR & THE TOTAL LAND VALUE IN DOLLARS

The Clarence Valley Council local government area comprises residential, commercial, industrial, residential, Infrastructure, Environmental, Public Recreation & Waterways zones.

Around 25,900 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 owners for the base date of 1 July 2016.

Valuation changes in the Local Government Area and percentage changes between the Land Tax Valuation years of 1 July 2017 and 1 July 2018 are as follows:

Valuation changes in the Local Government Area have moved from a total of **\$5,078,075,211** on 1 July 2017 to **\$5,561,538,817** at 1 July 2018, showing an overall increase of 9.52%.

CLARENCE VALLEY 2018 ANNUAL VALUATION PROPERTIES VALUED & TOTAL LAND VALUES

Zone	Zone Codes	Number of Entries	2018 Land Value (\$)	Total	Prior Valuation (2017)	Annual	% Change
Residential	R1, R2, R3, R5	17273	\$3,287,556,138		\$2,990,365,073		9.94
Rural	RU1, RU2, RU3	6494	\$1,743,669,839		\$1,591,478,178		9.56
Commercial	B1, B2, B3, B5	857	\$220,319,010		\$207,995,700		5.92
Industrial	IN1, IN4	429	\$88,724,890		\$85,926,600		3.26

Please note all figures & percentages listed are approximates.

PRINCIPAL TOWNS & VILLAGES

Clarence Valley area is located in the far north coast of NSW. Approximately 600 kilometres north of Sydney and 300 kilometres south of Brisbane. The Clarence Valley comprises a land area of approximately 10,441 square kilometres. This is a diverse shire with Grafton as its central focal point. It includes the coastal town of Yamba as its fastest growing centre. Other towns & villages include Angourie, Ashby, Brooms Head, Brushgrove, Copmanhurst, Coutts Crossing, Cowper, Diggers Camp, Glenreagh, Iluka, Junction Hill, Lawrence, Maclean, Minnie Waters, Sandon, Tucabia, Ulmarra and Wooli.

GRAFTON

Clarence Valley's central town is the City of Grafton. Grafton is situated on the north coastal plain of New South Wales, approximately 640kms north of Sydney and 350kms south of Brisbane. Grafton is the "hub" of the Clarence River Valley and as such its retail centre is the "supply depot" for many more people than simply those who reside in Grafton City. Its increasing viability as a shopping and trading destination is testimony to that. It is in the distribution of the products that the importance of Grafton is evident.

MAIN INDUSTRIES

Grafton and surrounds are the base for a variety of industries, both small and large scale. Some of these larger industries include, South Grafton Juvenile Correctional Centre, State Rail Authority, Humes Concrete Products, Grafton Primary Industries Research Station., Manildra/NSW Sugar Milling Co-op at Harwood and the Department of Education.

MACLEAN

Maclean is located along the Pacific Highway between Coffs Harbour and Ballina, about 50kms north of Grafton. Maclean is the central point for the lower section of the Clarence Valley which covers over 1,400 square kilometres and has over 50 kilometres of natural coastline. There are numerous areas of wetlands, rainforests, estuarine forests, pastoral and farm land, two National Parks and a large river system.

Here, the Clarence River forms part of a large river delta system, incorporating hundreds of islands, wetlands and Broadwater areas. From its formation in Queensland's McPherson Ranges, the Clarence River is fed by many tributaries and flows by over one hundred islands as it transforms into a wide river meeting the ocean between Yamba and Iluka.

MAIN INDUSTRIES

Here again, the river supports one of the largest commercial fisheries in New South Wales. It is a popular recreational fishing location and is home to developing aquaculture and ship building industries.

YAMBA

Yamba is a seaside town in Northern NSW at the mouth of the Clarence River, about 60kms northeast of Grafton. Yamba has a diverse range of residents due to the 'Sea Change' and large number of retirees settling in warmer seaside locations

MAIN INDUSTRIES

The town's economy is strongly based on fishing and tourism, but as mentioned above, it has a diverse range of residents due to the 'Sea Change' & large number of retirees settling in warmer seaside locations. Therefore, many of the working population also travel to Grafton or Ballina for employment.

MAIN INDUSTRIES

The Clarence Valley is the most southern locality for the New South Wales/Queensland sugar industry. The historic sugar mill at Harwood stands as one of the oldest working mills in the State and is the site of the first established sugar mills in Australia.

The Valley in general has a rural base with activities such as grazing and timber being the dominant major industries. (eg Koppers Logs Australia Ltd. and Big River Timbers at Junction Hill, which in November 2014 had a major fire in part of the mill). There are some tourist-based industries such as, farm-stay or accommodation-based enterprise, emerging, however, these are considered to have a minor impact on the land use and associated value.

Copmanhurst and Junction Hill areas were emerging as growing rural/residential domains for commuting workers in the adjoining Grafton City and the retirement market. With the economic slowdown, even though two large parcels adjacent to the existing developed residential area of Junction Hill have received development approval from Council, only one has commenced construction so far. Subdivision in general has been somewhat subdued with existing lots dominating the market.

A few ago years the interest in private timber reserves resulted in the emergence of eucalypt plantations, and the corresponding loss of large grazing properties. More recently a significant number of these private timber plantations are being ripped out and returned to grazing land.

SIGNIFICANT RETAIL CENTERS

The main retail centre is located in Grafton, this includes the traditional strip centre in Prince Street as well as the Grafton Shopping World & the Grafton Mall in King St. In South Grafton, the land close to the Pacific Highway is the central location for a secondary retail sector containing fast food outlets, hardware, petrol stations and a Coles shopping centre.

Secondary Centres are available in Yamba & Maclean. Yamba has a Coles Shopping Complex and Maclean has a smaller Spar and traditional main shopping strip with a proposed IGA complex at the rear of the main street.

TYPE OF RESIDENTIAL DEVELOPMENT

The Clarence Valley Council LGA contains a number of coastal and rural settlements, with the majority of development located in and around Grafton and Yamba town areas. A smaller amount of residential development is located at Copmanhurst, Glenreagh, Coutts Crossing, Illuka, Wooli and Minnie Waters.

Residential development is **predominantly single residential**, with concentrated **density** of up to 3 level buildings being located on **Yamba Hill** to take advantage of the excellent ocean views. It was many years ago that a high density three storey building has been developed and/or proposed.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

CLARENCE VALLEY LEP 2011

The Clarence Valley Local Environmental Plan 2011 (CVLEP 2011) has received final approval and commenced from its notification on the NSW Legislation website on 23 December 2011. It replaces all local environmental plans that previously applied to the Local Government Area. Council's Development Control Plans are also amended as a consequence, including the introduction of new clearing controls in the residential zones.

The previous planning instruments that no longer have effect are:

- Ulmarra Local Environmental Plan 1992
- Nymboida Local Environmental Plan 1986
- Grafton Local Environmental Plan 1988
- Copmanhurst Local Environmental Plan 1990
- Richmond River Local Environmental Plan 1992
- Maclean Local Environmental Plan 2001

Council's **Development Control Plans (DCPs)** have also been amended with these amendments taking effect from the commencement of the CVLEP 2011. These amendments were necessary to ensure consistency with the CVLEP 2011.

Clarence Valley Local Environmental Plan 2011 (Amendment No 34). LW 4.8.2017.
Standard Instrument (Local Environmental Plans) Amendment (Vegetation) Order 2017.
Standard Instrument (Local Environmental Plans) Amendment (Child Care) Order 2017. LW 1.9.2017.
State Environmental Planning Policy Amendment (Child Care) 2017. LW 1.9.2017.
Clarence Valley Local Environmental Plan 2011 (Amendment No 38). LW 23.3.2018.
Standard Instrument (Local Environmental Plans) Amendment (Coastal Management) Order 2018. LW 23.3.2018.
State Environmental Planning Policy (Coastal Management) 2018. LW 23.3.2018.
Standard Instrument (Local Environmental Plans) Amendment (Minimum Subdivision Lot Size) Order 2018. LW 20.4.2018.
Clarence Valley Local Environmental Plan 2011 (Amendment No 36). LW 18.5.2018.
Clarence Valley Local Environmental Plan 2011 (Amendment No 35). LW 8.6.2018.
Clarence Valley Local Environmental Plan 2011 (Amendment No 37). LW 29.6.2018.
Standard Instrument (Local Environmental Plans) Amendment (Artisan Food and Drink Industries) Order 2018. LW 27.7.2018.
Standard Instrument (Local Environmental Plans) Amendment (Garden Centres) Order 2018. LW 27.7.2018.
State Environmental Planning Policy Amendment (Artisan Food and Drink Industries) 2018. LW 27.7.2018.
Standard Instrument (Local Environmental Plans) Amendment (Land Use Terms) Order 2018. LW 29.8.2018.
State Environmental Planning Policy Amendment (Land Use Terms) 2018. LW 29.8.2018.

Zone		Minimum Allotment Size	
Residential	R1 R2 R3	400sqm	Refer – CV LEP 2011 – Lot Size Map
	Large Lot Residential R5	4000sqm	
Rural	RU1 RU2 RU3	<i>Minimum lot sizes do not relate directly to the zoning of the land. That is, the minimum lot size for subdivision can vary within the same zoning.</i>	Refer – CV LEP 2011 – Lot Size Map
Commercial		Council Consent required	Refer – CV LEP 2011 Lot Size Map
Industrial	IN1	1000sqm	Refer – CV LEP 2011 Lot Size Map
	IN4	N/A	

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

Southern Cross Valuation Services have 2 contractors (Joe Feeney and Warwick Reid) that have undertaken significant analysis of the Clarence Valley district property market to provide an accurate and reliable basis of valuation. Over 750 sales have been analysed and investigated to enable the establishment and verification of land values as at 1st July 2018. These analysed sales also support the grading across components. Analysed sales reports are provided to Property NSW on a consistent basis throughout the year. The added value of improvements is also analysed to enable the accurate deduction of land values. The Paired Sales Approach and the Replacement Cost Approach has been used widely throughout our programme.

In analysing sales prior & after the base date 1/7/2018, care has been taken to adjust the price where it needed, to be inline with market movements. As the prior table has demonstrated overall there has been 3 to 10% increase across all zones. Attention has also been taken in graded areas that have seen larger increases & decreases over the past 12 months.

RESIDENTIAL

Residential & Village land values overall have shown an increase of about 10%, with some areas having no changes, and other village lots seeing increases around 15%. The exception has seen movement over 25%, being the riverview lots at Iluka Bay.

Coastal villages are increasing faster than inland villages. LJ Hooker at Iluka sold at auction a two storey riverview home separated from Iluka Bay by a public walkway and reserve, at 44 Queen Lane for \$1,225,000. This realised \$305,000 above the reserve price. There were 14 registered bidders, with 10 from out of the area. This auction confirmed the prior vacant land sale of over \$700,000 of a nearby lot. Also, in Iluka is a proposed development of a 19 hectare block into 140 lots by the Birrigan Gargle Local Aboriginal Land Council. On November 2nd, the Federal Department of Environment and Energy is due to release its judgement, if successful their Development Application will then proceed to the Joint Planning Panel for their determination. The BGALC have a specific vision to support its cultural interaction, education, training, employment, housing and extend the community of Iluka. This proposed extension may assist the town ship of Iluka by providing more parkland, additional building blocks and obtaining an ambulance station for this ageing community.

The shortage of good vacant land has spurred on the current construction of residential subdivisions in Yamba, Maclean, Grafton, Junction Hill and the proposed development at Iluka. Generally vacant lots, without ocean views, along the Clarence Coast are in the range of \$200,000 to \$400,000, depending on size and location. While inland towns range from \$60,000 to \$200,000, depending on location and available services.

Yamba ocean view properties continue to rise, and this year increased a further 7%. One developer is currently preselling lots, without ocean views, in west Yamba with asking prices starting at \$240,000. The developer has purchased his own quarry and the lots are not expected to be available for occupation in 2019. Given the lack of supply of vacant land and the increasing selling prices of the limited number of properties for sale in Yamba, a 14% increase was applied. The prices at Yamba contrasts markedly with some sections of South Grafton, where some fully serviced residential lots have asking prices less than \$70,000.

Ray White Yamba, advised the market was strong, particularly in coastal centres of Yamba, Iluka and Woolli but inland villages were only increasing slightly during the time of review.

The market continued to get stronger over the whole 12 months. The highway upgrade, the second Grafton bridge crossing and the construction of the largest gaol in NSW on the outskirts of Grafton are all big money projects in full swing at the current time. This foundation indicates that all there is continued confidence in the Clarence valley market place.

An approved 46 lot subdivision in South Grafton is for sale for less than \$7,000 per englobo lot. Current subdivision costs are around \$100,000 per lot, which varies depending on the individual features of each property.

Sales in Gulmarrad, Ashby, Lawrence and Woombah are increasing. With the supply of vacant land decreasing and the demand for vacant lots increasing, the market confirmed up to 15% increase in values in these areas.

35 sales were recorded in the Village of Lawrence this year and prices continue to be subdued resulting in very moderate increase in value. The Orange Grove Estate was finished in 2012 and despite considerable marketing and provisional sales to speculative builders, no sales were recorded this year. Six vacant land sales in other parts of the village show little increase.

Small villages in the locality of Copmanhurst, Cowper, Dalmorton, Diggers Camp, Dundurrabin, Eatonsville & Swan Creek contained a total of 23 sales, 3 more than last year. Analysis of these resulted in an increase of value levels by 10% except for Diggers Camp which has the highest value base. All villages have a very low value base and appeal to many first home buyers who are able to commute to Grafton. Waterfront sites in Minnie Water had to be decreased by 5% while Woolli increased by 20%. This is very unusual as Minnie has always been a strong locality., Ulmarra and Diggers Camp & Sandon River have remained static with no sales recorded. The inland track from Minnie Water to Sandon has not been maintained and sole vehicular access is now by 10km of beach driving.

Waterfront sites in Woolli have been increased by 20% this year following a good amount of sales at increased prices. 14 sales were recorded for the year, all showing a consistent result. South Terrace was included in this group this year as it appears the market has lost a lot of its nervousness on this narrow isthmus. The riverside properties and vacant land in the newer areas have increased dramatically with the newest subdivision showing a \$100,000 increase in value. 14 market sales were recorded here including 5 vacant land sales.

Values in the large lot residential area of Glenreagh have continued to increase & have now reached 2012 levels. Eight sales including six vacant land sale were analysed to produce a 10% increase over the majority of the code. No mortgagee in possession sales in the Sherwood Estate were recorded and this subdivision is being actively developed. A strong demand for real estate in the Glenreagh Village supports the increase.

Other Villages including Coutts Crossing, have been increased slightly. Coutts had not seen a genuine vacant land sale in the last 16 years but has produced two last year resulting in a 5% increase. Seven improved sales this year resulted in a 10% increase

RURAL HOLDINGS

Rural codes overall are showing a 10% increase in value with only two exceptions (*noted below).

Generally, the market is strong across the board, but sales only indicate small increases. We have not seen the big increases in hobby farm values evidenced by the start of the blueberry epidemic except in the larger properties close to markets. This year only modest increases are evident. Grazing properties are showing an increase throughout the district, similar to movement of homesites/hobby farms.

Sales volume is similar to last year with approximately 96 rural homesite sales being analysed during the programme compared with 100 last year. The more remote sites and Environmental Management sites continue to sell slowly with only three sale being recorded indicating a 10% increase in value in line with other rural homesites.

Sales in the horticultural areas north of Glenreagh are increasing again this year but sale numbers are well down due to most cleared sites which can be planted to small crops such as blueberries already sold and being developed. Prices here are much lower than in the Coffs Harbour area where established farms and co-operatives provide product to an established market, particularly overseas, where seasons are reversed. The Glenreagh area is within commuting distance of these markets and, as anticipated, prices have increased as demand builds, and supply dwindles. Values were increased by 20% for these sites in 2015 and 10% in 2017 with a further 10% this year. More remote sites from markets are now being targeted by farmers as prices for better located sites increase. This has meant the previously quiet code of GBD has also been caught up in the race to the blueberry markets. It is amazing to watch this industry develop. Properties that were sold yesterday are planted out tomorrow and the netting goes up the day after. The expense and activity are incredible as the white, black and green netting spreads over the landscape like a cancer. The next big hailstorm will be catastrophic. It is noted supermarket prices are well down at the time of writing this report and activity in the area seems to be slowing.

Grazing - Most grazing codes have been increased this year by 10%. Only approximately 30 genuine sales of grazing land were recorded amongst approximately 1100 properties. This is up from 20 last year, 21 the year before and 31 the year before and indicates a stronger market. Once again, agents advise sales are extremely difficult to achieve but interviews with agents and border conferences with Tamworth and Coffs Harbour contractors indicate the market is holding. Cattle prices have increased further since last report and this has resulted in a stronger market particularly for the best country. Ebor basalt, which was increased by an unprecedented 20% in 2016 and 10% last year, has again been increased by 20%. This may be seen as too bold a stroke but sales evidence in Tamworth and Coffs Harbour areas appear to support the increase even as the drought intensifies.

Big plantation investors are absent this year. No sales of hardwood plantations have been seen this year and properties that were handcrafted last year are considered in line with the market generally. There was concern that these properties values may be conservative but analysed sales in the Grafton to Casino area have continued to be stable and values have not been increased.

Cane lands have generally increased about 5% over the last 12 months. This year the NSW sugar mills expect high production records of harvested sugar and confidence appears to have returned to the market place with the current reasonable price being paid for their sugar. The short-term outlook for sugar cane prices is expected to fall due to overseas market prices. Some cane farmers are diverting into growing macadamias. These nuts are currently in high demand and showing good returns. The trees take about 8 years before they reach reasonable production rates, which is a long time to wait for your first paycheck.

COMMERCIAL & INDUSTRIAL

Sales indicate values have generally increased.

Grafton commercial property continues to have vacancies in the main street, but selling prices confirmed a more positive outlook for the future growth of the city and commercial values generally increased about 5%. This general economic growth is partly a spinoff from the construction of the 155 km Woolgoolga to Ballina Pacific Highway upgrade, the construction of the second bridge over the Clarence River at Grafton and the well commenced 1700 inmate gaol on the outskirts of Grafton. A recent auction in Sydney of a high-profile tenanted building in South Grafton was reported to have sold under the hammer for \$2,800,000. The Hungry Jacks property (which includes Subway and Auto Cheap) has a long 16-year lease to 2024, with options extending to 2039, with 3% annual increases, providing a net income of approximately \$152,000 plus GST, which shows a net return of 5.44%.

While in Maclean, Council have completed the new car park and construction has commenced on the proposed IGA supermarket which was purchased about 4 years ago for approximately \$2,700,000 from Council. This process to approve a supermarket site and supermarket design has taken about five years.

A multimillion-dollar resort was recently approved in the commercial section of Iluka. The resort will have 40 rooms including a surfing fitness centre, 18 m lap pool, gym, room spas, bunkrooms, massage, rooftop yoga deck, basement parking for 43 cars, an a-la-carte restaurant and bar. This project will replace an old petrol station at the entrance to town, which has been derelict for over 14 years. Sale details and the costs to remove any contamination are unknown as yet.

The construction of the proposed new petrol station along the Yamba Road has still not commenced. There were numerous objections to the proposal. Council continue to give the project the green light but are currently considering whether to construct a roundabout or traffic lights. This is part of the approval conditions that will be contributed to by the developer.

Commercial sales over the prior 12 months have confirmed generally confirmed a 5% increase in commercial values in Maclean, Grafton and Yamba.

Even though the major upgrade of the Pacific Highway has commenced and will continue for the next two years, this has not translated to a substantial increased demand for industrial properties in the valley. There were over 20 industrial sales throughout the year. These indicated increases of 3-4%. The main interest has been in South Grafton, with minimal sales along the coast. The newest industrial subdivision at Yamba which currently has low pedestrian and vehicle visibility, is failing to attract tenants and new developments.

A one-hectare vacant parcel of industrial land in Johnson St, Iluka is being offered for sale at \$46/m². It will be interesting to see the eventual selling price of this parcel of land, given that it has been on the market for over 12 months. If the proposed 140 lot subdivision proceeds to the next level of approval, this will encourage further demand for industrial land.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENTLY ANNUAL VALUATION

A Yamba development is said to be costing \$7m. It is located off Carrs Drive at West Yamba, a train of trucks are currently delivering fill to this project, with asking prices starting at \$240,000. The fill will allow cottages to be constructed at ground level and out of reach of the current predicted flood and storm surge levels. There is relatively no vacant land in Yamba and this residential development will fill a large whole in the market place.

A 33-lot residential subdivision was recently registered at Townsend, which is a suburb of Maclean. This is the final stage of a 40-ha parcel of land which commenced approximately 40 years ago, when selling prices were around \$4,000 for a fully serviced lot, compared to current selling prices of over \$159,000. About a third of these lots have been contracted. Another residential subdivision on the eastern outskirts of Maclean had commenced construction. The lots are subject to inundation from major floods, if the levee wall is ever overtopped. This will require two storey homes to be erected. Unfortunately works have ceased, possibly because of a lack of presales and a resistance to double storey residences.

Two developers are conducting investigations into their next stages of their developments of R5 residential large lots in the Gulmarrad locality. These will most likely commence in 2019.

The second stage of a Westlawn residential subdivision is currently in the process of roadworks construction. Prices are expected to range from \$160,000 - \$200,000. The first stage was released around 2015 and were slow to sell at \$140,000 possibly because of the 330kv electricity line fronting these lots.

The construction of the New Clarence Correctional Centre, which will be the biggest in Australia, has commenced. There are 600 workers currently on site, with approximately 45% being Clarence Valley locals. The first stage of the gaol is on target to be opened in the first quarter of 2020. The 1700 bed prison at Lavadia is located about 20 km south east of Grafton– 313 Avenue Rd LAVADIA.

Also, the construction of a second bridge over the Clarence River in Grafton is well underway, with completion anticipated to be in 2020. This is the same year that the completion of the Pacific Highway upgrade is projected to be completed. This highway upgrade will bypass Grafton City and is expected to have a substantial impact on commercial properties which currently attract business from the 12,000 per day highway vehicles.

The Ulmarra Bypass Community Economic Development Plan was released in May 2018 and focuses on opportunities for development by increasing business and growing as a tourist destination within the Clarence Valley. The Highway is scheduled to bypass Ulmarra next year.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

Property NSW has been provided with detailed valuation analysis reporting, which details the quality assurance process of Southern Cross Valuation Services 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 reporting. 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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29/10/2018