



*INLAND PACIFIC*  
*PROPERTY GROUP PTY LTD*  
*INDEPENDENT VALUERS & CONSULTANTS*

COFFS HARBOUR CITY COUNCIL

Final Report 2018

Report Dated: 31<sup>st</sup> October 2018

## **Executive Summary**

### **LGA Overview**

The City of Coffs Harbour is situated on the New South Wales Mid North Coast approximately 540 kilometres north of Sydney and 440 kilometres south of Brisbane. The Coffs Harbour Local Government Area (LGA) covers an area of approximately 1,175 square kilometres and has a population of 74,641 (Census 2016) the majority of which reside in established urban areas. Coffs Harbour LGA is bounded to the north and west by Clarence Valley Council LGA and to the south by Bellingen Council LGA.

The topography of the District generally comprises a hinterland of rural valleys and mountain forests with a coastline extending approximately 60 kilometres and bordering the Solitary Islands Marine Park. The mountains which form part of the Great Dividing Range, rise in close proximity to the sea and restrict the coastal plain to a relatively narrow strip.

The District has a sub-tropical climate, which combined with its coastal location, numerous surfing beaches, and proximity to rainforest influenced mountain ranges, makes the area a popular and expanding tourist destination. The tourism industry now leads the economic base of the District from the founding industries of timber, bananas, dairying, beef cattle and fishing.

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

28,018 properties within the Coffs Harbour Local Government Area were valued at the Base Date of 1<sup>st</sup> July 2018, and valuations are reflective of the property market at that time. Previous Notices of Valuation were issued to property owners for the Base Date 1<sup>st</sup> July 2016.

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

<b>Properties Valued and Total Land Value</b>							
<b>Zone</b>	<b>Zone Code</b>	<b>Number of Entries</b>	<b>Current Total Land Value (2018) (\$)</b>	<b>Prior Annual Valuation (2017) (\$)</b>	<b>% Change</b>	<b>Prior Local Government Valuation (2016) (\$)</b>	<b>% Change</b>
Residential	R1 R2 R3 R4 & R5	23,260	6,745,067,620	6,255,780,340	7.8	5,676,145,610	18.8
Rural	RU2 & RU3	3,045	1,108,986,420	1,053,881,990	5.2	967,810,320	14.6
Commercial	B1 B2 B3 B4 B5 & B6	611	474,632,700	465,620,500	1.9	442,498,590	7.3
Industrial	IN1 IN3 & IN4	556	321,123,380	294,991,730	8.9	268,613,990	19.6
Special Uses	SP1 SP2 & SP3	111	47,908,820	46,043,360	4.1	43,275,860	10.7
Environmental	E1 & E2	86	33,336,181	31,825,421	4.8	31,263,731	6.6
Recreation (Public & Private)	RE1 & RE2	345	121,513,300	118,508,140	2.5	112,632,060	7.9
Waterways	W2	4	30,590	30,590	0.0	26,850	13.9
<b>Total</b>		<b>28,018</b>	<b>8,852,599,011</b>	<b>8,266,682,071</b>	<b>7.1</b>	<b>7,542,267,011</b>	<b>17.4</b>

## **State & Local Government legislation for LGA**

Development within the Coffs Harbour Local Government Area is governed by the Coffs Harbour Local Environmental Plan 2013. The plan is based on the standardised Local Environmental Plan (LEP) format prescribed by the New South Wales Legislation.

Coffs Harbour Local Environmental Plan 2013 was gazetted on the 27<sup>th</sup> September 2013. There have been thirteen (13) Amendments to the Plan since Gazettal.

In October 2015, Council adopted a new DCP (Coffs Harbour Development Control Plan 2015) to regulate development of land within the LGA. The 2015 DCP is presented in 9 Parts with 44 Sub-Components which share, rationalise and expand the objectives of establishing certain general controls to facilitate development permissible under the Coffs Harbour LEP 2013.

## **Market Overview and Sales of Particular Interest**

Inland Pacific Property Group valuers have undertaken significant analysis of the Coffs Harbour District property market to provide an accurate and reliable basis of valuation. 654 sales have been analysed to enable the establishment and verification of land values as at the 1<sup>st</sup> July 2018 Base Date. These analysed sales also support the grading and relativity of land values across components. Analysed sales reports are provided to Property NSW/Valuation Services on a progressive basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. Inland Pacific Property Group valuers undertake this process utilising the Paired Sales Approach.

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

In general terms, land values within the Coffs Harbour LGA have increased across all property classifications with the largest increases being experienced in the residential and industrial market sectors. Total sales volumes have remained steady in the residential, large lot residential, industrial and rural sectors and have decreased marginally in the commercial and medium density residential sectors over the preceding 12 months.

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

- The Jetty Village Shopping Centre was sold to the Bachrach Naumberger Group (owners of Park Beach Plaza) in March 2018 for \$8,600,000. This older centre which comprises basement level parking, ground level retail and first level commercial space, occupies a prominent corner position in the Jetty commercial precinct. Plans for future re-development of the site have not yet been announced.

- Toormina Central Regional Shopping Centre at Toormina sold in December 2017 for \$83,300,000. This property was purchased by an investment fund who are currently building their asset base with a preference for property showing strong returns with future expansion/development potential.
- The Good Guys bulky goods retail site at 300 Pacific Highway, North Boambee sold in September 2017 for \$5,175,000 on a reported 7.49% net yield to a superannuation investment fund.

### **Significant Issues and Developments**

Although there have not been any significant issues, developments or applications outside of those that are permissible under the current zoning framework that require special consideration, the following are noteworthy. These are generally localised and affect either individual or a proportionately small number of properties and have not had any discernible or significant flow on impact to wider value levels for property within the LGA.

- The first stage of a multi-storey commercial development in the Coffs Harbour Central Business District was completed in March 2018. The first stage includes retail and commercial premises being an extension of the adjoining Coffs Central Regional Shopping Centre. Construction of the second stage of the project, proposed to include an additional five levels comprising an eighty room hotel, has been deferred.
- Construction has commenced on a large aged care facility adjoining Park Beach Plaza. The development being undertaken by the Bachrach Naumburger Group (owners of Park Beach Plaza), is to be known as “The Shoreline Park Beach” and will comprise a 120 bed residential aged care facility, 162 independent self-contained retirement units and 18 villas.
- Construction of the “Sea Shells” high rise residential unit complex at Park Beach has been completed. “Sea Shells” is a 12 storey development comprising 44 apartments ranging from studio units to penthouse/sky homes. The development has been well received by the market with strong sales activity resulting in most units having been sold either off the plan or shortly after completion.

### **Significant Value Changes**

There was a moderate increase in land values in the Coffs Harbour Local Government Area between 2017 and 2018. This trend was consistent across most classes of property in the residential, rural and industrial market sectors whilst commercial land values have tended to remain steady over the period.

The sustained levels of demand which have existed throughout the year for most classes of property have characterised local real estate market conditions and are the primary driver underpinning land value increases.

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

## **Summary of Valuation Changes to Residential Land**

### ***Changes since Previous Valuation Year (2017)***

There has been a moderate increase in residential land values across most localities within the Coffs Harbour Local Government Area between 2017 and 2018. This trend is largely attributable to continued high demand for good quality vacant residential allotments in new estate releases in the North Bonville, North Boambee, Sapphire Beach, North Sapphire, Emerald Beach, Sandy Beach and Woolgoolga localities. These positive market conditions have also extended into the more established residential localities across the Local Government Area where consistent levels of demand have supported moderate land value increases.

Conversely, englobo residential land values have remained steady as developers adopt more conservative investment strategies pending the uptake of developed residential land stocks currently available in the market.

Large lot rural-residential properties on the coastal plain between Bonville and Corindi have experienced moderate land value increases over the 2017 to 2018 period due to continued high demand for quality property in this sector. However, land values for rural-residential holdings in localities west of the coastal range, including the Orara Valley, have remained steady as a result of more subdued levels of demand for smaller rural-residential parcels in localities typically dominated by larger rural holdings.

## **Summary of Valuation Changes to Rural Land**

### ***Changes since Previous Valuation Year (2017)***

The rural land market within the Coffs Harbour Local Government Area has shown a moderate increase in value levels over the period 2017 to 2018. Land value increases have been reasonably consistent across all classes of rural property, although rural holdings situated in coastal plain localities close to established urban area amenities, have generally shown slightly greater market increases than properties situated west of the coastal range, due to more consistent levels of demand.

Rural land values for larger grazing and horticultural holdings in the Upper Corindi locality at the northern extent of the Local Government Area have tended to remain steady due to an apparent plateauing of demand particularly from horticultural producers.

## **Summary of Valuation Changes to Commercial Land**

### ***Changes since Previous Valuation Year (2017)***

Commercial property land values within the Coffs Harbour Local Government Area have generally remained steady over the 2017 to 2018 period as demand for a limited supply of available property stabilised throughout the year.

Land values in the Coffs Harbour CBD commercial core have increased slightly in line with rental growth, despite a slight increase in overall vacancy rates. The refurbishment and expansion of the Coffs Central Shopping Centre and recent investments by Council in CBD streetscape upgrades have supported this increase.

Commercial properties fronting the Pacific Highway at the northern and southern approaches to the Coffs Harbour CBD have experienced moderate increases in land value levels in response to increased demand for sites having good exposure to high volume traffic flows.

Similarly, land values for smaller, local neighbourhood shopping centres have generally experienced moderate increases in a trend consistently mirroring movements in the immediately surrounding residential property market.

## **Summary of Valuation Changes to Industrial Land**

### ***Changes since Previous Valuation Year (2017)***

Industrial land values throughout the Coffs Harbour Local Government Area increased moderately over the 2017 to 2018 period. Sustained demand for a decreasing supply of available property, particularly well located vacant land parcels suitable for development, was the main factor driving value level increases.

The only notable exception to this trend was the small area of IN3 – Heavy Industrial zoned land centred on the waste recovery and materials recycling facility south of Coffs Harbour. Continued uncertainty regarding the extent of potential land acquisitions required for the future Pacific Highway Coffs Harbour By-pass in this locality, has resulted in value levels remaining steady.

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### **Disclaimer – Purpose of this Report**

The purpose of this report is to describe the process and considerations for the 1<sup>st</sup> July 2018 Valuation of Coffs Harbour LGA. The report has been produced on behalf of the Valuer General.

The land values have been specifically made for rating and taxing purposes. Land values produced as part of this process should not be used for any other purpose without the specific agreement of the Valuer General.

Land values must have regard to the specific requirements and assumptions in rating and taxing legislation. Consequently these valuations may vary from market levels.

The land values have been determined using a methodology prescribed by the Rating and Taxing Valuation Procedures Manual. The Manual allows mass valuation methodologies that involve assessing large numbers of properties as a group to be utilised where appropriate. Mass valuation methodologies are by their nature likely to be less accurate than individually assessed valuations, however are used worldwide for rating and taxing purposes to deliver valuations within an acceptable market range.

Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

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

More information on the valuation process is available from the Valuer General information website at [www.valuergeneral.nsw.gov.au](http://www.valuergeneral.nsw.gov.au)

## **LGA Overview**

### **Location of the District**

The City of Coffs Harbour is situated on the New South Wales Mid North Coast approximately 540 kilometres north of Sydney and 440 kilometres south of Brisbane. The Coffs Harbour Local Government Area (LGA) covers an area of approximately 1,175 square kilometres and has a population of 72,382 (Census 2014) the majority of which reside in established urban areas. Coffs Harbour LGA is bounded to the north and west by Clarence Valley Council LGA and to the south by Bellingen Council LGA.

The topography of the District is quite diverse but generally comprises an expansive rural hinterland with a narrow coastal plain extending approximately 60 kilometres and bordering the Solitary Islands Marine Park. The mountains which form part of the Great Dividing Range rise in close proximity to the sea and restrict the coastal plain to a relatively narrow strip. A significant majority of development within the Coffs Harbour LGA is established on the coastal plain and supports a high proportion of the areas total population.

The District has a sub-tropical climate, which combined with its coastal location, numerous surfing beaches, and proximity to rainforest influenced mountain ranges, makes the area a popular and expanding tourist destination. The tourism industry now leads the economic base of the District from the founding industries of timber, bananas, dairying, beef cattle and fishing. Tourist accommodation within Coffs Harbour ranges from exclusive 5 star resort facilities to low budget motels and hostels. Iconic tourist facilities include the Big Banana and Dolphin Marine Magic facilities as well as the Jetty Foreshores precinct centred on the historical Coffs Harbour Jetty.

Coffs Harbour is well serviced by transport services including railway and bus services and has a busy airport with multiple carriers providing services daily to Sydney and Brisbane plus a weekend service to Melbourne. The airport also has an international capacity.

Coffs Harbour also has a full and extensive range of Government services including numerous public schools supplemented by several private schools. The multi-purpose Coffs Harbour Education Campus provides TAFE education, secondary schooling and is a campus for Southern Cross University. The Coffs Harbour Health Campus provides modern public hospital facilities in addition to private hospital facilities and various retirement villages and aged care facilities. Public libraries are located at Coffs Harbour, Toormina and Woolgoolga. An ambulance station is located at Coffs Harbour whilst Fire Brigade stations are provided at Coffs Harbour, Sawtell and Woolgoolga.

Extensive maritime infrastructure including an International Marina (with Australian Customs Office), boat launching facilities and a commercial fishing co-operative servicing a large local commercial fishing fleet is established in the inner harbour area.

Community based facilities available within the city also include public and private golf courses, various sporting clubs, recreational playing fields, parks and reserves, showground, public swimming pools, tennis courts and a velodrome.

## **Principal Towns**

The heavily populated coastal strip is centred on the residential/suburban area of Coffs Harbour. Other main residential areas include the southern suburbs of Sawtell, Toormina, and Boambee East. The coastline to the north of Coffs Harbour comprises the “northern beaches” of Korora, Sapphire Beach, Moonee Beach, Emerald Beach, Sandy Beach, the satellite centre of Woolgoolga, Safety Beach and Arrawarra/Mullaway. The villages of Corindi Beach and Red Rock complete this northern coastal residential strip and represent the most northerly residential localities within the Coffs Harbour LGA. Additionally, there are the smaller rural villages in the Orara Valley west of Coffs Harbour. These include Coramba, and Nana Glen and the villages of Lowanna and Ulong, which are situated further to the west on the “Eastern Dorrigo” plateau.

## **Main Industries**

Coffs Harbour supports a strong and expanding industrial base with several industrial estates centred on Coffs Harbour including established estates at Orlando Street and Marcia/June Street. Extensive industrial areas are also located to the south of the city centre comprising the older Cook Drive area, the newer Hurley and Mansbridge Drive estates and the latest Isles Drive estate. Secondary estates are located at Toormina (Hi-Tech Drive and Newcastle Drive estates) and the Woolgoolga industrial estate in the north of the LGA.

## **Significant Retail Centres**

The primary retail areas within the Coffs Harbour LGA include the Regional Park Beach Plaza Shopping Centre, and nearby Home Base bulky goods precinct, the Coffs Central Shopping Centre and central business district in Harbour Drive, Toormina Gardens Shopping Centre, the Moonee Shopping Centre and the Woolgoolga shopping centre. Sawtell business district is now principally a lifestyle restaurant strip, which is similar to the Jetty Strip at the eastern end of Harbour Drive.

## **Type of Residential Development**

A vast majority of the residential development within the Coffs Harbour LGA is comprised of traditional privately owned single residences, although the scale, age and style vary, sometimes significantly, depending upon locality. Older/original residential areas are primarily centred on the more established centres of Coffs Harbour CBD, Woolgoolga and Sawtell with newer and emerging residential development tending to radiate concentrically outwards.

Properties in the desirable beachside localities of Diggers Beach/Charlesworth Bay, Coffs Harbour Jetty, Korora, Sapphire Beach, Woolgoolga Headland and Arrawarra Headland in the north and Sawtell in the south command the highest residential values in the LGA with those properties obtaining ocean views or enjoying close beach proximity achieving premium prices in the market.

The narrow coastal plain of the Coffs Harbour LGA restricts opportunities for residential expansion both logistically and topographically. Newer areas of significant development are generally limited at present to North Bonville and North Boambee Valley to the south of the CBD, West Coffs Harbour and the northern localities of North Sapphire Beach and Sandy Beach. Some limited infill development land is available throughout established residential localities within the LGA, however this is rapidly diminishing in supply in response to a continued market demand for vacant residential land. Future larger scale urban growth areas have been identified by Council in the Bonville, North Boambee Valley and West Moonee localities in particular.

The Coffs Harbour LGA has a number of areas identified by the Coffs Harbour LEP 2013 for Medium Density Residential development. These are primarily located adjacent to the established CBD fringe and extending eastwards into the Coffs Harbour Jetty and Park Beach localities. Smaller concentrations of Medium Density residential development land are situated at Sawtell/Toormina, Korora, Emerald Beach and in the Woolgoolga eastern coastal fringe. These areas cater primarily to residential unit developments although a scattering of tourist units appear throughout coastal influenced locations such as Sawtell, Coffs Harbour Jetty, Park Beach east and Woolgoolga.

The majority of identified Medium Density Residential sites throughout the LGA are in established localities and most are currently developed to older single residences. As such, the demolition of existing improvements is a pre-requisite of site re-development in most instances.

In addition to the more conventional Medium Density Residential sites throughout the LGA, the narrow coastal beachfront strip situated between the Pacific Highway and the ocean to the north of Coffs Harbour (Diggers Beach, Korora and Sapphire Beach in particular) features a number of medium/high density tourist resort developments. These include A'anuka Beach Resort, Pacific Bay Resort, Opal Cove Resort and Nautilus Beachfront Resort.

Rural residential living is also very popular with numerous estates scattered throughout the LGA forming a significant component of the real estate market. The main areas of development are located along the coastal strip and include the Bonville and Boambee areas south of Coffs Harbour and the northern localities of West Korora (Korora Basin), Sapphire Beach (hinterland), Moonee Beach (including the Forest Glen and Heritage Park estates), Emerald Heights, Sandy Beach and Woolgoolga (Country Club Estate).

## **State & Local Government Legislation for LGA**

Development within the Coffs Harbour Local Government Area is governed by the Coffs Harbour Local Environmental Plan 2013. The plan is based on the standardised Local Environmental Plan (LEP) prescribed by the New South Wales Legislation.

Coffs Harbour Local Environmental Plan 2013 was gazetted on the 27<sup>th</sup> September 2013. There have been thirteen (13) Amendments to the Plan since Gazettal.

The Local Environmental Plan provides a comprehensive Town Planning framework encompassing Business (B1, B2, B3, B4, B5 & B6 Zonings), Rural (RU2 & RU3 Zonings), Residential (R1, R2, R3, R4 & R5 Zonings), Industrial (IN1, IN3 & IN4 Zonings), Special Activities/Infrastructure (SP1, SP2 & SP3 Zonings), Environmental Conservation (E1 & E2 Zonings), Public and Private Recreation (RE1 & RE2 Zonings) and Recreational Waterways (W2 Zoning) Zonings throughout the LGA.

In October 2015, Coffs Harbour City Council adopted a new DCP (Coffs Harbour Development Control Plan 2015) to regulate development of land within the LGA. The 2015 DCP is presented in 9 Parts with 44 Sub-Components which share, rationalise and expand the objectives of establishing certain general controls to facilitate development permissible under the Coffs Harbour LEP 2013.

Coffs Harbour Local Environmental Plan 2013 (Amendment No.7) was Gazetted on 19<sup>th</sup> May 2017. The LEP Amendment rezones certain land parcels in the Bonville locality to allow for R5 - Large Lot Residential Development.

The controls embodied within the current 2015 DCP include provisions relating to the subdivision of land and the erection of dwellings/buildings which may impact land values. These include;

<b>Zone</b>	<b>Minimum Allotment Size</b>
<b>Residential</b>	(R1) – Locality based “Special Area” Control provisions apply.
	(R2) – 400 m <sup>2</sup>
	(R3) – General Provision 200 m <sup>2</sup> /dwelling for developments up to 8.5 metres in height and 100 m <sup>2</sup> /dwelling for developments over 8.5 metres in height. “Special Area” Control provisions also apply to some localities.
	(R4) – Locality based “Special Area” Control provisions apply.
	(R5) – 1 Hectare
<b>Rural</b>	(RU1) – 40 Hectares
<b>Business</b>	(All Zones B1 – B6) – Merit based with Council consent required. Additional “Special Area” Control provisions applicable in some localities.
<b>Industrial</b>	(IN1) – General Provision 1,000 m <sup>2</sup> . Additional “Special Area” Control provisions applicable in some localities.

## **Market Overview & Sales of Particular Interest**

### **Residential**

#### ***Single Residential***

Coffs Harbour LGA contains a number of residential areas that primarily occupy the narrow coastal strip east of the dividing range. The major developed areas can be generally classified into three generic locations – Coffs Harbour City, the southern suburbs of Sawtell, Boambee East and Toormina, and the northern beaches which include the coastal suburbs of Korora through to Red Rock.

There has been a moderate increase in residential land values across most localities within the Coffs Harbour Local Government Area between 2017 and 2018. This trend is largely attributable to continued high demand for good quality vacant residential allotments in new estate releases in the North Bonville, North Boambee, Sapphire Beach, North Sapphire, Emerald Beach, Sandy Beach and Woolgoolga localities. These positive market conditions have also extended into the more established residential localities across the Local Government Area where consistent levels of demand have supported moderate land value increases.

Typical residential allotments in the Coffs Harbour LGA are realising values in the range of \$190,000 to \$250,000 depending on the quality of building land, services and location. There has been strong market demand for residential land in the more affordable price sector of the vacant land market under \$250,000.

Residential land in the mid-price range of \$250,000 to \$500,000, particularly in newer subdivisions throughout northern beaches localities, has experienced strong levels of demand for a retracting of supply of quality properties, leading to a moderate increases in value levels.

Consistent market demand and supply of both established and newer residential home sites in the southern localities of Boambee East, Toormina and Sawtell has underpinned slight to moderate increases in land values.

The prestige land market, generally priced above \$500,000, has also shown increased market activity and moderate increases to value levels.

#### ***Residential Englobo***

Englobo residential land values have tended to remain steady as developers adopt more conservative investment strategies pending the uptake of developed residential land stocks currently available in the market.

#### ***Medium Density Residential***

The Coffs Harbour LGA has a number of areas identified by the Coffs Harbour LEP 2013 for Medium Density Residential development with either R1 – General Residential, R3 – Medium Density Residential or R4 – High Density Residential zonings. These areas are primarily located adjacent to the established CBD fringe and extending eastwards into the Coffs Harbour Jetty and Park Beach localities. Smaller concentrations of Medium Density residential development land are situated at Sawtell/Toormina, Korora, Emerald Beach and in the Woolgoolga eastern coastal fringe.



A trend of sustained demand for a diminishing supply of new residential units has resulted in a value levels for medium density development sites increasing moderately (in the range of 5% to 10%) over the past year.

A limited number of sales of improved residential re-development sites have been transacted in and around the central Coffs Harbour CBD area however the majority appear to be speculative and are currently being utilised as land banking or short term rental prospects in anticipation of future potential as market conditions evolve. Analysis of the most recent reliable sales indicates land value levels for medium density development sites in CBD proximity increasing moderately (in the range of 5% to 10%) over the past year.

There has been limited sales transactions and development activity in the Toormina medium density area centred on the Toormina Central Shopping Centre over the past 12 months. Moderate increases in value levels, from a comparatively low value base by District standards, have occurred in line with surrounding single residential market trends.

There have been a number of new townhouse developments over the last 12 months in the Sawtell medium density area centred on the First Avenue commercial precinct, the most notable being the “Rockpool” apartments on First Avenue. Limited but consistent sales evidence over the past 12 months indicates a slight increase in value levels following on from the strong value increases achieved over the preceding 2 years.

There has been limited sales transactions and development activity in the prime Coffs Harbour Jetty locality over the preceding 12 months. However, demand for medium density residential units, villas and townhouses in the locality remains consistently strong. Market competition for a constrained supply of available property has resulted in moderate increases in land values

Stronger demand for residential units and a resurgence in investor/developer confidence has resulted in strong increases in value levels in the Park Beach medium density area. Properties in the prime tourist precinct east of Hogbin Drive have shown slightly stronger growth than those west of Hogbin Drive. Recent reliable sales in the locality indicate land value increases in the range of 15% to 20% over 2017 levels.

The Woolgoolga Medium Density precinct incorporates properties on the Woolgoolga Headland where ocean views and good proximity to beaches and the main commercial centre are a feature. Sustained demand has resulted in moderate to strong increases to value levels over the preceding 12 month period.

### ***Villages***

There are a number of smaller residential villages spread throughout rural localities across the Coffs Harbour LGA. These include Coramba, Nana Glen, Lowanna and Ulong.

During the last twelve months these villages have all experienced decreases in the total amount of recorded sale transactions. A reduced supply of available property has been a feature of the market and has contributed to slight to moderate land value increases in Coramba, Nana Glen, Lowanna, Ulong generally in the range of 3% to 10% over 2017 levels.

### ***Rural Residential/Large Lot Residential***

This class of property is situated throughout the LGA and varies between parcels with significant coastal influence to more “remotely” located coastal hinterland holdings. Some of the more highly regarded areas include the Crossmaglen, Bonville, Boambee, Korora, Sapphire Beach, Moonee Beach, Woolgoolga, Karangi and Nana Glen localities.

The rural–residential property market continues to be one of the stronger performing sectors with sustained good levels of demand underpinning market values.

All established coastal rural residential localities including Boambee (north, middle and south), Bonville, Crossmaglen, those surrounding Coffs Harbour’s urban fringe, Korora, Sapphire Beach, Moonee Beach, Emerald Beach and Woolgoolga have continued to display a strong market performance over the preceding 12 months. Levels of sales activity have generally been maintained, underpinned by sustained levels of demand. Prevailing value levels have increased moderately in the range of 6% to 10% as a result.

However, land values for rural residential holdings in localities west of the coastal range, including the Orara Valley, have remained steady as a result of more subdued levels of demand for smaller rural-residential parcels in localities typically dominated by larger rural holdings.

### **Commercial**

The Coffs Harbour LGA contains slightly more than 600 commercially zoned properties spread across six commercial zones. These properties cover a wide range of classifications from single street-front shops to multi-level regional shopping centres and commercial office blocks. To a large extent, performance of this sector of the real estate market is dependent upon external economic conditions and local consumer confidence.

In the last twelve months there has been a decrease in the volume of reliable sale transactions of commercial property within the LGA. Despite these decreases, commercial property land values have generally remained steady over the 2017 to 2018 period.

Land values in the Coffs Harbour CBD commercial core have increased slightly in line with rental growth, despite the decrease in sales volumes and a slight increase in overall vacancy rates for fringe commercial properties. The refurbishment and expansion of the Coffs Central Shopping Centre and recent investments by Council in CBD streetscape upgrades have supported this increase.

During the last twelve months reliable market evidence has been scarce in the commercial areas of Sawtell, Toormina, Coffs Harbour Jetty, Park Beach Plaza, Moonee Beach and Woolgoolga. Subdued demand for a limited supply of available property has resulted in land values remaining stable.

Commercial properties fronting the Pacific Highway corridor at the northern and southern approaches to the Coffs Harbour CBD have experienced moderate increases in land value levels in response to increased demand for sites having good exposure to high volume traffic flows.

Similarly, land values for smaller, local neighbourhood shopping centres have generally experienced moderate increases in a trend consistently mirroring movements in the immediately surrounding residential property market.



## **Industrial**

The market for industrial land throughout established estates in the greater Coffs Harbour LGA has increased moderately over the preceding 12 months.

Development within the Isles Drive Industrial Estate south of Coffs Harbour continues to expand albeit to a lesser extent than in prior peak years with the main focus now being industrial strata units aimed at the owner/occupier and self managed super fund sectors of the market. Sustained demand for a decreasing supply of available property has resulted in a moderate increase in value levels over the preceding 12 months.

The Cook Drive industrial area continues to benefit from the increased profile of the locality attributable to the Bunnings Warehouse development and enhanced accessibility provided by Pacific Highway intersection upgrades. Land values have increased strongly (up to 15%) over the past 12 months bring them more in line with those of nearby industrial estates.

There has been no new development and limited recent sales activity in the Orlando Street/Lawson Crescent industrial estate over the preceding year. Although this area appears to have experienced slightly lower levels of demand than other similarly located estates, land values have increased moderately in line with other industrial localities.

Industrial land values in the Marcia Street/June Street locality have shown strong increases (up to 14%) over the preceding 12 months. Strong demand for a limited supply of available property combined with consistently low vacancy rates and close CBD proximity have been the primary drivers underpinning the market gains.

There has been very little new development but slightly increased recent sales activity in the Hi-Tech Drive/Craft Close - Newcastle Drive/Hulberts Road industrial areas over the preceding year. Slightly stronger levels of demand for industrial property in the lower price range of these localities has contributed to strong land value increases (12%) being recorded.

Increased levels of demand and overall sales activity within the insular Woolgoolga Industrial Estate has resulted in a corresponding moderate increase in land value levels throughout 2017/2018.

## **Rural**

The rural land market within the Coffs Harbour Local Government Area has shown an overall moderate increase in value levels over the period 2017 to 2018. Land value increases for rural holdings situated in coastal plain localities close to established urban area amenities, have generally shown stronger market increases than properties situated west of the coastal range, due to more consistent levels of demand.

Rural property land values throughout the Orara Valley and Bucca localities have experienced slight increases over 2017 levels despite a reduction in the volume of recorded sale transactions. A consistent supply of available property is satisfying current levels of demand.

Rural land values for larger grazing and horticultural holdings in the Upper Corindi locality at the northern extent of the Local Government Area have tended to remain steady due to an apparent plateauing of demand particularly from horticultural producers.

Land values for all classes of rural property on the Eastern Fall (lower Dorrigo Plateau) localities of Lowanna, Ulong and Brooklana have increased over the past twelve months. Smaller rural homesite properties in these localities experienced strong land value increases (up to 12%) following an increase in demand reflected by increased sales volumes over the past year. Larger rural holdings comprising both grazing properties and retreat homesites generally followed the market trend of the upper Orara Valley with slight value increases being recorded.

The market for rural homesite properties on the coastal strip both north and south of Coffs Harbour has generally performed stronger than that for similar classes of property west of the range over the past year. Continued strong levels of demand has resulted in increased land values in all localities. Market movements of rural homesite property values have tended to mirror those of surrounding rural residential land markets with increases in the range of 8% to 12% being typical.

## **Significant Issues and Developments**

### ***Significant Developments – From Prior to Current Annual Valuation***

Although there have not been any significant issues, developments or applications outside of those that are permissible under the current zoning framework that require special consideration, the following are noteworthy. These are generally localised and affect either individual or a proportionately small number of properties and have not had any discernible or significant flow on impact to wider value levels for property within the LGA.

- The first stage of a multi-storey commercial development in the Coffs Harbour Central Business District was completed in March 2018. The first stage includes retail and commercial premises being an extension of the adjoining Coffs Central Regional Shopping Centre. Construction of the second stage of the project, proposed to include an additional five levels comprising an eighty room hotel, has been deferred.
- Construction has commenced on a large aged care facility adjoining Park Beach Plaza. The development being undertaken by the Bachrach Naumburger Group (owners of Park Beach Plaza), is to be known as “The Shoreline Park Beach” and will comprise a 120 bed residential aged care facility, 162 independent self-contained retirement units and 18 villas.
- Construction of the “Sea Shells” high rise residential unit complex at Park Beach has been completed. “Sea Shells” is a 12 storey development comprising 44 apartments ranging from studio units to penthouse/sky homes. The development has been well received by the market with strong sales activity resulting in most units having been sold either off the plan or shortly after completion.

## **Significant Value Changes**

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

Land values across all classes of property within the Coffs Harbour LGA have increased since the prior Annual Valuation at 1<sup>st</sup> July 2017.

Single residential land values have increased across all established residential areas within the LGA, with most localities recording increases in the 5% to 10% range. No area reflected a drop in value levels. Localities showing a greatest increases in value levels were East Coffs Harbour (including Brodie Drive and Macauleys Headland) (12%), Northern beaches (Korora, Sapphire Beach, Moonee Beach, Emerald Beach, Sandy Beach, Corindi and Red Rock (12% - 16.0%), North Boambee (10%) and Woolgoolga (10%).

The market for rural residential property throughout the LGA has continued to perform strongly with consistent land value increases in the range of 7% to 12% being evidenced in most localities. The largest increases have occurred in Moonee Beach (12%), Emerald Beach (12%) and Woolgoolga (12%).

The most significant value changes in commercial/business zoned localities within the LGA have occurred for property in the Pacific Highway corridor both north and south of the Coffs Harbour CBD. This is in response to recent recorded sales evidence which has indicated higher levels of demand for commercial property with good exposure to the Pacific Highway. Increases were generally in the range of 6% to 10%.

Sustained demand for a decreasing supply of available property has resulted in moderate to strong increases in industrial land values over the preceding 12 months. Established industrial Estates generally showed the following increases; South Coffs Harbour (including Isles Estate, Mansbridge Drive Estate and Hurley Drive Estate) – 6%, Cook Drive Estate – 15%, Marcia Street & June Street – 14%, Orlando Street/Lawson Crescent – 10%, Toormina (including Hulberts Road and Hi-Tech Estates) – 12% and Woolgoolga – 8%.

The last twelve months has seen a continuation of good market demand for most classes of rural property across the LGA. The most significant land value increases in the rural sector over 2018 have been recorded for Eastern Fall smaller rural homesites - 12%, rural homesites in the northern coastal plain between Sapphire Beach and Corindi – 9% to 12% and Bonville/Boambee rural homesites – 10%.

## **Overview of the Quality Assurance Process**

DFSI/Property NSW/Valuation Services has been provided with a comprehensive Valuation Analysis Report, which details the Quality Assurance Processes of Inland Pacific Property Group. It outlines the Verification process undertaken and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and listings of high value and high risk properties, are provided. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value bases' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that have had land values amended through the objection or re-ascertainment process were individually examined to reconcile surrounding land values and ensure the accuracy of the gradings and relativities. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 7.2.1. Worksheets have been maintained on all properties where calculations are required. We have also ensured that adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

## Author

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**31<sup>st</sup> October 2018**