



DUNGOG FINAL REPORT

2018

Prepared for:

Department of Finance, Services and Innovation
Valuation Services

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Contents

EXECUTIVE SUMMARY	3
DISCLAIMER – PURPOSE OF THIS REPORT	4
LGA OVERVIEW	5
<i>Dungog Local Government Area</i>	<i>5</i>
PRINCIPAL TOWNS.....	5
<i>Dungog</i>	<i>5</i>
<i>Gresford</i>	<i>6</i>
<i>Vacy.....</i>	<i>6</i>
<i>Martins Creek.....</i>	<i>6</i>
<i>Clarence Town</i>	<i>6</i>
<i>Paterson.....</i>	<i>6</i>
<i>Main Industry.....</i>	<i>6</i>
<i>Significant retail Centres.....</i>	<i>6</i>
<i>Type of Residential Development</i>	<i>6</i>
STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA.....	7
<i>Dungog Local Environmental Plan (LEP) 2014.</i>	<i>7</i>
<i>Dungog Shire Community Strategic Plan 2030</i>	<i>7</i>
<i>Strategic objectives along with strategies to achieve those objectives are included in the plan. Some of the key objectives identified include:</i>	<i>7</i>
<i>The Hunter Regional Plan 2036.....</i>	<i>7</i>
<i>Strategic Regional Land Use Plan – Upper Hunter.....</i>	<i>8</i>
<i>Dungog Rural Strategy 2003</i>	<i>8</i>
<i>Various State Environmental Plan Policies (SEPPS) and Other Plans.....</i>	<i>8</i>
<i>Dungog Development Control Plan (DCP).....</i>	<i>8</i>
<i>Local Government Valuation Market Information.....</i>	<i>9</i>
MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST	10
SIGNIFICANT ISSUES AND DEVELOPMENTS.....	11
SIGNIFICANT VALUE CHANGES FROM 2017 - 2018.....	12
OVERVIEW OF THE QUALITY ASSURANCE PROCESS.....	12
ROBERTSON & ROBERTSON AS AUTHOR OF THIS FINAL REPORT	12



EXECUTIVE SUMMARY

The Dungog local government area (LGA) comprises just over 5,200 properties which were valued during the 2018 program. Unlike the other three LGAs of Cessnock, Maitland and Port Stephens within the Maitland contract, Dungog LGA is dominated by rural, including environmental zoned properties, comprising a total of approximately 54.44% of the Dungog Register of Land Values. In terms of value, the rural sector also dominates with 64.9% of the total land value.

Zone Totals

Zone	2018 LV	2017 LV	General LV	% change	Band	Trend
Residential	\$487,718,981	\$452,704,911	\$435,530,291	7.73	2	Moderate increase
Commercial	\$17,893,100	\$17,235,260	\$16,388,870	3.82	1	Slight increase
Industrial	\$2,871,240	\$2,788,650	\$2,788,650	2.96	1	Slight increase
Rural	\$936,445,111	\$908,221,731	\$883,366,171	3.11	1	Slight increase
LGA	\$1,470,589,814	\$1,406,506,034	\$1,363,817,249	4.56	1	Slight increase

General Overview [↑](#)

Trend - Slight Increase

In terms of value changes in Dungog local government area (LGA), there was a slight increase in overall land values from 2017 through to 2018. The increase in land values was primarily within the residential market sector, and within some market segments within the rural sector. The upward trend in land values, particularly within the residential sector, was largely driven by new rural-residential land releases in the Clarence Town and Paterson villages.

Residential Overview [↑](#)

Trend - Moderate Increase

Residential land values have had a moderate increase in values. The areas which have experienced significant growth were in the R1 Residential and R5 Large Lot Residential zoned lands in and around the Clarence Town and Paterson villages. This was due to Clarence Town and Paterson's dramatically improved road infrastructure to Raymond Terrace, Maitland and East Maitland commercial precincts including Green Hills regional shopping centre together with increased demand and supply for larger residential lots.

Commercial Overview [↑](#)

Trend - Slight Increase

The slight increase in commercial land values was demonstrated within both the Dungog township and Clarence Town village. This was primarily driven demand from buyers outside the local government area.

Industrial Overview [↑](#)

Trend - Slight Increase

The industrial market sector also demonstrated a slight increase from 2017 to 2018. The sector is small and tightly held with purchasers being predominately from the local market.

Rural Overview [↑](#)

Trend - Slight Increase

Rural land values have demonstrated a slight increase from 2017 to 2018. The most significant growth was experienced in the small to medium hobby farm market segment, south of the Dungog township. This was driven primarily by buyers from outside the local government area.



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 Dungog.

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

Dungog Local Government Area

Dungog Local Government Area (LGA) represents one of the largest districts in the Hunter Region with a geographical area of 2,251km² and comprises 5,200 properties.

Dungog Shire is within close proximity to the major markets of Sydney, Newcastle, the Central Coast and Maitland. Nestled between the Pacific and New England Highways, Dungog Shire is an easy hour's drive from Newcastle, The Great Lakes, Hunter Wine Country or Port Stephens and 2.5 hours from Sydney's northern suburbs via the M1 freeway.

It is the gateway to the World Heritage listed Barrington Tops National Park, a vast untamed area of State Forests, National Parks and wilderness. 85% of the Barrington Tops National Park is declared wilderness. Approximately one fifth of the National Park is located within the borders of the Dungog Shire, at its northernmost end.

The Chichester State Forest is included in the southern end of the Barrington Tops National Park. Two thirds of the Chichester State Forest is located within the boundaries of Dungog Shire. In the Shire's southern portions, the Uffington and Wallaroo State Forests are located close to its southernmost border. The Allyn and Paterson State Forests are located in the north of the Shire in the upper reaches of the Allyn Valley.

The Shire has two principal rivers, the Williams in the east of the Shire and the Paterson in the west. Both are tributaries of the Hunter, and both traverse the Shire in a general north-west to south-east direction. The Williams and Paterson Rivers drain from the Barrington Plateau and contribute over 40% of the flow of the Hunter. Lostock Dam was constructed on the Paterson River in the 1970s to regulate flow and prevent lack of water in drought.

Important Statistics:	Population 8,975 <small>ABS ERP 2016</small>	Land area 2,251km²	Population density 4.1 per persons per km²
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The neighbouring City of Newcastle is the capital of the Hunter region within New South Wales and is Australia's second largest regional city behind the Gold Coast. It is the economic, administrative and cultural centre of the Hunter Region. Dungog for the most part, does not benefit from its geographical proximity to Newcastle and does not seem to have a direct interface with the resources boom that was so prominent within Newcastle.

Dungog includes various residential, rural, commercial and industrial developments. Value changes of these developments are discussed within in this report. Housing remains affordable and there is abundant land available for future development. Dungog real estate values have firmed over the last year, as a result of local and domestic factors.

Principal Towns

Dungog

The township of Dungog comprises commercial, industrial and residential development. Whilst Dungog LGA does not have any regional shopping centre, the Dungog Township provides the shire with most of the communities retail needs. Council chambers also reside in Dungog.



Gresford

The district is involved in the production of quality wine, dairy, beef and olives. Organic poultry and vegetable farming is filling niche markets with superb produce both locally and overseas.

Small businesses are continually providing specialist products and services to the locals and visitors of the district. The tourism industry hosts a growing number of visitors who recognise the magnificent environment, rich history, friendly people and proximity to major centres.

Vacy

Situated between Gresford and Paterson is the village of Vacy, which was founded in the 1820s as a private town by John Cory, the owner of a large land grant. It remained a private town until it was sold in 1927 by the Cory family. The village is located at the junction of the Paterson and Allyn rivers.

Martins Creek

A small country town located between Dungog and Maitland. Martins Creek includes a NSW Government Primary School, church, tennis court and club house, public hall, rock quarry and the "skip-line" Park, as well as the Martins Creek Rural Fire Brigade station.

Clarence Town

Located approximately 25 Kilometres south of Dungog.

The locality is bisected by the Williams River. The township sits just to the west of the river about 32km upstream from where it flows into the Hunter River at Raymond Terrace. It has a small retail strip servicing the local area.

Clarence Town is undergoing significant large lot residential development on the town's outskirts.

Paterson

A small township in the lower Hunter Region within Dungog Shire situated on the Paterson River. It is in the middle of what was once dairy, timber and citrus country and is now, more significantly, a feeder town for the nearby mining industry in the Upper Hunter and city of Newcastle.

Paterson is approximately 15 minutes' drive north along either Tocal or Paterson Roads from the nearest major township of Maitland.

Main Industry

Dungog is characterised by agricultural based industries such as cattle farming, crop farming, forestry and logging and gravel and sand quarrying are listed as local industries. Tourism is also an important industry in Dungog. Dungog is a strong exporter of labour to adjoining and nearby districts which have a greater scope of employment options.

Significant retail Centres

There are no regional shopping centres in the Dungog LGA. The main retail centre is the Dungog Township. The villages of Gresford, Vacy, Martins Creek, Clarence Town and Paterson range from small commercial centres to local strip shops.

Type of Residential Development

In the Dungog LGA, the majority of residential development is single and two-storey detached dwellings. There has been an increase in supply and demand for properties of late in this sector, in particular in and around the Paterson and Clarence Town villages.



STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

Dungog Local Environmental Plan (LEP) 2014.

This is a new Standardised Instrument as required in NSW.

The aims of this Plan are as follows:

- Protect rural lands, natural resources, and items and areas of heritage significance.
- Manage development to benefit the community.
- Promote the principles of ecologically sustainable development and sustainable water management, and to recognise the cumulative impacts of climate change.
- Protect, enhance and provide for biological diversity, including native threatened species, populations and ecological communities, by long term management and by identifying and protecting habitat corridors and links throughout Dungog.
- Encourage a mix of housing to meet the needs of the community.
- Protect agricultural lands by preventing adverse impacts from non-agricultural land uses.
- Strengthen retail, agricultural and tourism opportunities.

There are various Strategic Plans and Local Environmental Amendments in place to aid in the development of Dungog as a sustainable rural community.

Dungog Shire Community Strategic Plan 2030

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:

- Natural Environment
- Local Economy
- Community and Culture
- Rural and Urban Development
- Recreation and Open Space
- Public Infrastructure and Services
- Dungog Shire Council Governance and Finance

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.

Strategic Regional Land Use Plan – Upper Hunter

In 2012 the NSW Government introduced the Strategic Regional Land Use Policy to better manage the potential land use conflicts arising from the location of high quality agricultural, and the mining and coal seam gas industries.

Dungog Rural Strategy 2003

The Dungog Rural Strategy recognises the need to ensure that closer settlement occurs in areas where the land is capable of absorbing increased population densities while maintaining our existing quality of life and promoting ecologically and economically sustainable land use.

The Dungog Rural Strategy has attempted to project past current demand levels for rural settlement into the future and identify sufficient land in these areas to meet future projected demand.

Dungog Local Environmental Plan Amendments

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

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

There were was no LEP amendments for the Dungog LGA during 2018.

Various State Environmental Plan Policies (SEPPS) and Other Plans

These are accounted for as they change.

Dungog Development Control Plan (DCP)

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 Dungog DCP came into effect on 18 May 2004. It represents the policies of Dungog Shire Council with regard to certain types of development within the Shire, together with guidelines designed to assist developers in achieving the adopted aims and objectives. Read in conjunction with the Dungog Local Environmental Plan 2014 and in conjunction with any Development Control Plan which relates to a specific site or area of land, it has 4 parts, Part A, B, C & D.

The Shire-wide Development Control Plan 1 (DCP) supports the Local Environmental Plan No 1. It provides the design guidelines and design controls required to achieve the aims and objectives of the Local Environmental Plan. The DCP is an evolving document and additional chapters are added at various times.



In developing its planning controls, Council has undertaken a number of in-depth studies into various areas and issues within the Shire and developed key strategies including:

- Dungog Shire Rural Strategy 2003
- Economic Community Strategy Beyond 2003
- Dungog Shire Tourism Development and Marketing Plan - Diagnostic Report and Action Plan
- Assessment of Aboriginal Archaeological Sites in Dungog Shire
- Dungog Shire Bicycle Plan
- Dungog Shire Vegetation and Biodiversity Study
- Dungog Biodiversity Study - Clarence Town
- Dungog Biodiversity Study – Paterson
- Paterson River Floodplain Management Study and Plan

The most common State Government Planning Legislations that are applicable in Dungog Shire relate to Bushfires and to the clearing of native vegetation in non-urban areas. In response they have developed a bushfire map and Planning for Bushfire Regulations document in accordance with the Rural Fires Act.

Approval from Hunter Central Rivers Catchment Management Authority is required for clearing native trees, bushland and other native vegetation in non-urban areas in conjunction with the Threatened Species Act and Native Vegetation Act.

Dungog Local Environmental Plan 2014 Minimum Lot Sizes for subdivision

The Dungog LEP 2014 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 Dungog Development Control Plan, are site specific and or subject to other planning considerations. In summary the stated Dungog minimum lot sizes for subdivision are as follows: -

ZONE	MINIMUM LOT SIZE
R1 General Residential	500 square metres
R5 Large Lot Residential	8,000 square metres
RU5 Village	2,500 square metres
E4 Environmental living	5 Hectares
RU1 Primary Production	60 Hectares
E3 Environmental Management	300 Hectares

Local Government Valuation Market Information

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



MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST

Market Overview

In terms of value changes in Dungog local government area, there was a slight increase in overall land values from 2017 through to 2018. The increase in land values was primarily within the residential market sector and within some market segments within the rural sector.

The upward trend in land values, particularly within the residential sector was largely driven by new land releases of R5 Large Lot zoned residential vacant land and R1 Residential zoned properties in the Clarence Town and Paterson villages.

This resulted in a moderate increase in residential values overall. This was driven mainly by the improved road infrastructure from both Maitland and Port Stephens local government area to the Clarence Town and Paterson villages. The proximity of these villages to the commercial centres of Maitland, East Maitland and Raymond Terrace in addition to Green Hills regional shopping centre has made the villages more attractive to buyers

The slight increase in commercial land values was a follow on from the moderate increase in the residential property sector. Demand for commercial property in the Dungog local government area was driven by all sections of the market which include investors, those moving into the district in addition to local buyers.

This slight increase was also experienced within the industrial market sector. The sector is small and tightly held with demand driven predominately by local buyers.

Rural land values have increased slightly overall. The market sectors comprising small to medium acreages in terms of land size, south of the Dungog Township and particularly in and around both the Paterson and Clarence Town villages showed the most significant growth. The larger rural holdings, particularly north of the Dungog township remained steady.

Sales

To date in the current 2018 Annual Program for the Maitland Contract we have completed sales analysis for over 2,000 sales (over 170 Dungog LGA sales) used to determine the 2018 value recommendations, which have now been accepted and applied by the Valuer General after comprehensive statistical and quality assurance checks were completed by both us as the contractor responsible and by Valuation Services in the function of Audit Managers.

These sales have been used through the component methodology, which currently utilises 25 components and 74 benchmarks being valued to determine the 2018 value recommendations for all of Dungog LGA, which comprises a total of just under 5,200 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	
130-136 Dowling St Dungog	\$1,010,000	22/3/2018	1169.1m ²	Business	
Address	Sale Price	Sales Date	Land Area	Land Use	
215 Dowling St Dungog	\$544,000	19/04/2018	521m ²	Business	
Address	Sale Price	Sales Date	Land Area	Land Use	
17 Lowe St Clarence Town	\$565,000	23/03/2018	4,046m ²	Residential	
Address	Sale Price	Sales Date	Land Area	Land Use	
1739 Dungog Rd Wallarobba	\$1,850,000	26/02/2018	293.6Ha	Rural	
Address	Sale Price	Sales Date	Land Area	Land Use	
78 Masseys Creek Rd Eccleston	\$1,450,000	3/08/2017	567.83Ha	Rural	

Significant issues and developments

■ Council Mergers

Despite the NSW state government's back down on forced council mergers in July 2017, both Dungog and Port Stephens council's remain in continued discussions with regard to a possible merger between both local government areas.

Initial approaches to the merger were rebuffed however, both organisations are exploring the idea of shared services, starting with information technology.

Without the proposed merger Dungog council remains in a difficult financial position and has been reported to run budget deficits for a number of years.

■ Boatfalls Residential Estate - Clarence Town

With stages 1-5 of the large lot residential estate mostly sold, the final stage of this 6 stage development is almost finished with landscaping and fencing now being put in place.

The final stage as at the original concept plan comprised a further 14 lots of varying land size. We expect marketing to begin shortly with demand for these lifestyle lots still remaining strong.



SIGNIFICANT VALUE CHANGES FROM 2017 - 2018

During the 2018 program there were few significant value changes from 2017 to 2018. The most significant increases in land values occurred in the following areas:

R1 General Residential land in Clarence Town with an increase of approximately 10.1%.

R5 Large Lot Residential land with an increase of 10%

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

Quality Assurance

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 Property NSW – Valuation Services.

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 at <http://www.valuergeneral.nsw.gov.au/>

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