

2018 KYOGLE MARKET REPORT

Craig Bisley

SOUTHERN CROSS VALUATION SERVICES

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
Disclaimer – Purpose of this Report.....	2
Kyogle LGA Overview	4
Number of properties valued this year & the total land value in dollars	4
Principal Towns & Villages.....	5
Kyogle	5
Bonalbo Village.....	5
Cawongla Village.....	5
Mallanganee Village.....	5
Old Bonalbo Village	5
Tabulam Village.....	5
Wiangaree Village	6
Woodenbong Village.....	6
Main Industries	6
Significant Retail Centers.....	6
Type of Residential Development.....	6
State & Local Government Legislation for LGA.....	7
Kyogle Development Control Plan 2014.....	7
Market Overview & Sales of Particular Interest	8
Residential.....	8
Rural Holdings	8
Commercial & Industrial	9
Significant Issues and Developments.....	9
Significant developments – from prior to currently annual valuation	9
Significant Value Changes	10
Overview of the Quality Assurance Process	11

EXECUTIVE SUMMARY

KYOGLE L.G.A DISTRICT 158 – BASE DATE 1ST JULY 2018

SIGNIFICANT VALUES

There was a strong increase in land values across the Kyogle local government area between 2017 and 2018, driven by the strong increase in rural land values which make up the greater part of property values for the area. Residential, commercial and industrial land values remained steady.

Local drivers included demand from out of area purchasers, the affordability of rural production land in this locality, together with its proximity to the Greater Brisbane area.

SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Residential land values in Kyogle remained steady between 2017 and 2018 due to well-balanced supply and demand.

SUMMARY OF VALUATION CHANGES TO RURAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Rural land values across the Kyogle local government area generally showed a strong increase. This was due to the strong demand for primary production properties.

Demand for primary production properties has been influenced by strong commodity prices into early 2018, improving transport corridors to Brisbane as well as the drought having less impact in this locality.

Land values for hobby farms east of the Richmond Range showed a slight increase, while hobby farm land values west of the Richmond Range, Jiggi and Hanging Rock remained steady due to a lower demand in these localities.

Smaller rural-residential properties east and west of the Richmond Range remained steady due to well balanced supply and demand.

SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Commercial land values in Kyogle local government area have continued to remain steady between 2017 and 2018, with demand meeting supply.

SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

The limited Kyogle industrial zone remained steady over the past year, with little demand for this property type.

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 Kyogle.

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.

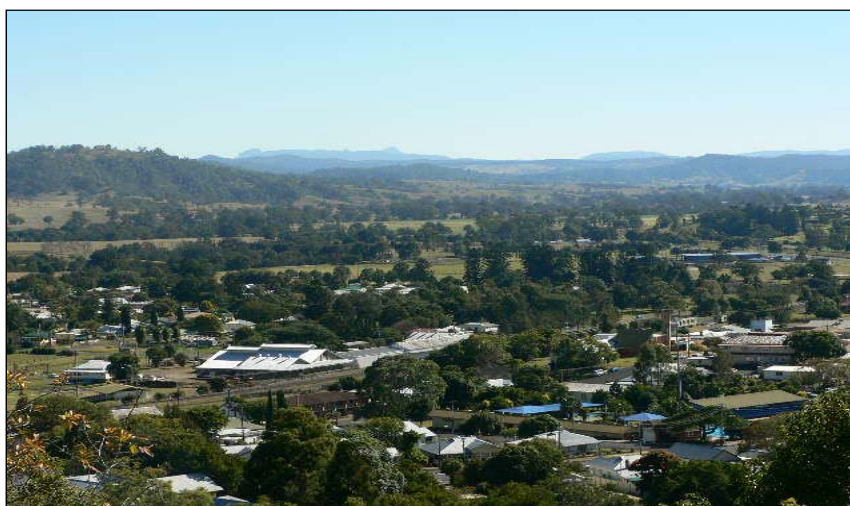
The land values made in accordance with the valuation program have been made for rating and taxing purposes only, therefore, the land values should not be used for any other purpose. No reliance should be made on the contents of this report. To the extent permitted by law, the Valuer General and Sydney Valuers Pty Ltd t/a Southern Cross Valuation Services disclaim 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.

KYOGLE LGA OVERVIEW

The Kyogle Council area is located in the far north coast of New South Wales. Kyogle shire is located adjoining the QLD border to the north and stretches south towards Casino and Richmond River Shire in the south. The east boundary is Lismore Shire with Tenterfield in the west. Kyogle shire is approximately 765kms north of Sydney by road. The Shire is approximately 3589 square kilometres in total area. The Local Government Area (LGA) is adjoined by five other NSW LGA's and the Queensland Border. The five shires are, Tenterfield, to the west, Clarence Valley to the South and along the eastern boundary, Tweed, Lismore & Richmond Valley Council areas.



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

The Kyogle Shire Council Local Government Area comprises Residential, Rural, Commercial, Industrial, Infrastructure, and Public Recreation zones.

Over 5,300 properties were valued at the Base Date 1 July 2018 and valuations are reflective of the property market at that time. Previous Notices of Valuation issued to owners for the Base Date 1 July 2017. The Kyogle property market has shown a moderate increase across all sectors. The Kyogle LGA is a highly regarded rural locality due to its temperate climate, elevation, soil quality, location close to the Queensland Border and its reliable rainfall. Purchasers are attracted to the proximity to regional and metropolitan centres and its rural industries.

Valuation changes in the Local Government Area have moved from a total of **\$1,144M** on 1 July 2017 to **\$1,271M** at 1 July 2018, showing an overall increase of 11%.

KYOGLE ZONE TOTALS

Zone	2018 LV	2017 LV	General LV	% change	Band	Trend
Residential	\$180,083,930	\$179,592,830	\$178,011,530	0.27	0	Steady
Commercial	\$14,161,900	\$14,161,900	\$14,161,900	0	0	Steady
Industrial	\$4,202,000	\$4,202,000	\$4,040,860	0	0	Steady
Rural	\$1,067,849,570	\$941,513,710	\$830,204,850	13.42	3	Strong increase
LGA	\$1,271,567,050	\$1,144,740,090	\$1,031,688,790	11.08	3	Strong increase

PRINCIPAL TOWNS & VILLAGES

KYOGLE

Kyogle is a town in the Northern Rivers region of northern New South Wales, of approximately 4000 people. Founded in the 1830's as a lumber camp, Kyogle also lies on the banks of the Richmond River. The derivation of the name "Kyogle" is believed to have come from the Aboriginal Bundjalung word Kaiou-gal – meaning place of the Plain turkey or Bustard. The District was first noted by Crown Lands Commissioner Oliver Fry, in 1844 and was generally believed to be settled shortly after. Kyogle Township celebrated its centenary on the 28th November 2001. Kyogle is known as a "gateway" to many national parks including Border Ranges National Park and Toonumbar National Park. Kyogle won the "Young Legends" category award at the 2012 Australian Tidy Town Awards.

BONALBO VILLAGE

This quaint village's name is interpreted from the Aboriginal word 'bunawblu' meaning bloodwood tree which are dotted throughout the region's lush forests. Bonalbo is also the centre for the surrounding areas for timber, dairying and cattle-grazing industries.

CAWONGLA VILLAGE

Cawongla is a tiny, beautiful village surrounded by the lush green foothills of the Mt Warning caldera and charming old Federation-style timber homes. The Cawongla community spreads out into the surrounding area and is made up of about 300 people. The village sits only 15 minutes east of schools and shops of Kyogle and is only 20 minutes northwest of Nimbin. The village has its own general store, which doubles as a restaurant and makes a very fine pizza, and pre-school/kindergarten in the lovely grounds of what was once the village's primary school. The village post office is officially the world's smallest and can be found 10 minutes to the south at Rock Valley. Cawongla connects to the communities of Kyogle, Wadeville, Barkers Vale, Lillian Rock, Blue Knob, Stoney Chute, Nimbin, Larnook, Rock Valley, Georgica, and Jiggi.

MALLANGANEE VILLAGE

The heritage village of Mallanganee is situated 40kms west of Casino on the Bruxner Highway, between Casino and Tenterfield. Mallanganee is an aboriginal name meaning a "Place, of Tall Pines". With a population of less than 200, Mallanganee is the first village "West Of The Range", on the western side of the Richmond Range, at an elevation of 400m.

OLD BONALBO VILLAGE

The village was established to cater for the growing population of 'Cedar Getters' seeking the red gold from the surrounding forests and the arrival of graziers establishing vast landholdings. Old Bonalbo began life in the mid nineteenth century as the original site for the village of Bonalbo.

TABULAM VILLAGE

Small village on the Northern Tablelands between Tenterfield and Casino. Tabulam is a quaint village of 150 people located in a rather beautiful setting on the Bruxner Highway between Tenterfield (73kms) and Casino (58kms).

WIANGAREE VILLAGE

A rural based community with a population of around 130. At Wiangaree you turn off for the western entrance of the World Heritage listed (link) Border Ranges National Park. On the banks of the Richmond River, Wiangaree's rural surrounds consists of dairying, beef farming and general horticulture activities.

WOODENBONG VILLAGE

Woodenbong is largely a timber and cattle town located approx 55kms NW of Kyogle and only 10kms from the Qld border. Woodenbong is a community of about 600 people, 330 in the village itself.

MAIN INDUSTRIES

Kyogle Shire's major primary industries include timber, beef production and dairying to a lesser degree in today's economic base, supported for example with a range of crops including Soya beans, barley and maize or corn.

Agriculture and Forestry makes up over 50% of all business in Kyogle and employs 21% of the work force directly. The other main employers in this region are in Education 12.3%, Health 10.2%, Retail 11.3% and Manufacturing at 8.9%.

Hurfords have completed construction of their new building on the old Norply site (destroyed by fire in November 2007) which has helped employment in the area with 50 employees.

Examples of other specialist areas are rabbit production and crops include growing of grass seed as well as the production of nuts, bamboo, tea and coffee.

Timber harvesting operations and plantations have seen a significant demise with the sale of many forestry properties with it being acknowledge that the wrong type of eucalypts were grown on many of the timber plantation properties. Currently many of these properties are undertaking major transformations in converting them back into grazing pasture. Kyogle local government area has undergone a period of unprecedented land use change due to the extensive timber plantation resource being established. The timber industry has historically been a significant contributor to the economy of the Kyogle Council area.

SIGNIFICANT RETAIL CENTERS

Kyogle town is the only significant retail centre located within the large Shire and consists of a "strip centre" which is located in the main street, being Summerland Way which passes through the town. A new IGA supermarket and 3 shops opened on the 4th August 2011 at the bottom end of the shopping centre, a major improvement for the town centre. Bonalbo, Woodenbong, Mallanganee and Tabulam have small commercial areas

TYPE OF RESIDENTIAL DEVELOPMENT

Kyogle Township development consists predominantly of single residential home sites with very few villa and unit developments, all within close proximity to the commercial area. The demand for older federation homes on larger blocks is evident with premium prices being paid followed by extensive renovations. There is also evidence of renovations to federation type houses in the villages, in particular, Wiangaree, Woodenbong and Bonalbo.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

The Kyogle Local Environmental Plan 2012 (KLEP 2012) has received final approval and commenced from its notification on the NSW Legislation website on 11 February 2013. 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.

There have been 2 amendments to the 2012 Kyogle LEP since September 2017. These amendments have been identified & investigated with no major alterations to value levels at this time.

State Environmental Planning Policy Amendment (Child Care) 2017. LW 1.9.2017.
Kyogle Local Environmental Plan 2012 (Amendment No 12). LW 22.9.2017.
Kyogle Local Environmental Plan 2012 (Amendment No 9). LW 8.12.2017.
Standard Instrument (Local Environmental Plans) Amendment (Coastal Management) Order 2018. LW 23.3.2018.
Standard Instrument (Local Environmental Plans) Amendment (Minimum Subdivision Lot Size) Order 2018. LW 20.4.2018.
Forestry Legislation Amendment Act 2018. Assented to 27.6.2018.

KYOGLE DEVELOPMENT CONTROL PLAN 2014

The DCP is to be read in conjunction with the Kyogle Local Environmental Plan 2012 (the LEP). The DCP seeks to give effect to the aims and objectives of the LEP by providing guidelines for development that is permissible with consent under the LEP,

Zone	Minimum Allotment Size		
Residential	R1 R3 RU5	500sqm	Refer – Kyogle LEP 2012 Lot Size Map
	Large Lot Residential	R5	
Rural	RU1 RU2 RU3 RU4	<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 – Kyogle LEP 2012 Lot Size Map
Business	B2	Council Consent required	Refer – Kyogle LEP 2012
	B4		Lot Size Map
Industrial	IN1	1500sqm	Refer – Kyogle LEP 2012
	IN2		Lot Size Map

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

Southern Cross Valuation Services has a valuation team who have undertaken significant analysis of the Kyogle district property market to provide an accurate and reliable basis of valuation. Approximately 280 sales have been analysed 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 needed, to be in line with market movements. As the prior table has demonstrated overall there has been a strong increase of 11% across all zones, however, this is predominantly a reflection of the rural movement. Attention has also been taken in localities that may have seen increases & decreases over the past 12 months.

RESIDENTIAL

Since July 2018 values remained steady, in Kyogle. The Villages currently are still showing no change. Kyogle and Geneva have seen only 6 vacant sales this year, providing no clear evidence of movement.

There is still a consistent interest in residential properties in the town of Kyogle & Geneva. The average days that a house is listed on the market has improved over the last 12 months decreasing from 82 days to 72 days. Median rent prices have experienced a growth over the last twelve months, with investors receiving approximately \$290 a week.

There are numerous properties for sale in all the villages, the market is slow with increasing enquiries. The Villages have seen 2 vacant sales, 1 in Tabulam, and 1 in Wiangaree. The number of sales overall has been slightly higher than last year.

RURAL HOLDINGS

Overall rural land values over the past year have shown a strong increase. In the last twelve months 2017-2018 the values have increased by 13%, this increase has occurred due to strengthening demand in primary production properties, which tend to be larger and often as a result a higher value than the smaller homesite properties which actually generally showed a steady value movement.

Demand for primary production properties has been influenced by improving transport corridors to Brisbane as well as the drought having less impact in this locality.

Hobby farms (10-50ha) east & west of the Richmond Range showed a slight increase, bridging the gap between homesite and primary production values.

Demand for primary production grazing properties has been influenced by the high beef return rate from 2016 to April / May 2018.

There have been significantly fewer sales of failed / bankrupt plantations, allowing the market to strengthen. Many of these purchased ex forestry blocks are undertaking major conversions back into grazing land. A combination of the low purchase price and the increased grazing land value has made it economic for the new owners to use large vehicles to clear, level and generally return the land to a high standard, the condition in some cases superior to that of some of the existing surrounding grazing land. Some Examples of these are nearby the town of Bonalbo.

Larger Rural Residential / Lifestyle properties, land use values have shown a slight increase, especially the larger properties with adequate grazing land. There were a few more sales than last year but still few available for sale within the Barkersvale, Lillian Rock and Green Pigeon areas. Overall the number of sales is fairly constant.

Rural Residential / Homesite properties, land use values are steady. Sales were light in some areas, within the Barkersvale, Lillian Rock and Green Pigeon areas. Overall the number of sales is fairly constant.

COMMERCIAL & INDUSTRIAL

Commercial & Industrial properties values within Kyogle are constant, with no change over the last few years.

There has only been 7 sales in the commercial zones, however, these included 4 residences. There was no evidence indicating a movement in the market values for Commercial land. There has been no industrial sales or evidence, therefore values have remained the same for the 25 industrial zoned properties.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENTLY ANNUAL VALUATION

There has not been any significant developments or applications for development outside those that are permissible under the current zoning and therefore no special consideration is required.

The only activity of interest is Kyogle's newly completed 600m flood levee system which will help protect about 65 homes and about 12 commercial and industrial properties from a one in 10 year flood. \$1.4 million in State Government grant funds was provided to build the \$1.8 million flood levee and breakout channel project at Fawcetts Creek under the 2014-15 Floodplain Management Program. This levee means the Flats' community is more resilient and better protected against potential flooding.

With the assistance of a federal grant of \$4.4m towards 14 bridge repairs, works have been carried out on various rural bridges over the year.

Works have been carried out on upgrades to Bonalbo Hospital and a skate park at Tabulam as part of a government multipurpose funding as well as the commencement of the new Kyogle museum.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUES

There was a strong increase in land values across the Kyogle local government area between 2017 and 2018, driven by the strong increase in rural land values which make up the greater part of property values for the area. Residential, commercial and industrial land values remained steady.

Local drivers included demand from out of area purchasers, the affordability of rural production land in this locality, together with its proximity to the Greater Brisbane area.

SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Residential land values in Kyogle remained steady between 2017 and 2018 due to well-balanced supply and demand.

SUMMARY OF VALUATION CHANGES TO RURAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Rural land values across the Kyogle local government area generally showed a strong increase. This was due to the strong demand for primary production properties.

Demand for primary production properties has been influenced by strong commodity prices into early 2018, improving transport corridors to Brisbane as well as the drought having less impact in this locality.

Land values for hobby farms east of the Richmond Range showed a slight increase, while hobby farm land values west of the Richmond Range, Jiggi and Hanging Rock remained steady due to a lower demand in these localities.

Smaller rural-residential properties east and west of the Richmond Range remained steady due to well balanced supply and demand.

SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Commercial land values in Kyogle local government area have continued to remain steady between 2017 and 2018, with demand meeting supply.

SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

The limited Kyogle industrial zone remained steady over the past year, with little demand for this property type.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

Property NSW has been provided with a detailed Valuation Analysis Report. This details the Quality Assurance Process of Southern Cross Valuation Services, and outlines that the verification process has been followed 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 basis' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or 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.

REPORT

PREPARED BY:

Craig Bisley



Registered Valuer No. 29844

SOUTHERN CROSS VALUATION SERVICES



Brigid Chapman A.A.P.I. (Val)
Registered Valuer No. 3206
Managing Director
SOUTHERN CROSS VALUATION SERVICES
10/11/2018