

2018 LISMORE MARKET REPORT

GRACE BOSTOCK

SOUTHERN CROSS VALUATION SERVICES

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EXECUTIVE SUMMARY

LISMORE L.G.A DISTRICT 159 – BASE DATE 1ST JULY 2018

SIGNIFICANT VALUES

Overall, land values in the Lismore local government area have experienced a moderate increase from 2017 to 2018.

Residential and rural land values have seen a moderate increase while industrial land values have experienced a slight increase and commercial land values have remained steady.

SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Residential land values increased moderately, due to demand for more affordable properties than in coastal areas. This occurred in Lismore and villages throughout the local government area.

Properties in the Lismore basin showed the greatest increase, recovering from the March 2017 flood.

SUMMARY OF VALUATION CHANGES TO RURAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Rural land values showed a moderate increase between 2017 and 2018. Proximity to Brisbane and relative affordability compared with the Byron market, have influenced an increased demand for smaller home sites, hobby farms and farming land.

SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Commercial land values showed a slight increase compared with higher demand in adjoining coastal areas. The market is still recovering from the March 2017 flood with many businesses not recommencing operations until late in 2017.

SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Overall, industrial land values have remained steady between 2017 and 2018 in the localities of Lismore and Goonellabah with well balanced supply and demand.

Light industrial land in Lismore has shown a moderate increase in land values and demand following the 2017 flood event in Lismore.

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 Lismore.

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.

LISMORE LGA OVERVIEW

Lismore City Council area is located in the Far North Coast of the State of New South Wales, approximately 765kms north of Sydney & 200kms south of Brisbane QLD. Lismore district has a total land area of some 128,779 ha. The Lismore Local Government area extends from North Woodburn in the south to Nimbin in the north and from Clunes in the east to just west of Goolmangar. Lismore CBD is located approx.. 35kms from the eastern coast.

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

The Lismore City Council Local Government Area comprises of Residential, Rural, Commercial, Industrial, Infrastructure, Environmental, Public Recreation & Scenic Protection zones.

Approximately 18,000 properties were valued at the Base Date of 1 July 2017, and valuations are reflective of the property market at that time. The Lismore property market has shown a slight increase has occurred across most zones. Commercial & Industrial showing values remaining steady due to major floods in March/April this year, this has caused a multitude of disruptions & ongoing problems for many businesses in Lismore and surrounding flood liable areas. Still strong interest in purchasers have been from Sydney and further south wanting a sea change in the Far Northern NSW region and other have been Queensland purchasers wanting to get into the NSW market nearer to the QLD/NSW border, for weekends/holidays & investment growth.

Valuation changes in the Local Government Area have moved from a total of **\$3,552,727,830** on 1 July 2017 to **\$4,091,526,062** at 1 July 2018, showing an overall increase of 8.82%.

LISMORE 2018 ANNUAL VALUATION PROPERTIES VALUED & TOTAL LAND VALUES					
ZONES	Zone Codes	Number of Entries	2018 Total Land Value (\$)	Prior Annual Valuation (2017)	% Change
Residential	R1, R2, R5, RU5	11991	\$2,108,310,881	\$1,928,110,981	9.35
Rural	RU1, RU2	4745	\$1,624,061,800	\$1,411,312,408	9.41
Commercial	B1, B2, B3, B4, B6	705	\$194,101,631	\$185,865,118	4.43
Industrial	IN1, IN2	456	\$92,321,450	\$91,367,070	1.04

Please note all figures & percentages listed are approximates.

PRINCIPAL TOWNS & VILLAGES

LISMORE/GOONELLABAH

As the region's capital, the City offers a high standard of services with a wide variety of shopping, sporting and leisure facilities. Other services include regional medical, professional and educational facilities including university facilities. The main campus of the Southern Cross University attract residents and students from Australia and overseas. In addition, Lismore is a major centre for arts, sport and cultural activities. Lismore is a culturally diverse community and has been sought after in recent times as part of the “*sea change*” relocation phenomena of the ageing population and general migration trend.

Lismore is the region's major commercial centre but is also considered as a tourism destination and gateway to the region, with its own jet airport and many different roads and highways leading from the city. Lismore is also a cultural centre with festivals, theatre productions and groups and an active regional gallery with monthly exhibitions. Norpa, a regional theatre company, presents national and regional performances, and Southern Cross University draws students from around the country.

Sports are well represented in Lismore, with a quality sporting ground for major events at Oakes Oval, dozens of team sports playing fields & tennis courts, several gymnasiums, horse and greyhound racing tracks and a Speedway Circuit, the largest in the region. The Lismore Memorial Baths have recently been rebuilt and extended, and the opening of the Goonellabah Sports & Aquatic Centre was a well needed asset for the Goonellabah/Lismore community.

The new Woolworths Shopping Centre at Goonellabah opened in August 2012, and the new Aldi Supermarket in October 2016, giving the Goonellabah area extra services with a large Woolworths Supermarket, Woolworths Petrol Station & McDonalds Restaurant, as well as 1,244sqm of specialty retailers.

BEXHILL

Bexhill is a small village 12km north of Lismore and is home to an Open Air Cathedral, butcher shop, general store and a Public School as well as playing fields and churches.

CANIABA

Caniaba is a small village located approx 10kms west of Lismore. The village consists of approx 115 village blocks with the Perrendenya Estate currently being extended on the eastern side of the village with blocks now selling. Rural grazing, horticultural (macadamia farms) and small rural homesites also surround the village.

CLUNES

Clunes is a small village located twenty kilometres north-east of Lismore, on the Lismore to Bangalow road being on the border with Byron Shire. Historically the local dairy industry was first established in this locality. The village is named after an early engineer, Robert Mortimer Clunes; however, Clunes is a Gaelic word meaning "pleasant place". There are some good examples of north coast federation houses in the Clunes district, as well as some fine early Australian church architecture

DUNOON

Macadamia orchards are a dominant feature of the landscape around Dunoon. It is known as the Macadamia Capital of Australia. The macadamia processing plant on the outskirts of the village produces macadamia products which compete on the world market and earns export dollars for Australia. The extension of May/Donaghue Streets – (Avondale Estate) offering larger residential lots within the village community.

ELTHAM

The small village of Eltham can be found 19km east north east of Lismore. It is an agricultural and craft village with a small local hotel.

NIMBIN

Nimbin is surrounded by world heritage National Parks the nearest of these being Nightcap National Park which is only fifteen minutes away. The Nimbin town centre provides a variety of shopping, cafes/restaurants and accommodation. Other services include sports grounds, a club, hotel, schools, medical centre and hospital, post office and churches. Coastal towns like Byron Bay are less than an hour away. An estimated three million people live within three hours of Nimbin and it has a good tourist patronage.

NORTH WOODBURN

Woodburn is a small highway town on the banks of the Richmond River. On the western side of the river is North Woodburn with just over 50 village blocks. This is the most southern area in the Lismore district area. Woodburn is part of Richmond Valley LGA and North Woodburn is in the Lismore LGA, the river is the boundary separating both LGA districts. North Woodburn is approximately 35 kms southeast of Lismore. The town consists of a number of commercial shops, post office, police station, public school, parks & sporting fields. The majority of rural lands surrounding consists of sugar cane & rural grazing lands.

WYRALLAH

Wyrallah is a 10km drive from Lismore on the Wilsons River. Its quiet character belies its once bustling past as an important river town. Tucki Tucki Nature Reserve, a koala haven, is just down the road from the village as is the aboriginal bora ring, in the grounds of the Tucki Tucki Cemetery.

MAIN INDUSTRIES

Lismore City is the main commercial hub of the region with the existing infrastructure including 'Southern Cross University'. The city supports & services the surrounding rural communities and is considered the regional base for the Northern Rivers Area.

Cattle grazing and dairying have been mainstays of the rural economy, (although recently dairying has declined significantly) accompanied by sugar cane production in the Lower Richmond Floodplain. Ti tree production & harvesting of oil was developing an expanding industry, but lower oil prices have decimated the local industry. Macadamia production & processing has become a major part of the local rural economy. Coffee and tropical fruit production is also expanding in the northern area of the Shire.

SIGNIFICANT RETAIL CENTERS

Lismore City is the main commercial area of the region with the existing infrastructure. The city and CBD supports & services the surrounding rural communities and is considered as the regional base for the Northern Rivers Area.

Goonellabah, South Lismore, North Lismore and Wyrallah Rd have significant commercial strips of shops & businesses supporting the area close to Lismore. Nimbin is the only other village that has good retail businesses & shops. All other villages have limited to no retail shops & businesses to service their areas, except for a few village general stores.

TYPE OF RESIDENTIAL DEVELOPMENT

Lismore City is predominantly single residential development with some medium density development increasing with demand over the past couple of years. North & South Lismore has now been rezoned as R2 low density residential, along with flood-prone areas east of Wilsons River. The Goonellabah and Lismore Heights areas have exhibited the main residential growth in the north and eastern areas of Lismore City. The villages are almost all single residential use with some having small commercial support centres. Nimbin has established its own mini economy with strong tourist influence. Tulsi Lane (The Ridges) & Aquarius Estate continue to expand the village.

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

LISMORE LEP 2012

The Lismore Local Environmental Plan 2012 (LEP 2012) has come into effect following its notification on the NSW Legislation website on 22 February 2013.

LEPs control and guide proposed development using land use zones, development standards and various heads of consideration. They also contain a range of provisions, for example, those relating to flooding, heritage, subdivision and vegetation removal.

An LEP is made by Council in consultation with the community, and approved by the Minister for Planning and Infrastructure, in accordance with the Environmental Planning and Assessment Act 1979 and the Environmental Planning and Assessment Regulation 2000. The new Lismore LEP was publicly exhibited in its draft form in 2010 and again in 2011. Modifications were made to the plan after both exhibition periods in response to submissions. The Draft LEP was reported to Council on 10 November 2011 and 31 May 2012.

The Lismore LEP 2012 brings the Local Government Area into line with other parts of the State which have adopted new LEPs using a standard template prepared by the State Government. The new LEPs have a more consistent language, while providing some degree of local flexibility.

Lismore LEP 2012 provides additional land for residential, business and industrial uses, while maintaining around 85% of the Local Government Area within a rural zone.

There have been numerous amendments to the 2012 LEP since October 2017. Of these 5 amendments have resulted in review & alterations to value levels which were addressed on supplementary valuations carried out to the valuation roll where relevant.

Lismore Local Environment Plan 2012 (Amendment No 22)

Lismore Local Environment Plan 2012 (Amendment No 24)

Lismore Local Environment Plan 2012 (Amendment No 25)

Lismore Local Environment Plan 2012 (Amendment No 26)

Lismore Local Environment Plan 2012 (Amendment No 27)

Lismore Local Environment Plan 2012 (Amendment No 28)

LISMORE DEVELOPMENT CONTROL PLAN

The Lismore Development Control Plan applying to land where LEP 2012 applies. The Lismore Development Control Plan is comprised of two parts – Part A and Part B.

Part A contains controls that apply to particular forms or aspects of development generally throughout Lismore. Part B contains more specific controls that are applicable to specific areas. Both Part A and Part B may be applicable to a development and are to be read in conjunction with each other.

Zone		Minimum Allotment Size	
Residential	R1	400sqm	
	R2	500sqm	
Village	RU5	1000sqm	
	Village	2500sqm	
Large Lot Residential	R5	2500sqm	
Rural	RU1	40ha	40ha or 20ha if previously zoned 1(b) under LEP2000
	RU2	40ha	40ha
Business		Council Consent required	
Industrial	IN1	1500sqm	minimum lot size does not apply to industrial strata or community title lots
	IN2	1500sqm	

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

Southern Cross Valuation Services (SCVS) have a team that has undertaken significant analysis of the Lismore City Council district property market to provide an accurate and reliable basis of valuation. Approximately 610 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. SCVS undertakes this process using the Paired Sales Approach and Replacement Cost Approach.

In analysing sales prior & after the base date 1/7/2018, care has been taken to adjust the price where it needed, to be inline with market movements. As the prior table has demonstrated overall there has been 0 to 7% increase across all zones. Attention has also been taken in graded areas that have seen larger increases & decreases over the past 12 months.

RESIDENTIAL

Since 1st July 2017 values have increased, with majority of residential areas showing moderate to strong increases in and around Lismore, Goonellabah, North & South Lismore. The strongest movement was experienced around the Lismore Basin area, due to the strengthening in the past 12-16 months since the March 2017 floods.

Village land values have shown a moderate increase. Large lot residential showing slight increases overall.

Low Density residential North & South Lismore has seen volume of sales remain quite steady since last year, and market has supported the moderate increases in values adopted.

Overall residential zones in the Lismore city area have consistently increased marginally, not as well as neighbouring coastal towns, but sales still support that low-mid range properties near the coast are in demand and majority of values are still improving. Agents have advised that they are getting healthy numbers of new listings from home owners due to the selling prices that are still being achieved.

The desire to live in smaller villages within easy access to Lismore continues as demonstrated by sales activity. Bexhill, Clunes & Dunoon showing moderate increases. Along with Caniaba, Gundurimba, Goolmangar, Wyrallah, Nimbin, The Channon & North Woodburn. Large Lot residential sales have shown a moderate increase in values during the past 12 months.

Vacant land sales in Goonellabah has shown that good size blocks are reaching between \$170,000 - \$250,000, in the newly release extension of Waratah drive (Stage 6 – Waterford Park Estate). All these sales also depend on other factors ie views, size, location, surrounding development & nearby amenities. But an increase in interest is definitely evident in sales that have occurred & sales off plans on subdivision development currently being constructed. Various New Developments have been under construction during the year, including those off Holland St (Earls Court). Valley View Estate Richmond Hill, Just Street Goonellabah (Stage 4 Mount Pleasant Estate).

RURAL HOLDINGS

Overall rural land values have shown a moderate increase in the past 12 months. This has been supported in all land classes across the Lismore LGA areas.

The majority of rural zoned properties have been bought for home sites with approx. 130 sales recorded over the past 12 months. The demand for homesites close to the coast has resulted in moderate increases across all areas in the LGA. A small number of properties close to the Byron border have had a strong increase in values, due to prior land value being conservative, but supporting sales nearby & a few vacant land sales support these movements.

Hobby farms & larger rural holdings have shown good volume of sales, supporting moderate increases in values across most of the LGA area, with the northwestern area (Nimbin, Stony Chute, The Channon & surrounding) having slightly higher increases.

The price of macadamia nuts over the past few years has improved, this has resulted in steady demand for horticultural land, which has resulted in a slight to moderate increase in values overall.

Cane lands have seen a moderate increase in values over the last 12 months. This year the NSW sugar mills expect high production records of harvested sugar and confidence appears to have returned to the market place with the current reasonable price being paid for their sugar.

COMMERCIAL & INDUSTRIAL

Over the past 12 months Commercial values have shown a slight increase, which is an improvement since last year with the 2017 March flooding which caused major damage, loss of stock & trade, resulting in very limited sales.

With just over 700 commercial properties in the Lismore, with the majority being in the Lismore/Goonellabah areas. There were approx. 20 reliable sales which occurred between 1 July 2017 & September 2018. These sales resulted in slight increases across all commercial zones.

Majority of Industrial values have been steady over the past 12 months, this is supported by 22 reliable market sales. Light industrial has seen a slightly more moderate increase of about 5%.

SIGNIFICANT ISSUES AND DEVELOPMENTS

There were limited significant developments in Lismore in the last twelve months. Most of these Development Applications were for developments permissible within the current zoning therefore no special consideration was required.

Significant Development Applications approved

198 Gungas Rd Nimbin – DA17/422 – 20 Lot Subdivision – Approved 18/6/2018

Significant Development Applications lodged – awaiting decision

DA18/291 – 5A Apo Street Goonellabah – 12 Lot Subdivision – lodged 6/8/2018

DA18/62 – 41 Dunromin Drive Modanville – 9 Lot Subdivision – lodged 22/2/2018

Subdivisions released & selling over the past 12 months include Holland St (Earls Court). Valley View Estate Richmond Hill, Just Street Goonellabah (Stage 4 Mount Pleasant Estate), Waterford Park Estate (Stage 6), Cameron Park Estate – McLeans Ridges.

SIGNIFICANT VALUE CHANGES

A small number of rural homesites & hobby farms in the Rosebank/Eureka area, which has shown a moderate to strong increase in values, this is supported by surrounding sales, current market, adjoining Byron shire sales and influences.

A small number of village lots in Main Street Clunes & Eltham village have also increased substantially, values were found to be too low in consideration of supporting sales and other similar properties nearby.

OVERVIEW OF THE QUALITY ASSURANCE PROCESS

Property NSW has been provided with detailed valuation analysis reporting, which details the quality assurance process of Southern Cross Valuation Services and outlines that the verification process and certifies that land values meet all statistical measures and component data analysis. In addition, a quality statement and lists of high value and high risk properties is also provided in the valuation analysis reporting. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value bases have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or re ascertainment process were individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values.

Benchmarks and reference benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 7.2.1. Worksheets have been maintained on all properties where calculations are required. We have also ensured that adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

REPORT

PREPARED BY:



GRACE BOSTOCK CPV

SYDNEY VALUERS PTY LTD t/as

SOUTHERN CROSS VALUATION SERVICES

9th November 2018