

2018 RICHMOND VALLEY MARKET REPORT

BRIGID CHAPMAN

SOUTHERN CROSS VALUATION SERVICES

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EXECUTIVE SUMMARY

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

SIGNIFICANT VALUES

Overall, land values in Richmond Valley local government area increased moderately between 2017 and 2018, with this trend consistent across all market segments, with the exception of industrial land values, which, coming off a low land value base showed a very strong increase.

Land values continued to be influenced by demand from 'tree change' purchasers and greater affordability compared with other northern localities.

SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Residential land values consistently increased at a moderate rate with a stronger market than recent years. Demand continues to be driven by demand from Brisbane buyers for affordable properties within commuting distance of Brisbane.

The only areas not following this trend was the villages of Rappville and Whipporie, which remained steady, having reduced demand to other areas due to their remote locations and limited services in comparison to other villages.

SUMMARY OF VALUATION CHANGES TO RURAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

The rural market showed a consistent moderate increase across the local government area due to the affordability in this locality of production and rural residential land.

SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Commercial land values showed a moderate increase across Richmond Valley local government area between 2017 and 2018, in line with the rest of the local market.

SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Industrial land values increased very strongly across the local government area with the biggest increases occurring in the main industrial centre of Casino with the values coming off a low value base. The main cause of these increases has been the industrial market catching up with residential values.

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 Richmond Valley.

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.

RICHMOND VALLEY LGA OVERVIEW

Richmond Valley is a coastal shire extending inland with a mix of residential and rural uses predominantly. There has been some relocation to the area over the past 25 years for a “sea change” or a “tree change” and the area has developed as a result of this influx.

The Richmond Valley Shire area is located on the North Coast of New South Wales, approximately 785 kilometres north of Sydney in the Northern Rivers Region of New South Wales. Richmond Valley Shire Council comprises a land area of approximately 24,551 square kilometres and stretches some 85 kilometres from the coastline inland to the foothills of the Great Dividing Range, which predominantly includes a rural base of timbered and cleared plains. The Local Government Area (LGA) is adjoined by four other LGAs – Richmond Valley Shire to the north on the coast, Kyogle Shire to the north west and Lismore City Council to the north central and Clarence Valley Shire to the south.

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

The Richmond Valley Shire Council Local Government Area comprises Residential, Rural, Commercial, Industrial, Infrastructure, Water Ways, Environmental (Deferred Matters) and Public & Private Recreation zones.

Over 10,000 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 2016. The Richmond Valley property market has increased moderately across all sectors. The Richmond Valley LGA is a highly regarded rural locality due to its temperate climate, elevation, soil quality, location close to the coast and its reliable rainfall. Purchasers are attracted to the facilities of the regional centre and its industry.

Valuation changes in the Local Government Area have moved from a total of **\$1,833,195,740** on 1 July 2017 to **\$1,947,769,900** at 1 July 2018, showing an overall increase of 6.25%.

Richmond Valley 2018 ANNUAL VALUATION PROPERTIES VALUED & TOTAL LAND VALUES					
Zone	Zone Codes	Number of Entries	2018 Total Land Value (\$)	Prior Annual Valuation (2017)	% Change
Residential	R1, R5, RU5	6500	1,022,830,080	970,179,610	5.43
Rural	RU1, RU3	3200	799,754,710	751,343,790	6.44
Commercial	B1, B2, B3	315	59,799,870	56,825,960	5.23
Industrial	IN1	170	42,314,400	32,888,540	28.66

Please note all figures & percentages listed are approximates.

PRINCIPAL TOWNS & VILLAGES

CASINO

Casino is the principal town located in the north western area of the shire.

Casino town straddles the Richmond River where the picnic spots and weirs are a drawcard for tourists. In this region the town is the hub of all the major east/west and north/south transport routes, as the Bruxner Highway passes through to link the northern tablelands with Lismore, while the Summerland Way connects with Kyogle, Brisbane and Grafton.

Casino is the commercial service centre of the Shire providing support for the surrounding rural hinterland. The beef industry is a major contributor with all facets of the industry being represented within the Shire as the major industry employer. The abattoirs, meat processing and cattle sales are all a major part of the industry.

It has an approximate population of 12,000 people.

EVANS HEAD

Located on the shores of the Pacific Ocean, Evans Head is the eastern town of the Shire. According to the Richmond Valley Council, almost 30 per cent of those living in the area are over the age of 55. The town is surrounded by national parks and the coastline has long sandy beaches, river estuary and headland. Open sea fishing and the surrounding National park areas make Evans Head a popular holiday destination. There is generally a high demand for real estate in this hamlet.

There is also a greater interest here in density properties with approximately half of the 900 or so residential properties in the village zoned for density.

BROADWATER

The site of one of the early settlements on the Richmond River, Broadwater is a small village with its economy centred around the sugar mill which is located right in the heart of the village.

The implementation of a new sewer disposal system with individual pumps at each property and the works on the town bypass by the Pacific Highway has added renewed interest in real estate in this Village.

RAPPVILLE

The village of Rappville is quite small, with the main purpose of servicing some of the local timber and beef industry property holdings in the adjoining hinterland. The village is 20kms south of Casino just off the Summerland Way between Grafton & Casino with just under 50 properties.

WOODBURN

In the process of being bypassed by the Pacific Highway and on the banks of the Richmond River, Woodburn provides a welcome stopping place for travellers. The town is an excellent focal point for many water sports, including skiing, sailing, swimming or a spot of fishing along the river banks. The CBD caters for the passing tourists and general provisions for the local community.

MAIN INDUSTRIES

Dairying dominated the early farming of the shire but today much of the land has been turned over to raising beef cattle. Casino is a major regional centre for Beef cattle production with the abattoir being located on the Western periphery of the town. This is a major employer in the town and Casino is sensitive to the “beef” economy.

The Richmond Valley/Casino district was first pioneered overland from the Clarence River district in search of the 'red gold' or cedar trees. Closer to the coast sugar cane has become a major industry with the Mill at Broadwater.

Soya Beans & fishing are also prevalent in the district. Ti-tree plantations have been established in recent years but returns have dropped dramatically reducing the number of operators in the District.

The areas' natural features (rich soils, temperate to sub-tropical climate and high rainfall) culminate to provide an ideal environment that accommodates a variety of agricultural and horticultural pursuits. Because of the areas' ability to support and sustain a variety of rural activities, council management of its natural resources has a strong agricultural focus. There is currently a review of planning for Prime Agricultural land being completed in the Valley.

SIGNIFICANT RETAIL CENTERS

Casino is the commercial hub of the Shire providing commercial services to the surrounding rural hinterland. The beef industry is a major contributor to the economy with all facets of the industry represented in the Shire as a major employer. Evans Head, Woodburn and Coraki also have small commercial centres. Evans Head commercial area has been improved with appropriate aesthetic and landscaping improvements to the main street.

TYPE OF RESIDENTIAL DEVELOPMENT

All of the townships are predominantly single residential development. Medium density development has been increasing in demand in Evans Head due to its increased demand as a retirement location and the increasing property values. There has been a recent interest in small medium density developments in Evans Head. Casino too has had a slight increase in its medium density demand. The smaller villages are essentially single residential with a lack of demand for density development

STATE & LOCAL GOVERNMENT LEGISLATION FOR LGA

RICHMOND VALLEY LEP 2012

The Richmond Valley Local Environmental Plan 2012 (RVLEP 2012) has received final approval and commenced from its notification on the NSW Legislation website on 23 December 2011. It replaces all local environmental plans that previously applied to the Local Government Area. Council's Development Control Plans are also amended as a consequence, including the introduction of new clearing controls in the residential zones.

There has been 1 amendment to the 2012 LEP since October 2017, rezoning part of a property at Spring Grove from RU1 to R5 permitting lot sizes of 7000 sqm. This amendment has been identified & investigated with no major alterations to value levels at this time.

Richmond Valley Local Environmental Plan 2012 (Amendment No 9) (2017) LW 22 December 2017

State Environmental Planning Policy Amendment (Artisan Food and Drink Industries) 2018 (2018-406) LW 27 July 2018

State Environmental Planning Policy Amendment (Rural Land Sharing) 2018 (2018-413) LW 3 August 2018

State Environmental Planning Policy (Coastal Management) 2018 (2018-106) LW 23 March 2018

State Environmental Planning Policy Amendment (Artisan Food and Drink Industries) 2018 (2018-406) LW 27 July 2018

Zone		Minimum Allotment Size	
Residential	R1	600sqm	Refer – RV LEP 2012 Lot Size Map
	RU5		
Village			
Large Lot Residential	R5	5000sqm	
Rural		<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 – RV LEP 2012 Lot Size Map
	RU1 RU3		
Business	B1	400sqm - Council Consent required	Refer – RV LEP 2012 Lot Size Map
	B2		
	B3		
Industrial	IN1	750sqm	Refer – RV LEP 2012 Lot Size Map

MARKET OVERVIEW & SALES OF PARTICULAR INTEREST

Southern Cross Valuation Services (SCVS) have undertaken significant analysis of the Richmond Valley Shire Council district property market to provide an accurate and reliable basis of valuation. Approximately 400 market 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 Contractors undertake this process using the Paired Sales Approach and the Replacement Cost Approach throughout the programme.

In analysing sales before or after 1 July, it is necessary to adjust the contract price in terms of market movement. In the Richmond Valley Shire Council district this year, sales and resales of properties across zoned residential, commercial and rural indicate a moderate increase in values throughout the year with moderate movement clearly defined from August 2017 to 1 July 2018. However, industrial properties showed very strong increase due to lower cost base in relation to the coast and several key projects from the Council's budget.

Sales volumes have remained constant in the last twelve months with residential values moderately increasing by 5% over the past year. There's not quite an increased change in total reliable market sales volume settled for residential property in Richmond Valley Shire.

RESIDENTIAL

The Richmond Valley Shire LGA contains a number of coastal and rural settlements, with the majority of development located in and around Casino and Evans Head town areas.

The Richmond Valley Shire region encompasses several types of residential developments. The majority of residential properties in the region are single residential dwellings located in towns or villages followed by a large number of such dwellings located in rural locations on both hobby and larger farms. Casino has a number of small residential unit developments and townhouse style properties located close to town, with a slightly increasing number occurring in the coastal village of Evans Head.

Residential development within the Richmond Valley Council area is primarily situated within the settlements of Casino and Coraki townships with a popular destination being the beachside area of Evans Head.

A high proportion of development in these centres comprises privately owned single residences that vary in size, quality, style and construction. Additionally, there are a small number of medium density residential developments, within the Evans Head village with a smaller volume located in Casino.

Other residential development has occurred in the villages of Coraki, Woodburn, Broadwater and Rappville.

Casino, Evans Head, Coraki, Woodburn and Broadwater all have full utility service availability including a reticulated town water supply, reticulated sewerage and telecommunication services. Richmond Valley Shire also has an extensive range of Government services including one state high schools at Casino, six state primary schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES and ambulance, one hospital (Casino & District Memorial Hospital), council chambers and administrative offices for a few government agencies.

Additional community based facilities available within the LGA include various denominational churches, private schools, child care centres, various aged care facilities, sporting clubs, recreational playing fields, parks and reserves, public swimming pools, tennis courts and golf courses.

The Richmond Valley Shire LGA contains a number of coastal and rural settlements, with the majority of development located in and around Casino and Evans Head town areas.

Richmond Valley Shire residential values are supported by rising employment from major employers in the retail industry, the public sector and small business enterprises and also supported by the surrounding rural grazing activities for which Richmond Valley Shire is a contributor to the regional productivity.

Recent residential development in the Richmond Valley Shire LGA has largely been focused in Evans Head and most of the major villages, which have seen increased residential development over the past five years, along with new subdivisions.

Moderate growth has been evident in most residential locations of the market, with increases in sought after areas such as Casino town and Evans Head, followed by smaller areas such as Woodburn, Coraki, and Broadwater showing a positive interest as they were coming off a lower cost base. This is also being driven by first home buyers and investors, especially for properties in Evans Head where they are close to the coastal / beach. The level of sales activity has coincided with slightly more demand for residential and rural properties across the towns.

A strengthening of the market can be seen in englobo sales at Reardons Lane, Swan Bay with sales ranging from \$120,000 to \$205,000 which are expected to be developed to approximately 20 lots.

Residential value levels adopted are supported by both vacant and improved sales analysis.

VILLAGES

There are a number of residential dwellings located in various towns within the LGA.

The Richmond Valley Residential markets have generally shown moderate growth in the last twelve months. The main village being the coastal town of Evans Head showed quite an increase, due to the Richmond Valley Council's plan which include \$12 Million investment on the airport estate, therefore a future growth would be expected. The other coastal villages of Broadwater and Woodburn showed the same growth trend. This coastal market being influenced by the future re-alignment of the Pacific Highway, providing better access to properties without passing through Broadwater and Woodburn.

The Inland villages, such as Whipporie and Rappville remained steady due to their remote localities.

The past 12 months has seen widespread residential sales over the region, including both vacant and improved sales in the residential components. The predominant sale type was improved residential properties with purchase prices generally reflective of the age, style and condition of the dwelling and any ancillary ground improvements. A slight increase appears consistent within the LGA.

There has been some interest in development lots in Evans Head with 1 property selling for over 2 million early in 2018, and 2 block of land selling for over 1 million in February 2018.

RURAL HOLDINGS

The rural market is strongly influenced by beef cattle activity and to a far lesser extent, sugar cane and soya bean production. There is still a small level of Ti-Tree production in the shire. Consistency of sales in this market has seen a slight increase in rural values of around 5% across the board, including smaller rural homesites which make up approximately half of the rural properties.

COMMERCIAL & INDUSTRIAL

The Richmond Valley Shire comprises approximately 315 Commercial properties, predominantly located in Casino, and a smaller area of commercial zoned properties in the township of Evans Head. The Casino commercial market had around 10 market sales throughout the 2017-2018 financial year, which is a marked decrease on prior year. The sales indicate a slight movement. Once again this is influenced by the lower cost base, making the area more affordable to investment.

Interest was strong in Casino only with 11 sales occurring here. Overall, there was a moderate increase of 5% in values of Commercial properties driven by a few business expansions supported by the state government funding. Other key events include the redevelopment of Woodburn Riverside Precinct, refurbishment of Casino Drill Hall and a 4 km Shared Pathway to Broadwater National Park, which totalling over \$4 Million altogether.

Richmond Shire industrial values are supported by a drop in unemployment rate and a rise in economic growth, especially in beef/cattle industry as well as small to medium farming enterprises.

The number of Industrial Zoned properties in the Richmond Valley Shire is approximately 170, most of which are located in Casino. There is a smaller industrial estate located in Evans Head, with spot zonings in Broadwater, Woodburn and Coraki. This year, new industrial plans in the Richmond Valley LGA have largely been focused in Evans Head and Casino, whose values have experienced significantly increased from last year, with added projects in the pipeline having grants approved this year for future works. Some examples are, the \$14 Million upgrade to Livestock Exchange and the \$10 Million dollar expansion of Casino Industrial Estate, however, the level of sales activity has coincided with low volume of demand from the market.

SIGNIFICANT ISSUES AND DEVELOPMENTS

SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENTLY ANNUAL VALUATION

There have been few changes of significance in Richmond Valley in the year of review.

The Northern Rivers Livestock Exchange has reached the second phase with, \$14 million investment upgrades planned. As well as this, the Richmond Valley Council's proposals for \$900,000 in expansion projects has created new jobs.

The economy of Evans Head has also been boosted hugely. This includes a \$12 million manufactured home estate, proposed Riverside Village extension, a new Health One facility and the rollout of NBN.

The \$8 million masterplan for redevelopment of the Casino Showground and Racecourse site was revealed in July 2018 and aims to make the neighbourhood more welcoming.

Moreover, there are approved plans for Casino to host the first biohub facility in Australia. It is aimed to transform organic waste and waste water into energy, clean water and other bio-products. The site is to be located adjacent to the sewerage treatment plant.

SIGNIFICANT VALUE CHANGES

SIGNIFICANT VALUES

Overall, land values in Richmond Valley local government area have experienced a moderate increase from 2017 to 2018. Residential, rural and commercial land values have risen moderately while industrial land values increasing very strongly. Land values have been influenced by tree-change demand, greater affordability compared to northern localities and Council's plan to improve the region infrastructure and developments.

SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Residential land values consistently increased at a moderate rate with a stronger market than recent years. Demand continues to be driven by demand from Brisbane buyers for affordable properties within commuting distance of Brisbane.

The only areas not following this trend was the villages of Rappville and Whipporie, which remained steady, having reduced demand to other areas due to their remote locations and limited services in comparison to other villages.

SUMMARY OF VALUATION CHANGES TO RURAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

The rural market showed a consistent moderate increase across the local government area due to the affordability in this locality of production and rural residential land.

SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Commercial land values increased slightly across Richmond Valley local government area between 2017 and 2018, in line with the rest of the local market.

SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND

CHANGES SINCE PREVIOUS VALUATION YEAR (2017)

Industrial land values increased very strongly across the local government area with the biggest increases occurring in the main industrial centre of Casino with the values coming off a low value base. The main cause of these increases has been the industrial market catching up with residential values.

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.



Brigid Chapman A.V.I.

Membership No. 3206

Managing Director

SOUTHERN CROSS VALUATION SERVICES

9th November 2018