

## FINAL REPORT 2018

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*Singleton's Sundial - Photo courtesy of abc.net.au*

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### Singleton LGA

<b>Contract Area</b>	Muswellbrook
<b>Contract No</b>	152678
<b>Prepared for</b>	Property NSW – Valuation Services
	Under Rating & Taxing Procedure Manual 7.2.1

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## Executive Summary

### LGA Overview

#### Singleton Local Government Area

The Singleton Local Government Area (LGA) is located in the Lower Hunter Valley between Newcastle and Muswellbrook, approximately 200 kilometres north-west of the Sydney Central Business District (CBD). Singleton LGA comprises approximately 4,893 square kilometres incorporating a variety of land uses from smaller rural retreats, to Pokolbin vineyard sites, to mining associated land, to larger broadacre grazing holdings, to Hunter River flat country. Singleton LGA is adjoined by eight other LGAs – Upper Hunter LGA to the north; Dungog, Maitland and Cessnock LGAs to the east; Hawkesbury and Lithgow LGAs to the south and Mid-Western Regional and Muswellbrook LGAs to the west.

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

Singleton LGA comprises Residential, Rural, Commercial, Industrial, Infrastructure, Scenic Protection and Public Recreation zones.

10,663 properties were valued at the Base Date of 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 of 1 July 2016.

Valuation changes in the Local Government Area and percentage changes between the Land Tax Valuation year 1 July 2017 and 1 July 2018 are as follows:

Properties Valued and Total Land Value					
Zone	Zone Code	Number of Entries	2018 Total Land Value	Prior Annual Valuation (2017)	% change
Residential	R1, R2, R5, RU5	5,724	\$ 919,829,120	\$ 884,846,340	4%
Rural	R, RU1, RU2, RU3, RU4	3,697	\$ 2,325,327,126	\$ 2,231,061,763	4%
Commercial	B1, B3, B4, B5, B6	441	\$ 121,916,880	\$ 117,685,870	4%
Industrial	IN3	84	\$ 29,491,600	\$ 27,177,700	9%
Infrastructure	SP2	27	\$ 27,580,090	\$ 26,337,650	5%
Environmental	E1, E2, E3, E4	614	\$ 161,670,090	\$ 155,287,280	4%
Public Recreation	RE1, RE2	76	\$ 13,937,610	\$ 13,366,590	4%
<b>Total</b>		<b>10,663</b>	<b>\$ 3,599,752,516</b>	<b>\$ 3,455,763,193</b>	<b>4%</b>

Land values in Singleton local government area overall showed a slight increase between 2017 and 2018. A moderate increase was reflected in the commercial, industrial and rural sectors with the residential sector increasing slightly. Increases in the residential and industrial sectors was mainly attributed to continuing confidence building on from the upturn in the coal mining industry. The commercial sector remained steady after last year's slight increase, apart from the Maison Dieu Industrial Estate and McDougall Business Park which experienced a moderate increase being largely influenced by the coal mining industry. Increases in rural land values was reflective of the growing demand from the close by city markets for small hobby farms and lifestyle blocks, and continuing interest in larger grazing properties throughout the district.

Residential land values experienced a slight increase between 2017 and 2018, showing steady growth in the last two years from the recovery of the coal mining industry with continuing increases in coal prices and growing demand for coal. The exception was the village of Broke which showed a strong increase due to its proximity to Sydney with continued high demand.

Commercial land values overall increased moderately in the last year, attributed to the moderate increases in the Maison Dieu Industrial Estate and McDougall Business Park. These estates are largely influenced by the industrial market with many occupiers servicing the mining industry. Contrastingly, the remainder of Singleton commercial values have remained steady after last year's slight increase.

Industrial land values increased moderately attributed to the continuing confidence and recovery in the outlook for the coal industry which supports most industrial uses in Singleton local government area.

Rural land values have increased moderately in the past year due to Singleton's close proximity to Newcastle and Sydney allowing for increased investment from city-based purchasers. There has been particularly strong demand in the recreational and hobby farm markets in Belford, Lower Belford and Pokolbin localities and smaller lifestyle blocks in close proximity to Broke and surrounding vineyards. Continuing moderate demand has also been seen in rural grazing properties throughout the district.

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## 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 Singleton.

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 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 valuations 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](http://www.valuergeneral.nsw.gov.au/land_values).

## LGA Overview

### Location of the District

Singleton LGA is located in the Lower Hunter Valley between Newcastle and Muswellbrook, approximately 200 kilometres north-west of the Sydney Central Business District (CBD). Singleton LGA comprises approximately 4,893 square kilometres predominantly incorporating a variety of land uses from smaller rural retreats, to Pokolbin vineyard sites, to mining associated land, to larger broad acre grazing holdings, to Hunter River alluvial flats. Singleton LGA is adjoined by eight other LGAs – Upper Hunter LGA to the north; Dungog, Maitland and Cessnock LGAs to the east; Hawkesbury and Lithgow LGAs to the south and Mid-Western Regional and Muswellbrook LGAs to the west.

### Principal Towns and Villages

#### Singleton

Singleton is the principal town in the Singleton LGA and is a prominent regional centre. It is located approximately 190 kilometres to the south of the Tamworth CBD and 75 kilometres north-west of the Newcastle CBD. The CBD of Singleton extends along John Street between Annie's Lane and Ryan Avenue (western side) and between Hunter Street and Gas Street (eastern side). North and south John Street are slightly secondary tier locations with commercial development also located along George Street. It features two large retail complex in addition to several large national tenants, individual shops and offices.

Singleton has full utility services available including reticulated town water supply, reticulated sewer and telecommunication services. A broad range of Government Departments and services are also available including Police Station, Court House, Ambulance Station, Fire Station, Council Chambers and Library.

Community based facilities available in Singleton include a golf course, numerous sporting clubs, recreational playing fields, parks and reserves, showground, racecourse, a public swimming pool and tennis courts.

#### Villages

In addition to Singleton, there are four small rural villages located throughout the Shire being Broke, Bulga, Camberwell and Jerry's Plains. These villages provide basic amenities to the surrounding rural regions.

Broke is located approximately 30 kilometres south-west of Singleton with a population of approximately 630. The village contains a primary school, services station with store and a post office.

The Village of Bulga is situated 20 kilometres south-west of Singleton in close proximity to mines. Bulga has a sports ground including tennis courts and a small tavern supporting the population of 360.

Situated approximately 13 kilometres north-west of Singleton is the Village of Camberwell. It is situated off the New England Highway and is in very close proximity to several mines which provide employment for many of the village's population of 180.

Jerry's Plains is located approximately 40 kilometres west of Singleton along the Golden Highway. Supporting the villages population of 690 is a primary school, police station and a service station with general store.

## Main Industries

Major industries include agriculture, coal, power generation and tourism. Singleton LGA has a well-established dairy and beef cattle industry. There is also viticulture, market gardening, olive growing and equine industries.

Mining activity in the Shire has created many mine service industries which traditionally increased demand for industrial land. Therefore, the industrial market is largely reliant on the outlook/phase in the coal industry cycle for demand for industrial land for mine service industries.

## Significant Retail Centres

Singleton CBD provides the main retail centre for the Singleton Council region. There are two shopping centres within the CBD including Singleton Plaza anchored by IGA and Singleton Square anchored by Coles, Big W and Woolworths. Each centre also has a variety of specialty stores.

The CBD of Singleton extends along John Street between Annie's Lane and Ryan Avenue (western side) and between Hunter Street and Gas Street (eastern side). North and south John Street are slightly secondary tier locations with commercial development also located along George Street but predominantly offices and consulting rooms. The Singleton CBD comprises several large national tenants, and many individual shops and offices.

The Singleton CBD has undergone some adjustment in recent years following the completion of the Singleton Square refurbishment in mid-2013 and construction of new Aldi. Council has also completed a street beautification/upgrade of the CBD including footpath widening, tree planting and street scape upgrades. Later works are to include new links between car parks and open space areas.

## Types of Residential Development

Residential development in Singleton ranges from federation and colonial styles (centrally located), 1950's government built dwellings (south), 1970's brick veneers (south and Singleton Heights) in conjunction with modern brick veneer dwellings (Singleton Heights and Hunterview).

Approximately 70% of properties in the region are owner occupied, 25% are owned by investors and 5% are government owned dwellings.

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## Rural

Beef cattle breeding and fattening is the most common agricultural pursuit within Singleton LGA.

Crop cultivation is present, though generally confined to alluvial flats. Extensive Hunter River flats are provided within the LGA with numerous creeks also providing undulating alluvial country. Alluvial flats are utilised for cultivation, equine and grazing purposes.

The extensive vineyard plantings which became popular in the region during the late 1990's have slowed with the dissolution of advantageous tax breaks and recent nationwide wine glut affecting supply contracts and overall demand. Large areas of grapes are now being removed.

Mining Companies continue to be purchaser in the Singleton rural property market with purchase prices reflecting high premiums for these 'special interest' purchasers, though with the change from construction to operating phase these purchases have also slowed.

Rural retreat home sites occupy much of the poorer quality land within the district, particularly around the Putty locality where the relative isolation/privacy and the natural bushland settings are attractive features to the 'lifestyle' market.



## State & Local Government Legislation for LGA

Singleton LGA is governed by the Singleton LEP 2013 which was gazetted on 6 September 2013. However, Bulga locality is a *Deferred Matter* under the provisions of *Singleton Local Environmental Plan 2013* and therefore the rural zoning under the *Singleton Local Environmental Plan 1996* remains current.

There have been four proposed amendments to the LEP since the last Final Report being:

- Amendment to remove reference to the “Flood Planning Map” in the Singleton LEP 2013, delete the Flood Planning Map from the suite of Singleton LEP 2013 maps and delete the Definition of Flood Planning Map in the Singleton LEP 2013 allowing the council to rely on its existing flood mapping in future.
- Amendment to 612 Gresford Road, Sedgfield to rezone land from RU1 Primary Production to E4 Environmental Living;
- Amendment to include land identified as being a “Deferred Matter” in Bulga and the surrounding land to the south west into the Singleton LEP 2013. Amendment includes rezoning land to R5, E4 and RU4 and subsequently amending minimum lot size controls and mapping an item of local heritage significance; and
- Amendment to introduce greater consistency in planning provisions for the RU4 zoned land in the Vineyards District between Singleton and Cessnock LGA’s. In the Singleton LEP this applies to land in the Broke/Fordwich area identifying it as a major viticultural and tourist destination by providing additional opportunities for compatible tourist uses.

These amendments are at various stages and have not yet been implemented.

The current LEP is based on the standardised Local Environmental Plan prescribed by the New South Wales Legislation.

The Plan aims to make local environmental planning provisions for land in the Singleton Council LGA in accordance with the relevant standard environmental planning instrument under section 33A of the EPA Act. Singleton LGA has development controls including the Singleton Development Control Plan 2014 that affects the subdivision and erection of dwellings which impacts on land values. These include:

Zone	Minimum Allotment Size
Residential/Village	N/A (R1)
	1200m <sup>2</sup> & 2500 m <sup>2</sup> (R2)*
	Varies from 2000m <sup>2</sup> to 40ha depending on location (R5)*
	8000m <sup>2</sup> & 40ha (RU5)*
Rural/Forestry	5ha, 40ha & 80ha (RU1)*
	40ha & 150ha (RU2)*
	Council Consent required (RU3)
	40ha (RU4)
Environmental Protection	Council Consent required (E1)
	150ha & 500ha (E2)*
	40ha, 80ha, 150ha & 50ha (E3)*
	Varies from 8000sqm to 10ha depending on location (E4)*
Busness	Council Consent required (B1, B3, B4, B5 & B6)
Industrial	Council Consent required (IN3)
<i>*See LEP Maps for full details</i>	

## Market Overview & Sales of Particular Interest

Opteon Property Group (OPG) as Contractors has undertaken significant analysis of the Singleton district property market to provide an accurate and reliable basis of valuation. Approximately 634 sales have been analysed to enable the establishment and verification of land values as at 1 July 2018. These analysed sales also support the grading across components. Analysed sales reports are provided to Property NSW – Valuation Services on a consistent basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. OPG Contractors undertakes this process using the Paired Sales Approach and the Written Down Replacement Cost Approach, with the Replacement Cost Method used where appropriate.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement.

634 detailed sales analyses have been carried out since the prior 2017 Base Date. Sales which do not have market circumstances including sales between related parties and company transfers, have not been utilised when assessing market changes and determining land values.

General economic factors (including international exchange rates, economic growth and interest rates) commodity prices and climatic conditions strongly influence the Singleton property market.

### Residential

The Singleton LGA comprises approximately 5,459 residential zoned properties.

The residential market had approximately 372 market sales throughout Base Date 2018 with 77% of all sales analysed.

Since the prior Annual Valuation Date, the Singleton residential market has strengthened, with values generally experiencing slight increases of around 2-4% in Singleton town and 4-5% in the rural residential areas of Branxton and Whittingham. A notable increase in sales volumes has also occurred. This continued, steady growth follows the upturn in the coal mining industry with continuing increases in coal prices and growing demand for coal underpinning this recovery, with the overall outlook remaining positive.

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

In the last 12 months there were 32 residential sales over \$600,000. Most of these sales were high valued, single occupancy dwellings in Singleton and the Branxton locality, including some rural residential properties.

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## Village

The Singleton LGA comprises approximately 354 village properties.

The village market had approximately 22 market sales throughout Base Date 2018 with all sales analysed.

Since the prior base date, the Singleton village markets have experienced steady to strong increases in value and sales volumes in line with improvements in the coal mining industry.

Village land values are significantly impacted by their proximity to mining works, housing affordability compared to Singleton/Muswellbrook Townships and general mining industry outlook.

Village values have remained steady in the mining area of Camberwell with Jerry's Plains village experiencing a slight increase in land values in line with the more positive outlook for the coal industry. Broke has experienced a stronger increase due to its more sought-after location and proximity to Sydney; and Bulga values have also shown a strong increase in value following the approved expansion of the nearby Warkworth Colliery.

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

There were four market sales over \$550,000 in the past 12 months within the village markets, all occurring in Broke. These sales were all improved rural residential sites ranging in size from 2,000 square meters to 1.25 hectares showing analysed land values of between \$134,000 and \$277,000.

It is noted that Warkwork Mining Ltd has been the main purchaser within Bulga village area due to vendors seeking maximum return for their properties and taking up their acquisition right under the mines approval. These sales are considered non-market and have not been utilised in determining land values.

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## Commercial

The Singleton LGA comprises approximately 441 commercial zoned properties.

The commercial market had approximately 20 market sales throughout Base Date 2018 with 100% of all sales analysed.

Land values within the Singleton commercial market have generally remained steady since the 2017 Base Date. Sales volumes also remain steady, with commercial space still available for lease in Singleton.

In contrast, values in Maison Dieu and McDougall Hill Business Parks had a moderate increase in land values in the twelve-month period. Values in these estates are largely influenced by the industrial market with many occupiers servicing the mining industry and therefore values moved in a similar fashion.

The Singleton area is now beginning to benefit from the new opportunities arising from the construction of the Hunter expressway. This has significantly shortened the commute to the City of Newcastle with the diverse employment, conveniences and facilities it offers.

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

There were two significant market commercial sales in the past 12 months with a purchase prices of over \$1,000,000, both of which occurred in McDougall Hill Business Park. One was a well improved, large industrial warehouse with a long term lease to an international tenant while the other was improved with a very large older style industrial shed with more basic accommodation and retail area.

## Industrial

The Singleton LGA comprises approximately 84 industrial zoned properties.

The industrial market had approximately 2 market sales throughout Base Date 2018 with both sales analysed.

Since the prior 2017 Base Date, Singleton industrial land values have shown a moderate increase. This can be attributed to the continuing confidence and recovery in the outlook for the coal industry which supports most industrial uses in Singleton. This improved confidence within the coal industry has in turn benefitted the Singleton industrial market.

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

There were no sales over \$1,000,000 in the past 12 months in the industrial zones.

## Rural

The Singleton LGA comprises approximately 4,222 rural, forestry and environmental management zoned properties.

There were approximately 224 rural zoned sales considered to be reliable market indicators recorded during the 12-month period with 95% of all sales analysed. This is comprised of 2 larger broadacre grazing properties and 222 generally smaller properties being lifestyle, rural retreat, farmlet and rural residential type properties.

The volume of sales available in the rural residential, lifestyle and grazing farm sectors has continued to remain steady overall since the prior 2017 Base Date with sales generally showing a moderate increase in values over this period.

Due to Singleton's close proximity to Newcastle and Sydney, there continues to be high interest and investment from city-based purchasers within the rural sectors (particularly recreational and hobby farm markets). As a result, values in the lifestyle and hobby farm markets have generally increased by around 5-10%. The rural localities of Belford, Lower Belford, Broke and Pokolbin have been particularly influenced by these metropolitan purchasers benefitting from improved access to these areas via the Hunter Expressway with subsequent higher increases.

The rural retreat market of the Putty/Howes Valley area has experienced stronger value increases of up to 13% since the 2017 Base Date which is typical of this locality being heavily influenced by Sydney purchasers.

Despite unfavorable seasonal conditions, the broadacre rural property market has continued to strengthen for most classes of cropping and grazing country in the last 12 months with land values for larger rural holdings generally experiencing increases of around 5-10% since the prior Base Date.

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

There was 1 rural market sale over \$1,250,000 within the Singleton rural market during the 12 month period which was a 480 ha property comprising mostly timbered hills with small areas of open grazing. Situated in the Putty locality, approximately 95km south-west of Singleton town and indicating an analysed land value of \$1,550/ha.

In the lifestyle/small holding market there were nineteen market sales contracted above \$1,000,000 including:

- Three sales of going concern hotels or boutique accommodation in the Pokolbin locality;
- One caravan park in Dunolly;
- Eight well improved rural residential and hobby farm type properties throughout Pokolbin, Broke and Lower Belford;
- Six hobby farm properties throughout Broke, Lambs Valley, Pokolbin and Glendonbrook; and
- A 98 ha grazing property located in the Greenlands locality, 28km north of Singleton. Comprising undulating to steeper hills of mainly cleared grazing indicating an analysed land value of \$5,485/ha.

## Significant Issues and Developments

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

There have been limited significant developments or applications for developments in the last twelve months. Significant development activity is summarized below:

- DA approval for modification to 37 lot subdivision on Big Ridge Lane at Sedgefield;
- DA approval for 34 lot subdivision at Gardner Circuit, Singleton Heights;
- DA approval for demolition of existing shed and construction of new Emergency Services Facility at 9-11 Queen Street, Singleton;
- DA approval for modification of approval at 74 Lemington Rd, Ravensworth to increase materials from 50,000 tonnes per annum to 76,000 tonnes per annum;
- DA approval for a Poultry Farm at 725M Lambs Valley Road, Lambs Valley;
- DA approval for tourist and visitor accommodation at 1100 Milbrodale Road, Broke;
- Proposed construction of a highway Service Centre (Service Station and Take Away Food & Drink Premise) at 1 Maitland Road, Singleton;
- Proposed 21 lot subdivision at 85 Retreat Road, Wattle Ponds;
- Proposed turf farm at 407 Long Point - East Road, Long Point; and
- Proposed cellar door premises and tourist and visitor accommodation at 722 Milbrodale Road, Fordwich.

## Significant Value Changes

### Significant Values Changes – From Prior to Current Annual Valuation

There have been some significant changes due to verification since Base Date 2017 which are summarized below:

#### **Urban Land**

- Some sites within Singleton Town have experienced strong increases in value to better reflect central location and future subdivision potential.
- One residential englobo site in close proximity to Maitland was increased to better reflect subdivision potential.
- Two properties were increased following significant earthworks creating suitable building sites.
- One rural residential property in Wattle Ponds was reduced to better reflect a gully dissecting the property restricting building envelope.

#### **Rural Land**

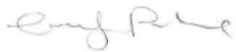
- A number of Singleton rural residential properties have experienced increases in values after previously being too discounted for poor access, timbered land forms, irregular shapes or for lack of building entitlement. Properties were also increased to reflect close proximity to town, creek frontage and subdivision potential.
- Conversely, some strong reductions in rural land values occurred to reflect lack of building entitlements, and physically poor nature of the land.
- Particularly strong demand was seen in the rural localities of Belford, Lower Belford, Pokolbin and smaller lifestyle blocks in close proximity to Broke driving very strong increases in land values.

## Overview of the Quality Assurance Process

PNSW has been provided with a detailed valuation analysis reporting, which details the Quality Assurance Process of Opteon as Contractor 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 basis' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or reascertainment 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.

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