

BYRON LGA - DISTRICT 150

Final Report

2015

Executive Summary

A standard Template Final Report has been provided in the Rating and Taxing Procedure Manual v6.6.2. The Standard Template report has been utilised to inform the layout and required content of the Final Report.

LGA Overview

Byron Local Government Area

Byron Shire is located on the Far North Coast of NSW. In general terms it is located approximately 180km south of Brisbane and 800km north from Sydney. The Shire includes the world renowned town of Byron Bay which lies at Australia's eastern-most point.

Byron Shire has an approximate area of 556 square kilometres. There are a number of small towns and villages in the shire, which has a total population of 29,209 (Source: ABS, 2011). The main towns/villages comprise Byron Bay, Mullumbimby, Suffolk Park, Bangalow, Ocean Shores and Brunswick Heads. Byron LGA is adjoined by three other LGA's, Ballina Shire to the south, Lismore LGA to the south and south west and Tweed LGA to the north.

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

Byron Shire Council LGA comprises land zoned Residential, Rural, Commercial, Industrial, Infrastructure, Environmental (Deferred), Protection and Recreation (Private and Public) zones.

13,279 properties were valued as at the Base Date of 1 July 2015, 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 2012.

Property values in Byron Shire have generally increased in the period 1 July 2012 to 1 July 2015.

Values in the popular beachside localities of Byron Bay, Brunswick Heads and Suffolk Park and prime hinterland localities have increased substantially whilst more modest increases in values have been experienced in other localities. Byron LGA is a highly regarded coastal locality due to its temperate climate, natural beauty, world wide status and proximity to air transport.

Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2012 and 1 July 2015 and the Land Tax Valuation years of 1 July 2014 and 1 July 2015 are as follows:

PROPERTIES VALUED AND TOTAL VALUE							
ZONE	ZONE CODE	NO. OF ENTRIES	2015 TOTAL LAND VALUE	2014 TOTAL ANNUAL VALUATION	% CHANGE 2014 to 2015	PRIOR LOCAL GOV'T VALUATION (2012)	% CHANGE 2012 to 2015
Residential	A, R2, R3	7,935	4,127,535,760	3,349,388,060	+23.2%	3,015,993,930	+36.9%
Rural	R, RU1, RU2, R5	3,551	2,058,484,575	1,935,165,090	+6.4%	1,785,168,319	+15.3%
Village	RU5	118	34,642,510	31,004,70	+11.7%	31,899,000	+8.6%
Commercial	B1, B2, B4, B7	461	607,185,450	523,162,730	+16.1%	500,717,870	+21.3%
Industrial	IN1, IN2	241	144,656,590	124,858,570	+15.9%	122,456,200	+18.13%
Infrastructure	SP2, SP3	49	88,728,000	74,549,400	+19%	67,527,800	+31.4%
Environmental/ Protection	E1, P	850	683,135,170	592,876,130	+15.2%	527,922,410	+29.4%
Recreation	O, RE1, RE2	75	76,972,650	65,237,940	+18%	57,883,600	+33%
Recreational Waterways	W2	4	1,581,000	1,512,000	+4.6	1,640,000	-3.6
Undetermined	Z	4	91,000	83,000	+9.6%	92,840	-2%
TOTAL		13,279	7,823,13,705	6,697,952,690	+16.8%	6,111,410,969	+28%

State & Local Government Legislation for LGA

Byron Shire Local Environmental Plan gazetted 21 July 2014 applies to the majority of land within Byron LGA. The LEP is based on the standardised LEP instrument prescribed by New South Wales Legislation.

In September 2012, the Minister for Planning & Infrastructure announced a review into the way environmental zones and overlays are applied to land on the Far North Coast and engaged consultants, Parsons Brinckerhoff to undertake the review. The review applies to E2 Environmental Conservation, E3 Environmental Management and E4 Environmental Living zones in the Ballina, Byron, Lismore, Tweed and Kyogle local government areas.

The consultant has provided the Department of Planning & Environment (DP&E) with an interim report which was on exhibition for public comment until 5 June 2014.

Pending the outcome of this review, areas with environmental zones and overlays are deferred from the LEP 2014. Byron LEP 1988 zoning of the land continues to apply to these deferred areas. The current Byron Shire Development Control Plan (DCP) 2010 will also apply to those deferred areas.

Market Overview and Sales of Particular Interest

Valuers Australia have undertaken significant analysis of the Byron Shire District property market to provide an accurate and reliable basis of valuation.

742 sales have been analysed to enable the establishment and verification of land values as at 1 July 2015. These analysed sales also support the grading across components. Analysed sales reports are provided to Land and Property Information on a regular basis throughout the year. The added value of improvements are also analysed to enable the accurate deduction of land values. Valuers Australia undertakes this process using the Paired Sales Approach and the Replacement Cost Approach.

In analysing sales before or after 1 July it is necessary to adjust the contract price in terms of market movement. In Byron Shire sales and resales (where available) of properties indicated a variable market movement throughout the LGA. Median Sales Price Charts are also utilised to inform market movement.

Strong increases in value were experienced in the residential localities of Suffolk Park, Byron Bay and Brunswick Heads, predominantly from October 2013 to 1 July 2015. Moderate increases in values were experienced for other residential zoned properties throughout the LGA.

Rural properties generally experienced slight to moderate increase in values throughout the year with the exception of premium properties with ocean views, or well-located properties in close proximity to Byron Bay, which experienced strong value growth.

Commercial Sales Analysis demonstrated a strong increase in Commercial values in Brunswick Heads since 1 July 2014 and modest increases throughout the remainder of the LGA.

Industrial Sales Analysis demonstrated variable market movement throughout the LGA. Strong value increases were experienced in Byron Bay Industrial Estate while values increased moderately in the other industrial centres since last year.

Significant Issues and Developments

Regular checks of Byron Shire Council web site have been made throughout the program to identify significant development approvals. DA's have also been checked in relation to commercial and industrial properties.

Below is a summary of significant Development Applications. Most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

- Construction of the new central Hospital at Ewingsdale is well underway (this will replace the current hospitals at Byron Bay and Mullumbimby).
- Approximately 108 ha of land to the south of Ewingsdale Road and west of Belongil Creek has been rezoned to allow low density residential, medium density residential, light industrial uses and a neighbourhood centre. A substantial proportion of the land has been designated as environmental zones. (On 7th November 2014 it was reported in the Northern Star Newspaper that the rezoning application for the controversial West Byron Urban Area had been approved by the State Government. The rezoning applies to a 108 hectare site and reportedly will provide around 1,000 new homes. It is understood that approximately 40% of the site will be zoned environmental protection).
- On 7 July 2013 Development Consent was granted for the Concept Plan for a Residential Subdivision at Bayside Way, Brunswick Heads. The Approved Concept plan includes: 162 Residential Lots, 1 Medium Density Lot, Bulk Earthworks, roads and pedestrian traffic routes, stormwater management etc. The development has not yet been commenced. Strong increases in value in Brunswick Head/Bayside Subdivision at Brunswick Head may provide incentive for the development to finally proceed.
- Strong demand and value level increases have been experienced in the Tallowood Estate off Tuckeroo Ave. Mullumbimby.

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- A redevelopment of the Byron Shopping Centre located at 112-114 Jonson St, Byron Bay is proposed. The Developer and Council have been working toward a mutually acceptable concept for the redevelopment after a DA was lodged on 2/12/2013 (Applic No.587/2013).
 - DA144/2013 was approved to create an 11 Lot Subdivision at Centennial Cct Byron Bay.
 - A two storey motel with 16 guest rooms has been approved (deferred approval) at 3-7 Shirley Street, Byron Bay.
 - A new Hotel has been developed at Bayshore Drive, Byron Bay. The “Sun Bistro” provides bistro and bar facilities as well as a bottleshop.

The following additional points of interest were noted.

- On Sept 4 2014 it was reported in the Byron Echo Newspaper that the State Government had announced \$10.5M funding contribution to the construction of the Byron Town Centre Bypass. The bypass will run from the Shirley Street roundabout along Butler Street and connect to the southern end of Jonson Street via a new rail crossing and intersection at Browning Street near the Mitre 10 store. During 2015 a number of commercial zoned sites located at the southern end of Jonson Street, (in the vicinity of the southern entrance to the Bypass) have sold at greatly increased prices, indicating perceived commercial benefit in this location resulting from perceived modified traffic flows once the bypass has been completed.
- The Tintenbar to Ewingsdale Pacific Highway upgrade is progressing.
- Several small scale infill residential subdivisions to create up to 7 lots have been approved.
- The North Byron Resort Development is progressing on the old Club Med Site off Bayshore Drive Byron Bay. The original consent dates back several years.
- Paid parking has been introduced in Byron town Centre.
- June 2015 Council Announced that Belongil interim stabilisation works were to go ahead-reported June 2015 Progress Report, however the works were challenged by number of members of the public. The hearing for the Belongil interim stabilisation works will be heard in Sydney’s Land and Environment Court on 28 October, 2015. Byron Shire Council’s legal services coordinator advised that the hearing follows the recent unsuccessful injunction by a local group to stop the construction works subject to the completion of an Environmental Impact Statement.
- It was stated that site at Manfred Street, Belongil, has now been handed over to the contractor to commence the construction works.
- Work on a new 44 space car park at the beach end of Middleton Street in Byron Bay commenced September 2015.
- Draft West Byron DCP was placed on Display in October 2015 – Refer Oct Progress report.
- A Planning proposal has been placed on exhibition

Significant Value Changes

Summary of Value Changes to Residential Land

Changes since previous General Valuation (2012)

From 1 July 2012 through to 1 July 2015 the total value of residential land in Byron LGA increased by around 28%, with the majority of value movement occurring between January 2014 and 1 July 2015.

Moderate value levels were experienced through most residential localities however strong value level increases were experienced in Suffolk Park, Brunswick Heads and Byron Bay township which experienced value level increases of up to 100% in some instances.

From 1 July 2012 to 1 July 2013 value levels improved slightly, predominantly in the more popular coastal townships of Byron Bay, Brunswick Heads and East Suffolk Park, but remaining relatively stable in other localities throughout the LGA.

From October 2013 to 1 July 2014 moderate value increases were experienced in most residential localities throughout the LGA with the exception of the new estates in Bangalow where value levels remained stable. With increasing take up rates and sale prices for finished lots the value of englobo land parcels generally increased slightly. Stronger increases in value were experienced in the residential localities of Suffolk Park, Byron Bay and Brunswick Heads and overall value levels increased in the LGA by 11%.

From 1 July 2014 to 1 July 2015 value levels increased moderately across most residential areas in Byron LGA however strong value level increases were experienced in Brunswick Heads, Suffolk Park and Byron Bay township which experienced value level increases of up to 100% in some instances.

Changes since previous Valuation Year (2014)

Improved market sentiment has resulted in increased buyer activity and improvements in value levels. Despite continued strong demand, limited supply has resulted in reduced turnover. Competition between buyers has resulted in very strong increases in the value of residential land in the popular coastal localities of Byron Bay, Suffolk Park and Brunswick Heads. Moderate to strong value increases were experienced in most other residential localities throughout the LGA.

With increasing take up rates and higher sale prices for finished lots the value of englobo land parcels ripe for subdivision has increased. The value of englobo land parcels where development potential is long term, or where substantial risk exists, have increased slightly or at worst remained stable.

Summary of Valuation Changes to Rural Land Changes since previous General Valuation (2012)

Byron LGA is a highly regarded coastal locality. The majority of rural zoned land parcels are purchased for home sites, therefore the value of rural land is predominantly driven by residential/home site based factors rather than rural based factors. A possible exception to this is land suitable for Macadamia growing, although in recent years a number of macadamia plantations have been cleared for use as home sites, indicating that the land is more valuable for home site uses than for macadamia production.

From 1 July 2012 through to 1 July 2015 the total value of rural land in Byron LGA increased by around 13.6%. Improving market sentiment from around March 2013 onwards resulted in increased buyer activity and slight improvements in general value levels through to the 2013 base date, particularly in the more popular hinterland localities such as Myocum, Possum Creek, Skinners Shoot, Coopers Shoot, Mcleods Shoot and sites with premium ocean views. From July 2014 onwards demand continued to improve and slight to moderate value level increases occurred with the exception of elevated sites with ocean views, where stronger value level increases were experienced.

The price of Macadamia nut has improved in recent years, resulting in more demand for land by macadamia growers, however as previously noted the value of macadamia land, which is typically well located, is typically the same, or sometimes higher as a rural home site and the macadamia trees are sometimes considered a blight.

The overall percentage increase in value levels is skewed to some degree by higher value movements in the more popular localities listed.

Changes since previous Valuation Year (2014)

As noted above the vast majority of rural zoned land parcels are purchased for home sites, therefore the value of rural land is predominantly driven by residential/home site based factors rather than rural based factors. A possible exception to this is land suitable for Macadamia growing, although in recent years a number of macadamia plantations have been cleared for use as home sites, indicating that the land is more valuable for home site uses than for macadamia production.

Slight to modest value level increases of between 3% and 11% were experienced in rural localities with the exception of elevated home sites with ocean views where more substantial value level increases were experienced.

The price of Macadamia nut continued to improve through 2014, resulting in more demand for land by macadamia growers, however as previously noted the value of macadamia land, which is typically well located, is typically the same, or sometimes higher as a rural home site and the macadamia trees are sometimes considered a blight. The value of macadamia land typical of land suited to horticultural uses increased by around 2.2%.

Summary of Valuation Changes to Commercial Land Changes since previous General Valuation (2012)

In Byron Shire there is limited supply of Commercial land which is tightly held. Limited sales evidence therefore exists. In total 48 reliable sales occurred between 1 July 2012 and October 2015 and these, combined with older sales adjusted for time provided good evidence to determine value levels

From 1 July 2012 through to 1 July 2015 the total value of commercial land in Byron LGA increased by approximately 21.26%. Improving market sentiment since early 2013, particularly increased demand from investors resulted in improved buyer activity /higher demand which resulted in strengthening yields and higher value levels.

In general terms commercial yields steadied through the period 1 July 2012 to September 2013, then improved slightly through to the 2014 base date, continuing to firm (more substantially between the 2014 and 2015 base dates). Recent rental evidence has indicated stabilisation and firming of rental levels after a period of weakness and inconsistency through 2011, 2012 and 2013 particularly in fringe and secondary locations. Rents in fringe and secondary locations remain below pre GFC levels.

Changes since previous Valuation Year (2014)

In Byron Shire there is limited supply of Commercial land which is tightly held. Limited sales evidence therefore exists. In total 16 reliable sales occurred between the 1 July 2014 and October 2015 and these, combined with older sales adjusted for time provided good evidence to determine value levels

From 1 July 2014 through to 1 July 2014 the total value of commercial land in Byron LGA increased by approximately 16%. Improving market sentiment since early 2013, particularly increased demand from investors resulted in improved buyer activity /higher demand which resulted in strengthening yields and higher value levels.

In general terms commercial yields improved by around 1% to 1.5% from September 2014 to the 2015 base date. Recent rental evidence has indicated stabilisation and firming of rental levels after a period of weakness and inconsistency through 2011, 2012 and 2013 particularly in fringe and secondary locations. Rents in fringe and secondary locations remain below pre GFC levels

Summary of Valuation Changes to Industrial Land Changes since previous General Valuation (2012)

In Byron Shire there is limited supply of industrial land which is tightly held. Limited sales evidence therefore exists. In total 11 reliable confirmed sales occurred between 1 July 2012 and October 2015 and these, combined with older sales adjusted for time provided good evidence to determine value levels

From 1 July 2012 through to 1 July 2015 the total value of industrial land in Byron LGA increased by approximately 18.1% with demand from both owner occupiers and investors driving the market. Differential market movement was experienced throughout the LGA however in general terms value levels decreased from 2012 to 2013, before increasing by approximately 6.1% from 2013 to 2014.

Value levels in the Billinudgel Industrial estate fell by approximately 16.7% from 2012 to 2013 due to being over-priced compared to other estates before increasing through late 2013/2014 and 2015 to finish approximately 12.4% lower overall over the entire 2012 to 2015 period.

Value levels in the Arts and Industry Estate at Byron Bay remained stable from 1 July 2012 to 1 July 2013 before increasing from late 2013 through to 2015 to finish up approximately 25.1% higher overall.

Changes since previous Valuation Year (2014)

In Byron Shire there is limited supply of industrial land which is tightly held. Limited sales evidence therefore exists. In total 5 reliable confirmed sales occurred between the 2012 and 2014 base dates and these, combined with older sales adjusted for time provided good evidence to determine value levels

From 1 July 2014 through to 1 July 2015 the total value of industrial land in Byron LGA increased by approximately 15.9%.

Differential market movement was experienced throughout the LGA with value levels in the Billinudgel Industrial estate increasing by approximately 3.9% from 1 July 2014 to 1 July 2015.

Value levels in the Arts and Industry Estate at Byron Bay improved by approximately 18.2%, predominantly through late 2014 and early 2015 and with more substantial value level increases experienced in the older section of the Byron Industrial Estate where value levels increased by around 29% from 2014 to 2015, primarily as the market recognised that the older area was comparatively good value compared to the newer section of the estate

Value levels in the Bangalow industrial estate improved by approximately 6.1%. Values increased by approximately 16.6% in the Mullumbimby Industrial Estate.

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Disclaimer - Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Byron LGA. The report has been produced on behalf of the Valuer General. The land values have been specifically made for rating and taxing purposes. Land values produced as part of this process must not be used for any other purpose without the specific agreement of the Valuer General and Valuers Australia Pty Ltd.

Land values must have regard to specific requirements and assumptions in rating and taxing legislation. Consequently these valuations may (and do) vary from market levels.

The land values have been determined using a methodology prescribed by the Rating and Taxing Valuation Procedures Manual. The Manual allows mass valuation methodologies that involve assessing large numbers of properties as a group to be utilised where appropriate. Mass valuation methodologies are by their nature likely to be less accurate than individually assessed valuations, however are utilised worldwide for rating and taxing purposes to deliver valuations within an acceptable market range.

Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process and information held on file. Third parties must make their own inquiries into these details and must not rely on the contents of this report.

The valuations rely on information provided by third parties. It has been assumed that information so supplied is accurate and is complete. The valuer and valuation firm do not accept any responsibility or liability whatsoever in the event that the valuer has been provided with incomplete, insufficient, false or misleading information.

The Valuer General and Valuers Australia Pty Ltd disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

More information on the valuation process is available from the Land and Property Information website at www.lpi.nsw.gov.au/valuation

LGA Overview

Location

Byron Shire, covering an area of 556 square kilometres, is located on the Far North Coast of NSW. In general terms it is located approximately 180km south of Brisbane and 800km north from Sydney. The Shire includes the world renowned town of Byron Bay which lies at Australia's eastern-most point.

Climate

The Byron Shire enjoys a mean temperature of 23.7 and mean minimum temperature of 16.1. We enjoy a high rainfall between January and May each year, with March being the month of highest rainfall. This provides an excellent farming climate and the green scenic landscape which many visitors enjoy. Further information can be found at <http://www.bom.gov.au/climate/data/> (Search for weather and climate/ Byron Bay).

Population

There are a number of small towns and villages in the shire, which has a total population of 29,209 (Source: ABS, 2011). In 2006 approximately 30% of people were living in rural areas. The main towns/villages comprise Byron Bay, Mullumbimby, Suffolk Park, Bangalow, Ocean Shores and Brunswick Heads.

Industry and Economy

Byron Shire is a prominent tourist destination with over 1 million visitors annually. The main source of revenue for the Shire is tourism, (approximately \$380 million in 2011). Tourism has a significant impact on a range of industries in the Shire, notably retailing, health facilities and spas, accommodation, restaurants and cafes, transportation and construction. Agriculture and related value-added and creative industries are also important areas of activity for the Shire.

Home-based businesses focused on alternative, cultural and knowledge industries, also add to the local economy with a growing population of artists, writers and filmmakers.

Main Urban Centres

The main town/villages in the shire are:

- **Byron Bay** – Byron Bay is the largest commercial centre in Byron Shire. It is located on the easternmost point of the Australian mainland and is located approximately 200 kilometres south from Brisbane. The 2011 ABS Census Data indicates that as at the Census Date 4,959 persons are usually resident in the Byron Bay Urban Centre/Locality. The town is heavily reliant on tourism, which by far provides the main income stream for the local economy, supporting/impacting upon a range of industries in the town including retail, health facilities, hospitality (including accommodation, restaurants, cafes), transport, construction, agriculture and local creative/specialist industries. The town has an expanding commercial centre, predominantly comprising retail premises supported by tourist dollars. As at the 2011 Census there were 3,092 private dwellings in the Byron Bay locality, (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Byron Bay were Professionals 22.7%, Managers 15.4%, Technicians and Trades Workers 14%, Community and Personal Service Workers 13.9%, Labourers 9.7%, Clerical and Administrative 8.9% and Machinery operators and Drivers 3.5%.
- **Mullumbimby** – Mullumbimby is a small township located in the Byron Hinterland. The 2011 ABS Census Data indicates that as at the Census Date 3,172 persons usually reside in the Mullumbimby Urban Centre/Locality. The town accommodates the Shire Council Chambers and provides general services to the surrounding area as well as catering to the tourist industry. In the 2011 Census there were 1,446 private dwellings in the Mullumbimby locality, (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Suffolk Park were

Professionals 22.3%, Managers 11.8%, Technicians and Trades Workers 16%, Community and Personal Service Workers 10.9% and Sales Workers 11.7%, Clerical and Administrative Workers 10.1%, and Machinery operators and Drivers 4.3%.

- Suffolk Park** – Suffolk Park is located on the coast approximately 3 kilometres south from Byron Bay. It is predominantly a residential area, but provides several tourist developments, including the “Byron at Byron” tourist accommodation located on the eastern side of Broken Head Rd. The 2011 ABS Census Data indicates that as at the Census Date 3,467 persons usually reside in the Suffolk Park Urban Centre/Locality. There is a small neighbourhood shopping centre providing basic services. In the 2011 Census there were 1,602 private dwellings in the Suffolk Park locality (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Suffolk Park were Professionals 24.9%, Managers 14.4%, Technicians and Trades Workers 13.6%, Community and Personal Service Workers 11.5% and Sales Workers 11.1%, Clerical and Administrative Workers 9.2%, and Machinery operators and Drivers 3.2%.
- Brunswick Heads** – Brunswick Heads is a small coastal township located in the northern part of the Shire. The 2006 ABS Census Data indicates that as at the Census Date 1,450 persons usually reside in the Brunswick Heads Urban Centre/Locality, which includes the Brunswick Heads village and the nearby Bayside Estate. The town centre provides basic services to the residential areas as well providing a limited amount of tourist accommodation. In the 2011 Census there were 938 private dwellings in the Brunswick Heads locality, (includes all dwelling types), of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Brunswick Heads were Professionals 19.8%, Community and Personal Service Workers 15.3%, Technicians and Trades Workers 13.9%, Clerical and Administrative Workers 12.4%, Managers 11.5%, Labourers 10.7%, Sales workers 8.3 and Machinery Operators and Drivers 5.5%.
- Bangalow** - Bangalow is a small township located in the Byron Hinterland, approximately 13 kilometres west from Byron Bay. The 2011 ABS Census Data indicates that as at the Census Date 1,902 persons usually reside in the Bangalow Urban Centre/Locality. The town provides basic services to the surrounding area as well as catering to the tourist/hospitality industry, with several well known and popular eateries. It has a small industrial estate located on the western town fringe. In the 2011 Census there were 788 private dwellings in the Bangalow locality, (includes all dwelling types) of which the vast majority comprised single residences. The most common occupations for employed people usually resident in Mullumbimby were Professionals 29.1%, Managers 17%, Technicians and Trades Workers 11.4%, Clerical and Administrative Workers 10.9%, Labourers 9.5%, Community and Personal Service Workers 8.8%, Sales workers 8.1% and Machinery operators and drivers 3.4%.
- Ocean Shores** (including New Brighton) – Ocean Shores is situated in a near coastal locality in the northern part of the Shire. By road it is located approximately 20 kilometres north from Byron Bay. It is predominantly a residential area but has a small-medium size shopping centre featuring a Bi-Lo Supermarket and a number of retail shops and small offices providing basic services to the surrounding residential areas. Ocean Shores has a 27 hole Golf Course. The 2011 ABS Census Data indicates that as at the Census Date 4,032 persons usually reside in the Ocean Shores Urban Centre/Locality. In the 2011 Census there were 1,923 private dwellings in the Ocean Shores locality (includes all dwelling types), of which the majority comprised single residences. The most common occupations for employed people usually resident in Suffolk Park were Professionals 21.1%, Technicians and Trades Workers 14.9%, Community and Personal Service Workers 12.9%, Labourers 12.9% and Sales Workers 11.0%, Managers 10.4%, Machinery operators and drivers 4.0%.

*Refer 2011 ABS Data and Analysis – Quickfacts.

(www.censusdata.abs.gov.au/ABSNavigation/ImageServer?id=map, Census, 2011)

Main Industries/Significant Retail Centres

Byron Shire economy is highly reliant on tourism. Much of the local industry is therefore directly related to tourism or support of the tourism industry, the majority of which is centred around Byron Bay. The other main local centres of Mullumbimby, Bangalow and Suffolk Park predominantly provide residential centres with associated local service industries.

A summary of the major industry in the area is as follows:

Industrial

There are several industrial estates located throughout the shire including Byron Bay, Mullumbimby, Bangalow and Billinudgel.

The Byron Industrial Estate is the largest and strongest industrial estate in the Shire with 141 industrial premises (not counting individual strata allotments).

Industrial development in Billinudgel, Bangalow and Mullumbimby is generally based around service of the local population. Development in the Byron Bay Industrial Estate is highly variable, providing local services but also supporting the strong tourist retail market in Byron Bay. A number of retail outlets in Byron Bay have internet based businesses which are serviced out of the industrial estate. The industrial estate also features a number of retail outlets for ladies fashion, surf wear, surf boards, small local industries etc.

In general terms there is a shortage of industrial land in the shire. This problem is exacerbated by a general lack of undeveloped land zoned for industrial purposes although there is an area of undeveloped industrial land located east of Mullumbimby, which remains undeveloped.

Commercial

Byron Bay and to a much lesser extent Mullumbimby, are the main commercial centres in the LGA and provide a range of services for the local community.

The Coastal strip, particularly around Byron Bay features a strong tourist influence particularly for Backpacker type accommodation, and is the main support base for the local economy.

The majority of commercial premises in Byron Bay comprise retail shops/businesses supported by the tourist industry. There is also a range of professional and semi-professional service providers located in the town centre and in the Byron Arts and Industry Estate, servicing the needs of the local population.

The Byron Bay commercial centre continues to grow steadily through redevelopment of existing sites. A relatively recent major development in a secondary commercial location (behind the Great Northern Hotel in the centre of town) has had mixed success with the accommodation component of the development reportedly performing well but the retail component having high turnover of tenants due to high rentals.

Since the GFC in 2008 there has been extensive media coverage in relation to the downturn of visitor numbers in Byron and reduced turnover for retailers. This was reflected in falling commercial rents and or escalation clauses not being enforced. Since 2013 tourist numbers have grown which has had strong positive flow on effects for the local economy (mainly Byron Bay and Brunswick Heads). Since the 2013 base date increased tourist activity has resulted in a stabilisation and firming of rents in Byron Bay. A return of investors to the market has also seen a slight firming of capitalisation rates over the past 12 months.

Land tax is an increasing burden on commercial real estate, particularly in Byron Bay where the high land values result in significant land tax burdens.

Commercial premises in Mullumbimby are more aligned to providing services to the local population, (from Mullumbimby and the surrounding rural localities), supported by the tourist trade. A number of shop vacancies exist in Mullumbimby however these are typically non-food approved and or are in fringe locations. It is noted however that due to the limited market for goods, increases in rental levels are hard to justify. The Woolworths Shopping Centre in Mullumbimby, which opened in 2012 has drawn some of the trade from the town centre, which has contributed to the softer retail market in Mullumbimby town centre (with the exception of food premises).

There is a Woolworths and Aldi supermarket in Byron Bay, a Woolworths supermarket in Mullumbimby, a neighbourhood shopping centre at Sunrise Beach near Byron Bay, a Coles supermarket and Target Country at Ocean Shores and a small neighbourhood shopping centre at Suffolk Park but otherwise there is a general lack of larger retailers in the LGA.

The nearby towns of Lismore, Tweed Heads and to a lesser extent Ballina comprise the regional centres for the Far north Coast and as such much business is lost out of Byron Shire and into the larger centres.

Rural

A significant proportion of rural zoned lands have been developed as rural home sites and hobby farms. This is partly due to rough topography and poor quality soils however is also a result of past planning schemes allowing small rural lot subdivision of what would otherwise have been good agricultural land.

There are some very high quality red soil agricultural land in the southern and western sectors of the LGA and these areas are generally used for horticultural purposes with macadamia production being the most common horticultural enterprise in these areas.

In other areas throughout the shire rural zoned land is utilised for sugar cane growing (generally closer to the coast), banana growing, grazing and a diverse range of other horticultural pursuits including coffee growing, stone fruit, berries, limes etc. as well as emerging industries such as medicinal herbs/plants, industrial hemp, bamboo etc. Again it is noted however that the value of the majority of these land parcels are tied to value as a home site.

Type of Residential Development

Residential

Byron LGA contains numerous coastal and rural settlements however the majority of the Shire's population is centred in and around Byron Bay and Suffolk Park, Ocean Shores and the Villages of Mullumbimby and Bangalow.

Throughout the LGA the majority of residential accommodation comprises privately owned single dwelling housing that varies in quality, style and construction materials. Many of the houses in the coastal areas date from the 1970's and 1980's and are of more basic design and construction. In recent years, in order to provide affordable accommodation, Council policy has encouraged the development of secondary dwellings ("granny flats"). In 2011 Council waived developer contributions on secondary dwellings and over time this has stimulated significant growth in this type of accommodation, although it is noted that many "granny flats" remain unapproved.

There is a significant amount of tourist accommodation in Byron Bay but in general there is very limited supply of medium density residential accommodation in the shire.

As at the 2011 Census there were 14,455 private dwellings within the shire, of which on census night 11,198 were occupied. Of the occupied dwellings 9,194 (75.6%) were separate houses, 1,023 (7.4%) were semi detached, row or terrace houses, 603 (5.4%) were flats, units or apartments, and 351 (3.1%) comprised other dwellings.

Approximately 65% of properties in the region are owner occupied, 35% are rented.

State and Local Government Legislation for LGA

Byron Shire Local Environmental Plan gazetted 21 July 2014 and applies to the majority of land within Byron LGA. The LEP is based on the standardised LEP instrument prescribed by New South Wales Legislation.

The Plan aims to make local environmental planning provisions for land in the Byron Shire Council Local Government Area in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

In September 2012, the Minister for Planning & Infrastructure announced a review into the way environmental zones and overlays are applied to land on the Far North Coast and engaged consultants, Parsons Brinckerhoff to undertake the review. The review applies to E2 Environmental Conservation, E3 Environmental Management and E4 Environmental Living zones in the Ballina, Byron, Lismore, Tweed and Kyogle local government areas.

The consultant has provided the Department of Planning & Environment (DP&E) with an interim report which was on exhibition for public comment until 5 June 2014.

Pending the outcome of this review, areas with environmental zones and overlays are deferred from the LEP 2014. Byron LEP 1988 zones continue to apply to land within these deferred areas. The current Byron Shire Development Control Plan (DCP) 2010 will also apply to those deferred areas.

Byron LEP 2014 gazetted 21 July 2014.

Development on Land in Byron Shire (excluding land Deferred from the LEP) is controlled by Byron Local Environmental Plan 2014.

The plan provides a basic framework of zones and objectives for land uses and development in each zone. It also provides details of development/uses permissible with and without council consent and prohibited uses in each zone.

The land use zones under this Plan are as follows:

Rural Zones

- RU1 Primary Production
- RU2 Rural Landscape
- RU5 Village

Residential Zones

- R2 Low Density Residential
- R3 Medium Density Residential
- R5 Large Lot Residential

Business Zones

- B1 Neighbourhood Centre
- B2 Local Centre
- B4 Mixed Use
- B7 Business Park

Industrial Zones

- IN1 General Industrial
- IN2 Light Industrial

Special Purpose Zones

- SP1 Special Activities
- SP2 Infrastructure
- SP3 Tourist

Recreation Zones

- RE1 Public Recreation
- RE2 Private Recreation

Environment Protection Zones

- E1 National Parks and Nature Reserves

Waterway Zones

- W1 Natural Waterways
- W2 Recreational Waterways

Byron LEP 2014 maps as held on the NSW Legislation Internet Site <http://www.legislation.nsw.gov.au/> displays various Planning Maps embraced within the LEP, including:

- Land Application Map (identifies where LEP 2014 applies and land Deferred from the LEP.
- Land Reservation Acquisition Map.
- Land Zoning Map.
- Heritage Map.
- Height of Buildings Map.
- Floor Space Ratio Map.
- Lot Size Map.
- Acid Sulfate Soils Map.
- Multiple Occupancy and Community Title Map.
- Drinking Water Catchment Map.

Byron LEP 1988 gazetted 22th April 1988.

Development on land in Byron Shire that is deferred from Byron LEP 2014 is controlled by Byron Local Environmental Plan 1988 (as amended).

The plan provides a basic framework of zones and objectives for land uses and development in each zone. It also provides details of development/uses permissible with and without council consent and prohibited uses in each zone.

The current zonings under the LEP include:

- 1(a)-(General Rural Zone)
- 1(b1)-(Agricultural Protection (b1) Zone)
- 1(b2)-(Agricultural Protection (b2) Zone)
- 1(c1)-(Small Holdings (c1) Zone)
- 1(c2)-(Small Holdings (c2) Zone)
- 1(d)-(Investigation Zone)
- 1(e)-(Extractive Resources Zone) Zone No.
- 1(f)-(Forestry Zone)
- 2(a)-(Residential Zone)
- 2(t)-(Tourist Area Zone)
- 2(v)-(Village Zone)
- 3(a)-(Business Zone)
- 4(a)-(Industrial Zone)
- 5(a)-(Special Uses Zone)
- 5(b)-(High Hazard Flood Liable Zone)
- 6(a)-(Open Space Zone)
- 6(b)-(Private Open Space Zone).
- 7(a)-(Wetlands Zone)
- 7(b)-(Coastal Habitat Zone)
- 7(c)-(Water Catchment Zone)
- 7(d)-(Scenic/Escarpment Zone)
- 7(f1)-(Coastal Lands (f1) Zone)
- 7(f2)-(Urban Coastal Lands (f2) Zone)
- 7(j)-(Scientific Zone)
- 7(k)-(Habitat Zone)

- 8(a)-(National Parks and Nature Reserve Zone)
- 9(a)-(Proposed Road Zone)

Development in Byron LGA is also guided by Byron Development Control Plan 2014 and Byron Development Control Plan 2010.

Zone	Minimum Allotment Size Varies for each zone (Refer minimum allotment size map)
Residential/ Village R2 R3 R5 RU5	600m ² , 2,500m ² 450m ² , 600m ² 5,000m ² , 8,000m ² , 1ha, 2ha, 2.5ha 2,000m ² , 2,500m ²
Rural/Forestry RU1 RU2	10ha, 40ha 10ha, 40ha 5000m(RU3) 40ha(RU4)
Business B1 B2 B4	400m ² 200m ² , 300m ² 600m ² , 1,000m ²
Industrial IN1, IN2	Council Consent required 1000m ² (IN1)

Byron DCP 2014 and DCP 2010

Byron Shire Development Control Plan (DCP) 2014

The primary purpose of DCP 2014 is to specify Council's requirements for quality development and sustainable environmental outcomes on land to which Byron LEP 2014 applies and to give effect to the aims of Byron Local Environmental Plan (LEP) 2014 and provide guidance for development that is permissible under that Plan.

The Plan is structured into five parts:

- Part A – Preliminary
- Part B - Controls applying generally to Development Applications
- Part C - Further controls applying to land with specific constraints and environmental characteristics
- Part D - Further controls applying to specific land uses
- Part E - Further controls applying to specific locations

Byron Shire Development Control Plan (DCP) 2010

DCP 2010 specifies Council's requirements for quality development and sustainable environmental outcomes on land to which Byron LEP 1988 applies (i.e. all land deferred from LEP 2014).

Market Overview & Sales of Particular Interest

Detailed sales analysis sheets have been provided electronically and include:

Residential	432* (includes Village properties)
Commercial/Industrial	49*
Industrial	10*
Rural	184* (includes Large Lot Res/Rural Residential)
Protection	67*
Special Uses etc.	0*

* Excludes outlier and non-market sales as defined by LPI.

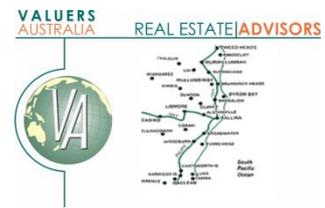
Valuation changes in the Local Government Area and percentage changes between the Council Valuation years of 1 July 2012 and 1 July 2015 and the Land Tax Valuation years of 1 July 2014 and 1 July 2015 are as follows:

PROPERTIES VALUED AND TOTAL VALUE							
ZONE	ZONE CODE	NO. OF ENTRIES	2015 TOTAL LAND VALUE	2014 TOTAL ANNUAL VALUATION	% CHANGE 2014 to 2015	PRIOR LOCAL GOV'T VALUATION (2012)	% CHANGE 2012 to 2015
Residential	A, R2, R3	7,935	4,127,535,760	3,349,388,060	+23.2%	3,015,993,930	+36.9%
Rural	R, RU1, RU2, R5	3,551	2,058,484,575	1,935,165,090	+6.4%	1,785,168,319	+15.3%
Village	RU5	118	34,642,510	31,004,70	+11.7%	31,899,000	+8.6%
Commercial	B1, B2, B4, B7	461	607,185,450	523,162,730	+16.1%	500,717,870	+21.3%
Industrial	IN1, IN2	241	144,656,590	124,858,570	+15.9%	122,456,200	+18.13%
Infrastructure	SP2, SP3	49	88,728,000	74,549,400	+19%	67,527,800	+31.4%
Environmental/Protection	E1, P	850	683,135,170	592,876,130	+15.2%	527,922,410	+29.4%
Recreation	O, RE1, RE2	75	76,972,650	65,237,940	+18%	57,883,600	+33%
Recreational Waterways	W2	4	1,581,000	1,512,000	+4.6	1,640,000	-3.6
Undetermined	Z	4	91,000	83,000	+9.6%	92,840	-2%
TOTAL		13,279	7,823,13,705	6,697,952,690	+16.8%	6,111,410,969	+28%

Residential/Villages

Byron LGA contains numerous coastal and rural settlements however the majority of the Shire's population is centred in and around Byron Bay, Suffolk Park, Ocean Shores and the Villages of Mullumbimby and Bangalow.

Throughout the shire the majority of residential accommodation comprises privately owned single dwelling housing that varies in quality, style and construction materials. Many of the houses in the coastal areas date from the 1970's and 1980's and are of more basic design and construction. Over time these are being modernised or in more upmarket localities demolished and replaced with quality residences.



There is a significant amount of tourist accommodation in Byron Bay but in general there is very limited supply of medium density residential accommodation in the shire.

As at the 2011 Census there were 14,455 private dwellings within the shire, of which on census night 11,198 were occupied. Of the occupied dwellings 9,194 (75.6%) were separate houses, 1,023 (7.4%) were semi-detached, row or terrace houses, 603 (5.4%) were flats, units or apartments, and 351 (3.1%) comprised other dwellings.

Approximately 65% of properties in the region are owner occupied, 35% are rented.

Byron Bay, Suffolk Park, Ocean Shores, Brunswick Heads, New Brighton, South Golden Beach, Golden Beach, Billinudgel and Mullumbimby all have full utility services available including reticulated town water supply, reticulated sewerage and telecommunication services. Byron Shire LGA has an array of Government Services including 2 State High Schools, 9 State Primary Schools, emergency services including Police, NSW Fire Brigade, Rural Fire Service, SES, two Hospitals (Byron Bay and Mullumbimby), Council Chambers and Administrative Offices. There are also two other Steiner Schools (Primary/Secondary) and 4 Christian Primary Schools). A new Central hospital is being constructed at Ewingsdale, which will, on completion, replace services currently provided at Mullumbimby and Byron Bay.

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

Residential values in Byron Shire are supported by employment in tourist based industries, retiree purchasers, local service industries and employment in the larger nearby centres with owners choosing to live in the Byron locality and commute to work.

In line with improved consumer sentiment, and associated demand by owner occupiers and investors, sales volumes have increased over recent years. In the current market however shortage of supply of properties on the market is beginning to limit the volume of sales being recorded and as a result sales volume in 2015 was reduced compared to 2014.

In recent years, predominantly due to lack of availability of suitably zoned land, the only substantial land releases to have occurred in Byron LGA have been on the western fringes of Mullumbimby and Bangalow villages, both of which have been on the market for several years and from late 2008 to 2014 experienced relatively slow take up and stable value levels.

The value levels adopted are supported by analysis of both vacant land and improved sales. Since 1 July 2014 variable market movement has been experienced throughout the LGA. In Byron Bay, Suffolk Park and Brunswick Heads very strong increases in value have been experienced particularly for residential properties suitable for tourist accommodation and with proven record of high occupancy and for central well located properties, or those with some degree of development potential.

In Bangalow and Mullumbimby, where newly released vacant land is still available, albeit on the western village fringe, moderate increases in values have been experienced with the exception of the older very central village areas where stronger increases in value have been experienced.

In many locations factors of around 1.15 were applied to average properties however better, more central properties or those with views/development potential were updated by minor factor to reflect greater value movement e.g. Byron Bay central where a factor of 1.326 was applied however minor factors of between 1.248 and 1.70 were applied (sites over 1,000m² with perceived development potential attracting the higher factors).

Depending on location, factors between 1.12 to 1.30 were applied to the remainder of the residential and village areas in Byron LGA e.g. Mullumbimby 1.158, Ocean Shores 1.43 to 1.18, Bangalow 1.167 to 1.185, Sunrise Estate at Byron Bay 1.25, Byron South 1.26 and Bayside Subdivision at Brunswick

Heads 1.314. Interestingly beachfront/near beachfront properties have not increase in value to the same extent as non beachfront properties e.g. A factor of 1.147 at Wategos Beach and 1.111 for sites east of the river at Brunswick Heads (prime near beachfront sites). This trend was observed in Tweed LGA as well and may be a result of the enormous Capital losses that occurred in beachfront locations after the GFC struck in August 2008).

Since the last General Valuation in 2012 moderate to strong capital growth was evident in most residential localities. As noted previously the majority of capital growth has been experienced since October 2013. Very strong growth was experienced in the popular coastal localities of Byron Bay, Suffolk Park and Brunswick Heads while moderate growth in values was experienced in most other areas. Much of the growth experienced since 2012 is a recovery of values to pre-GFC levels after values had fallen dramatically between August 2008 and July 2012.

Villages

There are a small number of residential dwellings located in various villages within the LGA. The market in villages throughout the LGA have generally improved moderately since 2014 with factors of 1.06, 1.11 and 1.14 being applied to the villages of Federal, Billinudgel and Main Arm

Since the last General Valuation in 2012, village values have generally strengthened by approximately 8.6%.

Due to limited supply there has been limited sales evidence within the village localities with only 9 reliable sales occurring (only 118 village zoned properties in the whole LGA). 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. No distinct trend appears in relation to increases or decreases of value in the eastern, western, southern or northern of the LGA.

Commercial

There are approximately 461 commercial zoned properties in Byron LGA, the vast majority located in Byron Bay but with others located in Suffolk Park, Bangalow, Ocean Shores, Brunswick Heads and Mullumbimby. Commercial properties are typically tightly held and as a result few commercial properties ever sell in Byron Shire.

In Byron Shire there is limited supply of Commercial land which is tightly held. Limited sales evidence therefore exists.

In total 48 reliable sales occurred between 1 July 2012 and October 2015 and these, combined with older sales adjusted for time provided good evidence to determine value levels

From 1 July 2012 through to 1 July 2015 the total value of commercial land in Byron LGA increased by approximately 21.26%. Improving market sentiment since early 2013, particularly increased demand from investors resulted in improved buyer activity /higher demand which resulted in strengthening yields and higher value levels.

In general terms commercial yields steadied through the period 1 July 2012 to September 2013, then improved slightly through to the 2014 base date, continuing to firm (more substantially between the 2014 and 2015 base dates). Recent rental evidence has indicated stabilisation and firming of rental levels after a period of weakness and inconsistency through 2011, 2012 and 2013 particularly in fringe and secondary locations. Rents in fringe and secondary locations remain below pre GFC levels.

Since 1 July 2014 there have been 16 reliable sales of Commercial Zoned properties in Byron LGA. Sales indicate that values increased moderately throughout the LGA, with the exception of B2 zoned properties in Brunswick Heads where values increased significantly.

In general terms commercial yields improved by 1.5% + from September 2014 to the 2015 base date. From 1 July 2014 through to 1 July 2014 the total value of commercial land in Byron LGA increased by approximately 16%. Improving market sentiment since 2013, particularly increased demand from investors resulted in improved buyer activity /higher demand which resulted in strengthening yields and higher values.

Component factors of between 1.087 and 1.20 were adopted in the majority of locations however some handcrafting was undertaken where required. A factor of 1.311 was adopted in Brunswick Heads which reflects the popularity of Brunswick Heads as a Café/dining destination but to a large extent reflects the high value of the residential component of commercial sites and the strong market movement for residential properties in the location. A factor of 1.136 was adopted for B4 Mixed Use zoned sites throughout the LGA. Supermarket sites were handcrafted to increase values in Byron and Ocean Shores.

The Ocean Shores Shopping Centre and adjoining Target Country sold during the program and provided evidence of the strength of the market for such properties.

An essentially vacant commercial site in a secondary/fringe location in Byron Bay also sold (unconfirmed) for \$2,610,000. This sale was reported from a number of sources and provided excellent evidence therefore was relied upon, in conjunction with other sales.

A modern, mixed use commercial property at 2 Johnson Street has sold for \$7,000,000 after having previously been sold in March 2013 for \$5,250,000. The purchaser from the 2015 recent sale was reportedly the vendor from the 2013 sale who exercised a right of option to purchase (that had been included in the original 2013 sale contract) when he became aware of a proposed sale for \$7,200,000 (subject to agents commissions) to a third party.

Recent rental evidence indicates a stabilisation and firming of rental levels after a period of weakness and inconsistency through 2011, 2012 and 2013, particularly in fringe and secondary locations. Rents in fringe and secondary locations remain below pre GFC levels.

Land Tax remains a very huge issue in the area, with increased Land Tax liability adversely affecting the net return on investments.

Industrial

There are several industrial estates located throughout the Shire including Byron Bay, Mullumbimby, Bangalow and Billinudgel.

There are only 241 industrial properties in Byron LGA. The Byron Industrial Estate is the largest and strongest industrial estate in the Shire with 142 industrial premises (not including individual strata allotments). Industrial development in Billinudgel, Bangalow and Mullumbimby is generally based around service of the local population. Development in the Byron Bay Industrial Estate is highly variable, providing local services but also supporting the strong tourist retail market in Byron Bay. A number of retail outlets in Byron Bay have internet based businesses which are serviced out of the industrial estate. The industrial estate also features a number of retail outlets for ladies fashion, surf wear, surf boards, small local industries etc. The Byron Bay industrial market has benefitted from the recovery of the tourist industry, improved economic climate and resultant return of confidence to the investment market. A shortage of supply of industrial land has also underpinned value levels.

In general terms there is a shortage of industrial land in the shire. This problem is exacerbated by a general lack of undeveloped land zoned for industrial purposes although there is a small area of undeveloped industrial land located east of Mullumbimby.

Due to limited supply of industrial land which is tightly held, limited sales evidence exists. In total 11 reliable confirmed sales occurred between 1 July 2012 and October 2015 and these, combined with older sales adjusted for time provided good evidence to determine value levels

From 1 July 2012 through to 1 July 2015 the total value of industrial land in Byron LGA increased by approximately 18.1% with demand from both owner occupiers and investors driving the market.

Differential market movement was experienced throughout the LGA however in general terms value levels decreased from 2012 to 2013, before increasing by approximately 6.1% from 2013 to 2014 before increasing steadily through to the 2015 Base Date.

Value levels in the Billinudgel Industrial estate fell by approximately 16.7% from 2012 to 2013 due to being over-priced compared to other estates before increasing through late 2013/2014 and 2015 to finish approximately 12.4% lower overall over the entire 2012 to 2015 period.

Value levels in the Arts and Industry Estate at Byron Bay remained stable from 1 July 2012 to 1 July 2013 before increasing from late 2013 through to 2015 to finish up approximately 25.1% higher over the 2012-2015 period.

There were 5 confirmed sales of industrial zoned land in Byron LGA since 1 July 2014 all of which indicate that value levels have increased by varying degrees, depending upon location. From 1 July 2014 through to 1 July 2015 the total value of industrial land in Byron LGA increased by approximately 15.9%. Differential market movement was experienced throughout the LGA with value levels in the Billinudgel Industrial estate increasing by approximately 3.9% from 1 July 2014 to 1 July 2015 while values increased by approximately 16.4% in Mullumbimby and by around 29% in the older area of the Byron Bay Industrial Estate where value levels increased by around 29% from 2014 to 2015, primarily as the market recognised that the older area was comparatively good value compared to the newer section of the estate.

2 very recent sales of larger than average vacant industrial sites have occurred on Centennial Circuit Byron Bay. Both properties had in recent years been reduced on objection. The recent sale prices indicated that the original value levels, which were in line with surrounding values, were accurate. The values have been re-adjusted.

Factors applied to industrial land were based on location as follows:

- Byron Bay – newer section of estate 1.078.
- Byron Bay – older section of estate 1.29.
- Mullumbimby – 1.164.
- Bangalow – 1.060.
- Billinudgel – 1.039.

Rural

Byron LGA is a highly regarded coastal locality. The majority of rural zoned land parcels are purchased for home sites, therefore the value of rural land is predominantly driven by residential/home site based factors rather than rural based factors.

A possible exception to this is land suitable for Macadamia growing. There are some very high quality red soil agricultural land in the southern and western sectors of the LGA and these areas are generally used for horticultural purposes with macadamia production being the most common horticultural enterprise in these areas, although in recent years a number of Macadamia plantations have been purchased then cleared for use as home sites, indicating that the land is more valuable for home site uses than for macadamia production.

In other areas throughout the shire rural zoned land is utilised for sugar cane growing (generally closer to the coast), banana growing, grazing and a diverse range of other horticultural pursuits including coffee growing, stone fruit, berries, limes etc. as well as emerging industries such as medicinal herbs/plants, industrial hemp, bamboo etc. although almost without exception, the value of these properties is largely determined by the value of the property as a home site.

From 1 July 2012 through to 1 July 2015 the total value of rural land in Byron LGA increased by around 13.6%. Improving market sentiment from around March 2013 onwards resulted in increased buyer activity and slight improvements in general value levels through to the 2013 base date, particularly in the more popular hinterland localities such as Myocum, Possum Creek, Skinners Shoot, Coopers Shoot, Mcleods Shoot and sites with premium ocean views. From July 2014 onwards demand continued to improve and slight to moderate value level increases occurred with the exception of elevated sites with ocean views, where stronger value level increases were experienced.

The price of Macadamia nut has improved in recent years, resulting in more demand for land by macadamia growers, however as previously noted the value of macadamia land, which is typically well located, is typically the same, or sometimes higher as a rural home site and the macadamia trees are sometimes considered a blight.

The overall percentage increase in value levels is skewed to some degree by higher value movements in the more popular localities listed.

The value of good quality rural land within close proximity to the Villages of Mullumbimby, Bangalow, Federal, Eureka and Main Arm increased moderately predominantly due to improved demand for rural residential/small rural home sites. The value of steeper, timbered sites west of Mullumbimby generally remained stable or fell slightly.

From 1 July 2014 through to 1 July 2015 the total value of rural land in Byron LGA increased by between 3% and 8.3%, depending upon location with the exception of elevated home sites with ocean views where more substantial value level increases were experienced.. Improving market sentiment, resulted in increased buyer activity and slight to modest increases in general value levels, particularly in the more popular hinterland localities such as Myocum, Possum Creek, Skinners Shoot, Coopers Shoot, Mcleods Shoot. The price of Macadamia nut continued to improve through 2014, resulting in more demand for land by macadamia growers, however as previously noted the value of macadamia land, which is typically well located, is typically the same, or sometimes higher as a rural home site and the macadamia trees are sometimes considered a blight. The value of macadamia land typical of land suited to horticultural uses increased by around 2.2%.

The overall percentage increase in value levels is skewed to some degree by higher value movements in the more popular localities listed.

Factors generally ranged from 0.96 for steeper and or timbered home sites in non-coastal localities to 1.083 for coastal sites less than 15ha in close proximity to Byron Bay. Select premium sites with ocean views were handcrafted to reflect substantial increases in value with a sudden surge in values for such sites for which there is very limited supply.

Open Space etc

Very limited sales evidence is available for Open space zoned properties. In January 2014 Byron Shire Council purchased a vacant site near Ocean Shores for establishment of playing fields. This sale and others, assisted in the valuation of Open Space land parcels. Council advises they have not purchased any other genuine open space land with no building rights in the past 24 months.

Sales of land with no dwelling entitlement and older sales, adjusted for time have also been used as a basis for valuation, in conjunction with sales from other surrounding components.

Applied factors varied between 1.00 and 1.282 for better located sites with higher utility, which generally reflected value level movements in the nearby surrounding localities.

Significant Issues and Developments

Significant Developments – From Prior to Current Annual Valuation

Regular checks of Byron Shire Council web site have been made throughout the program to identify significant development approvals. DA's have also been checked in relation to commercial and industrial properties.

Below is a summary of significant Development Applications. Most of these Development Applications are for developments permissible within the current zoning therefore no special consideration is required.

- Approximately 108 ha of land to the south of Ewingsdale Road and west of Belongil Creek has been rezoned to allow low density residential, medium density residential, light industrial uses and a neighbourhood centre. A substantial proportion of the land has been designated as environmental zones. (On 7th November 2014 it was reported in the Northern Star Newspaper that the rezoning application for the controversial West Byron Urban Area had been approved by the State Government. The rezoning applies to a 108 hectare site and reportedly will provide around 1,000 new homes. It is understood that approximately 40% of the site will be zoned environmental protection).
- On 7 July 2013 Development Consent was granted for the Concept Plan for a Residential Subdivision at Bayside Way, Brunswick Heads. The Approved Concept plan includes: 162 Residential Lots, 1 Medium Density Lot, Bulk Earthworks, roads and pedestrian traffic routes, stormwater management etc. The development has not yet been commenced. Strong increases in value in Brunswick Head/Bayside Subdivision at Brunswick Head may provide incentive for the development to finally proceed.
- Strong demand and value level increases have been experienced in the Tallwood Estate off Tuckeroo Ave. Mullumbimby.
- A redevelopment of the Byron Shopping Centre located at 112-114 Jonson St, Byron Bay is proposed. The Developer and Council have been working toward a mutually acceptable concept for the redevelopment after a DA was lodged on 2/12/2013 (Applic No.587/2013).
- DA144/2013 was approved to create an 11 Lot Subdivision at Centennial Cct Byron Bay.
- A two storey motel with 16 guest rooms has been approved (deferred approval) at 3-7 Shirley Street, Byron Bay.
- A new Hotel has been developed at Bayshore Drive, Byron Bay. The "Sun Bistro" provides bistro and bar facilities as well as a bottleshop.

The following additional points of interest were noted.

- On Sept 4 2014 it was reported in the Byron Echo Newspaper that the State Government had announced \$10.5M funding contribution to the construction of the Byron Town Centre Bypass. The bypass will run from the Shirley Street roundabout along Butler Street and connect to the southern end of Jonson Street via a new rail crossing and intersection at Browning Street near the Mitre 10 store. During 2015 a number of commercial zoned sites located at the southern end of Jonson Street, (in the vicinity of the southern entrance to the Bypass) have sold at greatly increased prices, indicating perceived commercial benefit in this location resulting from perceived modified traffic flows once the bypass has been completed.
- The Tintenbar to Ewingsdale Pacific Highway upgrade is progressing.
- Several small scale infill residential subdivisions to create up to 7 lots have been approved.
- The North Byron Resort Development is progressing on the old Club Med Site off Bayshore Drive Byron Bay. The original consent dates back several years.
- Paid parking has been introduced in Byron town Centre.

-
- June 2015 Council Announced that Belongil interim stabilisation works were to go ahead-refer progress report (refer June 2015 Progress Report), however the works were challenged by certain members of the public. The hearing for the Belongil interim stabilisation works will be heard in Sydney's Land and Environment Court on 28 October, 2015. Byron Shire Council's legal services coordinator Ralph James said the hearing follows the recent unsuccessful injunction by a local group to stop the construction works subject to the completion of an Environmental Impact Statement.
 - He said the site at Manfred Street, Belongil, has now been handed over to the contractor to commence the construction works.
 - Work on a new 44 space car park at the beach end of Middleton Street in Byron Bay commenced September 2015.
 - Draft West Byron DCP was placed on Display in October 2015 – Refer Oct Progress report.
 - A Planning proposal has been placed on exhibition

Significant Developments – From Prior to Current Local Government Council Rating Valuation

New developments in discussion or underway include:

- Approval for a 41 lot rural residential subdivision at Ewingsdale. 21 Lots have been subdivided off and sold.
- DA144/2013 was approved to create an 11 Lot Subdivision at Centennial Cct Byron Bay.
- On 7 July 2013 Development Consent was granted for the Concept Plan for a Residential Subdivision at Bayside Way, Brunswick Heads. The Approved Concept plan includes: 162 Residential Lots, 1 Medium Density Lot, Bulk Earthworks, roads and pedestrian traffic routes, stormwater management etc. The development has not yet been commenced. Strong increases in value in Brunswick Head/Bayside Subdivision at Brunswick Head may provide incentive for the development to finally proceed.
- Development of the Tallowood Estate off Tuckerroo Ave. Mullumbimby has progressed and stages 1, 2 and 3A. All lots in stages 1 and 2 and the majority of Lots in stage 3A have been sold.
- Development of land along the western fringe of Bangalow has continued to provide a steady supply of vacant residential allotments onto the market. The developers have historically tickled allotments onto the market in order to maintain prices. The land available and approved for subdivision on the western fringe of the village is now dwindling although it is noted that several small pockets of zoned residential land exists on the south eastern fringe of the village. One such site which holds approval for 49 Residential allotments sold in an off market transfer in November 2014.
- Byron LEP 2014 was adopted and became effective on 21 July 2014.

Significant Value Changes

Significant Value Changes – From Prior to Current Annual Valuation

Details of significant value movements from the Prior Current Annual Valuation have been included in the 2015 Byron Valuation Analysis Reportv2 (Pages 33 to 43).

From 2013 to 2014 the total value of all property in Byron Shire increased from \$6,697,952,690 to \$7,823,137,705 or by approximately 16.8%.

The change in total land value between 2014 and 2015 reflects an increase in value of property which was experienced predominantly as a result of improving market sentiment.

The main factors influencing values in Byron Shire in the present market are vastly improved market sentiment, strong demand from Sydney, Melbourne and to a lesser extent Brisbane purchasers improved world economic outlook, weather and natural beauty and appeal of the area.

The main factors driving demand in Byron LGA are the climate, natural beauty/ attractions and lifestyle experienced on the north coast, which continues to attract people to the area.

Other factors affecting demand in the area include the completion of the Tugun Bypass mid 2008 and ongoing road works to improve the Pacific Highway which have substantially reduced transit times between Byron and Brisbane and proximity to the Coolangatta International Airport.

Significant factors include:

COMPONENT	COMPONENT FACTOR	MINOR FACTORS
AHC - Bayside Subdivision Brunswick Heads	1.314	
AHF - Suffolk Park West:	1.192	1.238
AHG - Suffolk Park East:	1.30	1.32
AHD - Mullumbimby:	1.158	1.1 to 1.26
AKC - Byron Bay (Medium Density & Tourist)	1.305	1.4
AKG - Byron Bay Central (No Views)	1.326	1.159 to 1.70
BAA - Brunswick Heads, Mullumbimby, Bangalow	1.087	1.311 (Brunswick)
IEA - Byron Light Industrial	1.078	1.29 (Older section)
OWA - RE1 Zone Shirewide Parks, Reserves, Leisure	1.282	1.12 to 1.351
R5 - Large Lot Residential	1.111	1.25 (Coopers Shoot)
SP2 - SP2 Zone	1.00	1.25 (Byron Bay) 1.25 (Suffolk Park)
UD – Escarpment Views	1.1	1.20 (Coopers Shoot) 1.20 (Hayters Hill) 1.20 (McLeods Shoot)
XT – Byron Bay (7(F2) Zone)	1.20	
XY – Belongil Beach	1.44	1.257 to 1.297
ZC – Permissive Occupancies	1.20	1.194 to 1.286

Residential

Since 1 July 2014 variable market movement has been experienced throughout the LGA. In Byron Bay, Suffolk Park and Brunswick Heads significant increases in value have been experienced, particularly for residential properties suitable for tourist accommodation and with proven record of high occupancy.

In Bangalow and Mullumbimby, where newly released vacant land is still available, albeit on the western village fringe, moderate increases in values (10% to 16%) have been experienced with the exception of the older very central village areas where stronger increases in value have been experienced (25% to 30%).

Depending on location factors of around 1.12 to 1.25 were applied to average properties in many locations however better, more central properties or those with views/development potential were updated by minor factor to reflect greater value movement e.g. Byron Bay where a factor of 1.326 was applied however minor factors of between 1.248 and 1.70 were applied (sites over 1,000m² with perceived potential attracting the higher factors due to ability to undertake a traditional or strata title subdivision).

Factors of 1.147 at Wategos Beach and 1.111 for sites east of the river at Brunswick Heads (prime near beachfront sites) were applied, reflecting more modest value level movement in these locations.

Rural (Including R5 Rural Residential)

From 1 July 2014 through to 1 July 2015 the total value of rural land in Byron LGA increased by approximately 6.4%. Depending upon location factors applied ranged from 0.96 for steeper and or timbered home sites in non-coastal localities to 1.083 for coastal sites less than 15ha in close proximity to Byron Bay. Select premium sites with ocean views were handcrafted to reflect substantial increases in value with a sudden surge in values for such sites for which there is very limited supply.

Improving market sentiment, resulted in increased buyer activity and slight to modest increases in general value levels, particularly in the more popular hinterland localities such as Myocum, Possum Creek, Skinners Shoot, Coopers Shoot, Mcleods Shoot. The price of Macadamia nut continued to improve through 2014, resulting in more demand for land by macadamia growers, however as previously noted the value of macadamia land, which is typically well located, is typically the same, or sometimes higher as a rural home site and the macadamia trees are sometimes considered a blight. The value of macadamia land typical of land suited to horticultural uses increased by around 2.2%.

The overall percentage increase in value levels is skewed to some degree by higher value movements in the more popular localities listed.

Commercial

Since 1 July 2014 values have increased moderately throughout the LGA, with the exception of B2 zoned properties in Brunswick Heads where values increased significantly.

In general terms commercial yields improved by around 1% to 1.5% from September 2014 to the 2015 base date. From 1 July 2014 through to 1 July 2015 the total value of commercial land in Byron LGA increased by approximately 16%. Improving market sentiment since 2013, particularly increased demand from investors resulted in improved buyer activity /higher demand which resulted in strengthening yields and higher value levels.

Component factors of between 1.087 and 1.20 were adopted in the majority of locations however some handcrafting was undertaken where required. A factor of 1.311 was adopted in Brunswick Heads. A factor of 1.136 was adopted for B4 Mixed Use zoned sites throughout the LGA. Supermarket sites were handcrafted to increase values in Byron and Ocean Shores.

Recent rental evidence indicates a stabilisation and firming of rental levels after a period of weakness and inconsistency through 2011, 2012 and 2013, particularly in fringe and secondary locations. Rents in fringe and secondary locations remain below pre GFC levels.

Land Tax remains a very huge issue in the area, with increased Land Tax liability adversely affecting the net return on investments.

Industrial

From 1 July 2014 through to 1 July 2015 the total value of industrial land in Byron LGA increased by approximately 15.9%.

Differential market movement was experienced throughout the LGA with value levels in the Billinudgel Industrial estate increasing by approximately 3.9% from 1 July 2014 to 1 July 2015 while values increased by approximately 16.4% in Mullumbimby and by around 29% in the older area of the Byron Bay Industrial Estate where value levels increased by around 29% from 2014 to 2015, primarily as the market recognised that the older area was comparatively good value compared to the newer section of the estate

Factors applied to industrial land were based on location as follows:

- Byron Bay – newer section of estate 1.078.
- Byron Bay – older section of estate 1.29.
- Mullumbimby – 1.164.
- Bangalow – 1.060.
- Billinudgel – 1.039.

Significant Value Changes – From Prior to Current Local Government Council Rating Valuation

Since the last General Valuation in 2012 moderate to strong capital growth was evident in most residential localities. As noted previously the majority of capital growth has been experienced since October 2013. Very strong growth was experienced in the popular coastal localities of Byron Bay, Suffolk Park and Brunswick Heads while moderate growth in values was experienced in most other areas. Much of the growth experienced since 2012 is a recovery of values to pre-GFC levels after values had fallen dramatically between August 2008 and July 2012.

Details of significant value movements from the Prior Current Annual Valuation have been included in the 2015 Byron Valuation Analysis Reportv2 (Pages 33 to 45).

Since the last General Valuation in 2012, village values have generally been stable with the land values remaining largely unchanged. This follows the same overall trend from the previous valuation year and supports that the current market levels are generally static. Residential property in certain suburbs within the LGA have overall increased and decreased at differing rates:

- Steeper timbered rural home sites west of Mullumbimby with reasonable access/location increased in value by approximately 6.5%.
- Steeper timbered rural home sites west of Mullumbimby with inferior access/location decreased in value by approximately 6.7%.
- More moderately undulating, cleared or part cleared home sites west of Mullumbimby increased in value by approximately 12.5%
- Smaller coastal rural home sites (less than 15ha) increased in value by approximately 26%.
- Larger coastal rural home sites increased in value by around 2.7%.
- Residential values in Brunswick Heads increased in value by approximately 45%. Bayside Subdivision by around 40%.
- Residential values in Suffolk Park East increased in value by approximately 55%. Suffolk Park West by around 41% due to improved consumer sentiment and strong demand.
- Residential values in Ocean Shores increased in value by approximately 24%. Golden Beach by around 33% due to improved consumer sentiment and strong demand.
- Residential values in Bangalow increased in value by approximately 26%. Golden Beach by around 33% due to improved consumer sentiment and strong demand.
- Residential values in Byron Bay increased in value by approximately 47%. AKG Component (Byron Central) by around 62% primarily due to limited supply and strong demand.
- Byron Prime Commercial values increased in value by approximately 19%. Secondary and fringe by approximately 17% due to improved investor demand.
- Byron Bay Industrial increased in value by approximately 25% overall, primarily due to limited supply and ongoing demand.
- Billinudgel Industrial decreased in value by approximately 12% due to capped rental potential and distance from Byron Bay.

Summary of Individual Verification

Verification has been undertaken in accordance with Procedure Manual 6.6.2 and the adopted Project Plan for Byron.

The following summaries detail verification undertaken since delivery of 2014 land values.

SYSTEM: STATEVAL

USER: RHOULDEN

Valuers Australia
Verification of Land Values Summary
Byron/Tweed Contract Area
 Verified Between 1/11/2014 and 7/10/2015

District	Total Number Of Properties	Number of Properties Verified	Percentage of District Verified
150 - Byron	13,279	3719	28.01%
171 - Tweed	30,538	7115	23.30%
Totals for Byron/Tweed	43,817	10,834	24.73%

*** End Of Report ***

Report: RMSV049S.QRP
 System: StateVal

Date/Time: 07-Oct-2015 5:33 PM
 User: RHOULDEN

Valuers Australia
Verification by Risk Rating Category Summary
Byron/Tweed Contract Area
 Verified Between 1/11/2014 and 7/10/2015
 Using Current Risk Ratings
 Excluding Verification on Supp Requests

District 150 - Byron

Risk Rating Category	Risk Rating	Total Number of Properties	Number of Properties Verified	Percentage of Category Verified
Shopping centre	1	5	5	100.00%
Contaminated land	1	14	14	100.00%
Englobo parcel	1	11	11	100.00%
Mine	1	0	0	0.00%
High Value property	1	48	48	100.00%
Benchmark property	1	226	226	100.00%
Objection	1	1	1	100.00%
Analysed Sale	1	555	555	100.00%
Commercial zoned lands	2	396	135	34.09%
Industrial zoned lands	2	230	142	61.74%
Rural zoned lands where predominant use is primary production	2	31	19	61.29%
Heritage listing 14G and Sec 125	2	126	52	41.27%
Land Value Basis other than 6A(1)	2	651	258	39.63%
Allowance or Concession	2	78	41	52.56%
Residential, Village and rural residential lands with 6A(1) Basis	3	10,831	2,094	19.33%
Open Space, Special Use, Reservation zoned lands	3	74	29	39.19%

Overview of the Quality Assurance Process

LPI has been provided with a detailed Valuation Analysis Report (VAR), which details the Quality Assurance Process of Valuers Australia and outlines that the Verification process and certifies that Land Values meet all Statistical Measures and Component Data Analysis (where possible) or have been explained. 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 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 6.6.2. 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:



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