

20 December 2017 4.01 p.m.



The Hills Shire LGA

Final Report 2017

26 OCTOBER 2017

Rating and Taxing Contractor: QV

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1 Executive summary

LGA General Overview

There was a strong increase in land values across The Hills Local Government Area (LGA) between 2016 and 2017.

The increase in land values was fairly consistent across all market segments, with the exception of rural zoned lands which experienced very strong increases in land values. Commercial and Industrial zoned land both experienced increases in land values attributed to continued growth in the residential sectors.

The upward trend in land values is driven by the rural and residential sectors, with good supply being available for residential sections with numerous subdivisions taking place in the Kellyville to Box Hill areas. Other significant local drivers are the major infrastructure projects North West Rail Link and NorthConnex.

Residential Overview

Trend - Strong Increase - Residential land values generally experienced moderate increases across all property types and localities. The Baulkham Hills area showed the strongest growth overall in the standard (R2 Zone) residential areas. In the R4 zone, larger single dwelling lots typically of 500 m² to 1,000 m² in the older pockets of Baulkham Hills, Carlingford and Castle Hill that are suitable for amalgamation and future redevelopment, showed strong increases.

Commercial Overview

Trend - Moderate Increase - Commercial land values showed a moderate increase, with the exception of B7 zoned land at Box Hill which showed a slight increase.

Industrial Overview

Trend - Moderate Increase - Industrial land values generally showed a moderate increase overall, with the Box Hill and Rouse Hill industrial areas showing a smaller increase to be more in the slight increase bracket.

Rural Overview

Trend - Very Strong Increase - Rural land values across the LGA generally showed very strong increases with good demand evident. The rural is predominantly lifestyle properties with a small number of horticultural blocks. What stood out was properties with good contour over 8 hectares in size in the Maroota area increased significantly in value. While those properties in the north western area of the LGA, in the Sackville to Lower Portland saw only a slight to moderate increase.

The following table illustrates the valuation changes at a zone level in The Hills Shire in both dollar and percentage terms over the past 12 months:

Properties Valued and Total Land Value							
Zone	Zone Code	Number Of Entries	2017 Total Land Value \$	Prior Annual Valuation (2016) \$	% Change	Prior Local Government Valuation (2016) \$	% Change
Residential	(R1, R2, R3, R4)	51,995	\$ 48,710,545,880	\$ 43,316,489,950	12%	\$ 43,316,489,950	12%
Rural	(RU1, RU2, RU3, RU6)	4,625	\$ 7,134,593,530	\$ 5,392,225,438	32%	\$ 5,392,225,438	32%
Commercial	(B1, B2, B4, B5, B6, B7)	513	\$ 2,536,371,140	\$ 2,314,242,530	10%	\$ 2,314,242,530	10%
Industrial	(IN1, IN2)	120	\$ 702,222,500	\$ 642,837,100	9%	\$ 642,837,100	9%
Infrastructure	(SP1, SP2, SP3)	246	\$ 264,023,980	\$ 241,212,312	9%	\$ 241,212,312	9%
Environmental	(E1, E2, E3, E4)	1,905	\$ 2,332,021,370	\$ 2,134,581,780	9%	\$ 2,134,581,780	9%
Public Recreation	(RE1, RE2)	861	\$ 750,602,700	\$ 685,144,960	10%	\$ 685,144,960	10%
Total*		60,265	\$ 62,430,381,100	\$ 54,726,734,070	14%	\$ 54,726,734,070	14%

* Note: The total Number of Entries and all Land Values above include all properties that were previously part of The Hills LGA that now fall within the amended municipal boundary of the City of Parramatta LGA.



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2 Disclaimer

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 2017 valuation in the Local Government Area of The Hills.

To make a land valuation, regard must be had to the requirements and assumptions set out in rating and taxing legislation, such as the Valuation of Land Act 1916 (NSW). Land values are also determined by the rules set out in the "Rating and Taxing Valuation Procedures Manual". The manual permits large numbers of properties to be assessed using mass valuation methodologies.

Although mass valuation methodologies may be less accurate than individually assessed land valuations, they are routinely used across the globe to deliver land valuations for rating and taxing purposes that are within an acceptable range of variation. Consequently, land valuations from the Valuer General may vary from an individually assessed market valuation for a parcel of land. All land valuations are, however, subject to a risk based verification process which ensures each parcel of land is individually reviewed periodically.

Whilst the content of this report has been prepared with all due care and skill, the Valuer General does not warrant that it is complete or free from error. During the valuation process, information is compiled from third party sources, such as information relating to town planning, land use, zoning and other market related information. The Valuer General is not responsible for, and makes no warranty in relation to, the accuracy, currency, reliability or completeness of that information. Readers are directed to contact the source of the information.

The land values made in accordance with the valuation program have been made for rating and taxing purposes only, therefore, the land values should not be used for any other purpose. No reliance should be made on the contents of this report. To the extent permitted by law, the Valuer General 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.



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3 LGA Overview

3.1 Location of the district

The Hills Shire is located in Sydney's north-western suburbs, ranging from 30 to 120 kilometres from the Sydney CBD. The Hills Shire is bounded by Hawkesbury Council in the north and west, Hornsby Shire in the east, The City of Parramatta in the south and Blacktown City in the south west.

As a result of various council amalgamations and LGA boundary adjustments occurring in recent times, the southern boundary of The Hills Shire adjoining The City of Parramatta Council was re-aligned as part of these changes. Properties located south of the M2 Motorway that were previously part of The Hills Shire are now part of The City of Parramatta Council. The M2 Motorway now forms the boundary between the two LGA's.

3.2 Principal suburbs

The Hills Shire LGA includes the suburbs of Annangrove, Baulkham Hills, Beaumont Hills, Bella Vista, Box Hill, Carlingford, Castle Hill, Cattai, Dural, Glenhaven, Glenorie, Kellyville, Kenthurst, Leets Vale, Lower Portland, Maraylya, Maroota, Middle Dural, Nelson, North Parramatta, North Rocks, Northmead, Oatlands, Rouse Hill, Sackville North, South Maroota, West Pennant Hills, Winston Hills and Wisemans Ferry (continues into another LGA).

The following is an overview of the residential suburbs within The Hills LGA:

Baulkham Hills, Bella Vista, Castle Hill, West Pennant Hills and Winston Hills

These five suburbs form the majority part of the southern portion of The Hills LGA and collectively are bounded by Old Windsor Road to the west, M2 Motorway to the south, whilst Pennant Hills Road, Castle Hill Road and Old Northern Road bound the suburbs at the eastern extremity. Apart from Bella Vista, these suburbs are made up predominantly of long established residential areas developed with older style and contemporary brick dwellings built from the 1950's to 1990's. However, the presence and proportion of more modern residential developments continue to grow.

The suburb of Bella Vista and the areas north of Barina Downs Drive in Baulkham Hills, comprise a much more diverse mix of land uses and typically developed from the 1990's onwards. Norwest Business Park is spread across Bella Vista and northern parts of Baulkham Hills. It comprises a wide range of modern Office, Retail, Industrial and Residential development amongst parklands and lakes.

The last two years has seen a significant increase in construction activity for medium to high rise residential unit buildings in Baulkham Hills and Castle Hill. At the junction of Windsor Road and Seven Hills Road in Baulkham Hills, a large mixed use development known as Modena is underway and on completion will comprise of 234 apartments and 5,000 m² of retail space. Also in Baulkham Hills, a number of new residential units on the northern side of Norwest Business Park have recently been completed with other nearby projects on Fairway Drive now underway.

In Castle Hill, the construction of the Atmosphere Towers opposite the under construction Castle Hill Metro Train Station is well progressed and taking shaped toward becoming some of Castle Hills tallest buildings. On completion the development will comprise 378 apartments and 1,600 m² of retail space across two towers of up to 21 levels.



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There are few remaining rural/residential home sites left in these suburbs that are zoned residential but remained undeveloped. These are located in Baulkham Hills just north of Norwest Business Park and south of Windsor Road and Fairway Drive. Some of this land adjoins and overlooks the Castle Hill Country Club golf course.

These areas are well serviced by a number large retail and commercial centres, including Norwest Business Park, Stockland Baulkham Hills Shopping centre, Castle Hill Mall and Castle Towers Shopping Centre and Winston Hills Mall.

The southern area of The Hills LGA is set to benefit from the Sydney Metro North West project with construction well underway and due for completion in the first half of 2019. The new metro stations servicing these areas will be Bella Vista Station, Norwest Station, Showground Station, Castle Hill Station and Cherrybrook Station.

Beaumont Hills, Kellyville, North Kellyville and Rouse Hill

These suburbs are located on the western side of The Hills LGA and bounded by Old Windsor Road. The area is characterised predominantly by contemporary, modern and new freestanding residential dwellings constructed from the 1990's onwards as well as vacant residential lots in new residential subdivisions.

Beaumont Hills, Rouse Hill and the eastern portion of Kellyville bounded by Windsor Road and Samantha Riley Drive are the more established parts of these suburbs but are developed with many homes that are still regarded as modern. Modern and new residential unit developments are concentrated in and around Rouse Hill Town Centre.

Conversely, the area of Kellyville located south of Windsor Road known as the Balmoral Release Area and the entire suburb of North Kellyville are developing urban release areas that are far from being fully developed. As such, the areas are characterised predominantly by new dwellings, dwellings under construction, vacant residential lots and undeveloped rural/residential acreage home sites.

Established commercial and retail centres servicing these areas include Rouse Hill Town Centre, Rouse Hill Village Shopping Centre, Beaumont Hills Shopping Village, Kellyville Village and the recently completed North Kellyville Square. An additional local retail centre in North Kellyville known as The North Village is under construction with completion due in 2018.

This area is set to benefit from the Sydney Metro North West project with construction well underway and due for completion in the first half of 2019. The closest new metro stations servicing these areas will be Kellyville Station and Rouse Hill Station.

Box Hill

The Box Hill & Box Hill Industrial Precincts are two of the Second Release Precincts in the North West Priority Growth Area and were rezoned for urban development on 5 April 2013. The Precincts will deliver capacity for approximately 9,600 new homes for over 29,700 residents. When fully developed the Precincts will also feature a new town centre and 3 village centres, 133 hectares of employment land, 50 hectares of open space and recreation areas, upgrades to major roads, new primary and high schools.

Over the past 2 years, parts of the Box Hill landscape began to change due to commencement of subdivision and infrastructure works for a number of small and large residential subdivisions. New local roads have been



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constructed to service new developments and this will continue to be the case over the next 10 years. The two largest and most notable new developments are known as The Gables and The Hills of Carmel.

The Gables Box Hill development is the largest development spanning 330 hectares and will comprise over 4,000 dwellings, a primary school, two sports fields, 5.5 hectare town centre and 4 hectare lake. It is bounded by Maguires Road to the north, Old Pitt Town Road to the south, Janpieter Road to the east and Boundary Road to the west. From mid-2017, registration of titles and plans became available.

On a smaller scale, The Hills of Carmel is also another large development spanning 220 hectares of land within an area bounded by Annangrove Road to the east, Boundary Road to the west, Old Pitt Town Road to the north and Windsor Road to the south. On completion it will feature over 2,000 residential dwellings, sports fields, schools and shopping centre. The first round of title and lot registrations also occurred in mid-2017.

The majority of Box Hill still remains a rural area, but with much of it now zoned for residential development.

Carlingford, Oatlands, North Rocks and Northmead

Apart from a small portion of Carlingford and North Rocks, these suburbs are all predominantly located on the south side of the M2 Motorway, where these properties now fall within the City of Parramatta LGA, following council amalgamations and LGA boundary adjustments.

These suburbs are predominantly made up of established residential areas characterised by older style and contemporary residential dwellings built from the 1950's to 1980's. In more recent times, Carlingford in particular has experienced a boom in residential unit construction, particularly around the train station where a number of high rise buildings have either been recently completed or are under construction.

In the second half of 2016 a major landmark apartment development known as Northgate at the junction of James Ruse Drive and Windsor Road in North Rocks was completed. The development comprises 328 units across two curved towers. Northgate neighbours another significant apartment development under construction known as Darling Mills, which will comprise 148 residential units when completed.

These suburbs are serviced by a number of large retail and commercial centres, including Carlingford Court, Carlingford Village, North Rocks Shopping Centre (formerly Westfield Shoppingtown North Rocks) and the major centre of Parramatta CBD.

Dural and Glenhaven

Dural and Glenhaven are fringe residential and rural-residential areas located along the eastern side of the LGA along Old Northern Road between Castle Hill and Middle Dural. The residential areas are predominantly made up of established suburbs characterised mostly by contemporary style brick dwellings from the 1980's onwards.

The major retail and commercial centres servicing these areas are Castle Towers, Castle Mall, Knightsbridge Shopping Centre at Glenhaven and Dural Mall.



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3.3 Main industries

Unlike many areas of outer suburban Sydney in the North West, West and South West, The Hills LGA has a relatively small geographical area of established industrial development.

Castle Hill has a light industrial and business development area at the suburb's western side known as Castle Hill Trading Zone, but has a significant retailing and showroom presence. It includes a large bulky goods shopping centre known as Home Hub Castle Hill, a number of major New & Used Car Dealerships such as Toyota, Ford, Holden, Hyundai and Volkswagen, as well as a variety of smaller light industrial operators.

Other established but smaller industrial areas are located at North Rocks, Winston Hills and Rouse Hill. However, much of the land zoned industrial in Rouse Hill remains undeveloped and currently used for rural/residential purposes.

3.4 Significant retail centres

The Hills Shire has a number of major retail centres. The two most significant retail centres are Castle Towers in Castle Hill and the Rouse Hill Town Centre.

Castle Towers was built in 1982 and has since gradually expanded. It currently has a retail floor area of about 112,000 m² made up of 11 anchor tenants and 312 specialty shops, services, restaurants and cafes. The owners of Castle Towers also own land surrounding the shopping centre and have further plans to redevelop and expand the centre with an additional 80,000 m². This expansion would make Castle Towers the second largest shopping centre in Australia.

Unlike many shopping centres in NSW, Rouse Hill Town Centre is regarded as a genuine town centre as it features streets, a Town Square, outdoor dining and a mix of indoor and outdoor spaces. The centre spans 70,000m² of retail floor area made up of 5 major tenants and 245 specialty shops, cafes and restaurants. It also incorporates a library and residential strata units built above and surrounding the shops.

Other smaller but notable local retail centres include Stockland Baulkham Hills Shopping Centre, North Rocks Shopping Centre (formerly Westfield Shoppingtown North Rocks), Norwest Marketown, Dural Mall and Winston Hills Mall.



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4 State and local government legislation for LGA

Land use planning and development in The Hills LGA is legislated and governed by three key environmental planning instruments as administered by The Hills Shire Council and Department of Planning and Environment – NSW Government. These planning instruments are as follows:

- The Hills LEP 2012
- State Environmental Planning Policy (Sydney Region Growth Centres) 2006 – North Kellyville Precinct
- State Environmental Planning Policy (Sydney Region Growth Centres) 2006 – The Hills Growth Centre Precinct (Box Hill and Box Hill Industrial precincts)

THE HILLS LOCAL ENVIRONMENTAL PLAN 2012

The Hills Local Environmental Plan 2012 (LEP) is the principal planning instrument for The Hills LGA. The plan was notified on the NSW legislation website on Friday 5 October 2012. It provides the statutory framework for all land use planning, development and building in the LGA. The LEP is made up of a written instrument and maps. The document allocates land for specific purposes through zoning and development controls.

The Hills LEP 2012 covers the majority of The Hills LGA and excludes those areas that are covered under the State Environmental Planning Policy (Sydney Region Growth Centres) 2006.

LAND USE ZONES

The land use zones under The Hills LEP 2012 are as follows:

Residential Zones

- R1 General Residential
- R2 Low Density Residential
- R3 Medium Density Residential
- R4 High Density Residential

Rural Zones

- RU1 Primary Production
- RU2 Rural Landscape
- RU3 Forestry
- RU6 Transition

Business Zones

- B1 Neighbourhood Centre
- B2 Local Centre
- B4 Mixed Use
- B5 Business Development
- B6 Enterprise Corridor
- B7 Business Park

Industrial Zones

- IN1 General Industrial
- IN2 Light Industrial



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Special Purpose Zones

- SP2 Infrastructure
- SP3 Tourist

Recreation Zones

- RE1 Public Recreation
- RE2 Private Recreation

STATE ENVIRONMENTAL PLANNING POLICY (SYDNEY REGION GROWTH CENTRES) 2006

There are two precincts within this state planning policy that fall within The Hills LGA. These are the North Kellyville Precinct Plan and The Hills Growth Centre Precinct Plan which comprises The Box Hill Release areas.

North Kellyville Precinct

The State Environmental Planning Policy (SEPP) - Sydney Region Growth Centres 2006 (Amendment No.3) ("the amending SEPP") was published in the Government Gazette No. 158 on 19 December 2008. The associated North Kellyville Development Control Plan (DCP) was also been adopted and came into force on 19 December 2008.

The North Kellyville Precinct was rezoned from Rural 1(a) to allow a range of residential, commercial and community uses. In summary the proposed SEPP will:

- provide for approximately 4,500 residential dwellings;
- provide for retail and commercial development, within one small Local Centre and two Neighbourhood Centres;
- provide for power, water and sewer infrastructure and local services;
- protect areas of environmental and cultural heritage; and
- make provision for exempt and complying development provisions in the DCP.

The Hills Growth Centre Precinct (Box Hill)

The SEPP (Sydney Region Growth Centres) Amendment (The Hills Growth Centres Precincts) 2013 was published in the Government Gazette Notification no. 137 on 5 April 2013. The associated Box Hill and Box Hill Industrial Development Control Plan (DCP) was also been adopted and came into force on 23 April 2013.

The amendment rezoned the Box Hill and Box Hill Industrial Precincts from RU2 Rural Landscape and RU6 Rural Transition to a range of urban zones under the Standard Instrument Template. The amending SEPP and DCP addresses a range of matters from zoning, subdivision, dwelling design, exempt and complying development and integrated water management. In summary, the SEPP will:

- provide for approximately 9,600 dwellings;
- provide for retail and commercial development, within one town centre, three villages; provide for power, water and sewer infrastructure and local services; and
- protect areas of environmental and cultural heritage; and make provision for exempt and complying development in the DCP.

5 Market overview and sales of particular interest

5.1 Residential

The residential market within The Hills LGA has shown a strong increase in land values over the last year with an average increase to land values of 12% across all residential zones. This follows a period of stronger growth of 17% experienced from the year prior. This slight overall moderation in growth can be partly attributed to the increased supply of new residential lots becoming available this year in the urban release areas of North Kellyville and Box Hill.

Residential land values in The Hills LGA continue to be underpinned by favourable market conditions, including the widely reported on-going shortfall between demand and supply, population growth, the extended period of historically low interest rates with the official cash rate of 1.50% remaining unchanged since August 2016, and major infrastructure projects currently under construction such as The Sydney Metro Northwest, NorthConnex motorway tunnel and M2 Motorway upgrade.

The suburb of Baulkham Hills showed the strongest growth overall for single dwelling residential sites in the R2 and R3 zones. In the R4 zone, larger single dwelling lots typically of 500 m² to 1,000 m² in the older pockets of Baulkham Hills, Carlingford and Castle Hill that are suitable for amalgamation and future redevelopment also recorded strong increases.

Demand from developers for englobo residential land has also remained strong over the past 12 months with an ample volume of sales transacting in both urban release areas of Box Hill and North Kellyville. This demand has been underpinned by the continued strength in the residential market in general, ensuring that development feasibilities continue to stack-up financially and remaining viable throughout the projects lifecycle.

The following are examples of large residential site sales of interest relied upon for the 2017 program:

- 106-110 Foxall Road, Kellyville. Sold \$11.9 million in April 2017. Sale of a 2.26 hectare rural/residential parcel zoned R2 in the North Kellyville Release Area.
- 62-64 Terry Road, Box Hill. Sold \$12 million in November 2016. Sale of a 4.146 hectare rural/residential parcel zoned R2 in the Box Hill Release Area.
- Mackillop Drive, Baulkham Hills. Sold \$87.2 million in December 2016. Sale of a large 12.5 hectare englobo site with DA approval for 71 large residential lots and 75 medium density lots. The site was part of the St Joseph's Convent Site in Baulkham Hills.
- 780-786 Pennant Hills Rd, Carlingford. Sold \$13.5 million in May 2017. Sale of a 3,403 m² R4 zoned high density development site with 10 existing strata townhouses to be demolished and redeveloped into 90 residential units as per DA approval.

5.2 Commercial

Similar to the preceding period, there was once again a very limited number commercial sales transacting throughout the district. These sales have demonstrated a slight to moderate increase to business zoned land values across the district and in line with the general trend of residential land values.

The relatively consistent trend of commercial land values to residential land values can be partly attributed to the fact that land in some business zones can be influenced by demand for residential property. This is due to

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some business zones permitting residential units as part of mixed use development proposals. These are generally in the B1, B2 or B4 zones. However, not all land in these zones are suitable for mixed use developments as certain planning controls and development standards must be satisfied. The continued strength in the residential market over the past 12 months has therefore played an ongoing role in influencing value levels for land within B1, B2 and B4 zones that meet planning requirements for mixed use developments.

The following are examples of business zoned sales of interest relied upon for the 2017 program:

- 73-75 Winsor Road, Baulkham Hills. Sold \$12.7 million in September 2017. Sale of a large 2.334 hectare raw englobo site zoned B1 Neighbourhood Centre and R3 Medium Density Residential. Suitable for a mixed use development.
- 62-64 Windsor Road, Kellyville. Sold \$4.75 million in October 2016. Sale of a 3,103 m² site zoned B2 and improved with older style shops and dwelling. Site has potential for a mixed use development.
- 18 Victoria Avenue, Castle Hill. Sold \$336 million in May 2017. Investment grade sale of a large bulky goods retail centre across two sites totalling 5.9 hectares, known as Home Hub - Castle Hill. Sold at an investment yield of 5.5%.

5.3 Industrial

There were no market based sale transactions for land in any Industrial zones for the current period. Similar to the Business zones, the volume of industrial sales across the district are typically very limited. This is mainly due to the relatively small number of properties located within industrial zones generally. The absence of any industrial sales during this period is not an indication that demand is soft, but rather an indication of the lack of stock. Overall, industrial land values experienced a moderate increase in line with the general trend of commercial land values.

Typically, the outer industrial localities including the Annangrove Road Industrial Area and Edwards Road Industrial Precinct have generally had limited success in attracting new industrial businesses. A current lack of immediate infrastructure development combined with the general area still largely remaining a rural/non-urban environment, have contributed to the lack of demand from industrial operators. In this location, demand tends to be driven more by non-industrial market participants such as rural/residential purchasers and developers looking to land bank englobo land with an industrial zone.

These precincts are considered to be well positioned for future growth as they are in close proximity to Rouse Hill Town Centre, the under construction Sydney Metro Northwest, and the urban release areas of North Kellyville Precinct to the south-east and Box Hill and Box Hill Industrial Precincts to the north-west. As development in the nearby urban release areas expand and the local population starts to grow at a more rapid pace, development of the outer industrial precincts is expected to follow suite. For the present time however, slight increases were applied to the 2016 land values in these areas in line with nearby residential and business zones.

5.4 Rural

Rural land values have generally experienced very strong increases overall in the 2017 valuation year with strong demand evident. Overall, rural zoned land values increased on average by 32% over the last year. The rural areas in The Hills LGA are made up predominantly of lifestyle properties with a small number of horticultural blocks. What stood out were properties with good contour over 8 hectares in size in the Maroota area increased significantly. While those properties in the north western area of the LGA, in the Sackville to Lower Portland saw only a slight to moderate increase.

6 Significant Issues and Developments

6.1 Significant developments – from prior to current annual valuation

Development and construction activity in The Hills LGA has continued on throughout the past 12 months. Below is a summary of three major development projects either recently approved or currently underway.

The Gables – Box Hill

The Gables Box Hill is the largest master planned residential subdivision in Box Hill being developed by Celestino, an Australian owned family business. It spans 330 hectares and on completion will comprise over 4,000 dwellings, schools, sporting fields, a 5.5 hectare town centre and 4 hectare lake. It will provide a variety of dwelling types including apartments, townhouses, terraces, freestanding dwellings and residential lots ranging from 450 m² to 2,000 m². The Gables is bounded by Maguires Road to the north, Old Pitt Town Road to the south, Janpieter Road to the east and Boundary Road to the west. Registration of titles and plans for earlier stages were available from mid-2017 with some dwelling construction now underway.

The Hills of Carmel – Box Hill

The Hills of Carmel is also another large residential subdivision in Box Hill spanning 220 hectares. On completion it will comprise over 2,000 residential dwellings, sporting fields, schools and shopping centre. The Hills of Carmel is located in an area bounded by Annangrove Road to the east, Boundary Road to the west, Old Pitt Town Road to the north and Windsor Road to the south. Registration of titles and plans for earlier stages were available from mid-2017 with some dwelling construction now underway.

The Orchards – Baulkham Hills

The Orchards is located on a 7.9 hectare site fronting Spurway Drive and Fairway Drive in Baulkham Hills, just north of Norwest Business Park and about 500 metres from the future Norwest metro station currently under construction. It is a master planned community which will comprise of about 1300 apartments being a mix of 1, 2, 3 and 4 bedrooms across 7 residential towers. Other features include gymnasium, community function centre, new public roads, a 1.4 hectare public park, playgrounds, lagoon pool, pedestrian and cycle networks and rehabilitation of Strangers creek. The site was reportedly purchased by Japanese-backed residential builder Sekisui House for \$210 million back in June 2016. Preliminary site works are now underway.

7 Significant value changes

7.1 Significant value changes – from prior to current annual valuation

Overall the rural market throughout The Hills LGA has been strong over the past year with a sufficient volume of sales to support significant land value increases. Rural land in The Hills LGA is predominantly made up of lifestyle blocks (generally under 2.5 hectares). The exception is in the RU1 zone, which has a few market garden/horticulture blocks and sand quarries plus lifestyle blocks. There were five components that increased by more than 30% from 2016 to 2017. These are described as follows:

RU1 PRP

This component comprises properties located in the Maroota area. Sales indicated a significant lift in values for the larger blocks with good contour (which was also the case in Hawkesbury LGA). Sales in the adjoining RU1 component in the Hornsby LGA in the Canoelands to Wisemans Ferry area also showed strong growth. The smaller lots did not increase by as much as the larger lots with good contour. Overall, land values in the whole component increased by 60.4%.

RU2 RBB

This component includes properties located in Sackville North, Cattai, Glenorie, Lower Portland, Maroota and Wisemans Ferry. In recent years, community title subdivisions on 10 hectare plus lots have been taking place where certain planning requirements can be met. Sales have demonstrated strong increases in prices. However, sales of new community title lots in the Sackville area did not increase by as much as those lots closer to Dural, as an increase in supply appears to have absorbed the demand. Properties located further from Sydney generally did not increase by as much as those located closer in. Overall, land values in the whole component increased by 25.45%.

RU6 RAA

This component includes land at Nelson and Marayla. In this zone, subdivisions down to 2 hectare lots have been occurring in the area over the past two years. These areas are also relatively close to the Rouse Hill Town Centre and the Sydney Metro North West railway line currently under construction. Some of the larger sized properties did not increase by as much as the 2 hectare lots. Overall, land values in the whole component increased by 37.55%.

RU6 RDD

This component includes land within Dural, Annangrove and Kenthurst areas. In this zone, subdivisions down to 2 hectare lots are permitted, subject to approvals. Sales in the component indicate steady demand, however properties significantly impacted by transmission line easements or other constraints experienced more moderate increases. Overall, the whole component increased by 32.85%.

RU6 RHH

A small component made up predominantly of 1hectare lifestyle lots on Porters Rd, Nyari Rd and Cadwell Rd area. There were no sales in this component over the past year. As such, sales from other RU6 components were relied upon in support of an increase of 30.9%.



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8 Overview of the quality assurance process

Property NSW has been provided with a detailed Valuation Analysis Report, which details the Quality Assurance Process of QV Australia 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 within Valnet. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value bases have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or 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 7.1.1. 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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9 Author

Report Prepared by:

A handwritten signature in black ink, appearing to read 'Martin Lee'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Martin Lee AAPI CPV
Property Consultant

26th October 2017

A handwritten signature in black ink, appearing to read 'Vicky Watson'. The signature is in a cursive style, with the first letters of each word being capitalized and prominent.

Vicky Watson AAPI MRICS
Contract Manager