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## KEMPSEY LGA

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*(Image Source: Profile ID, Kempsey Council)*

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## FINAL REPORT - NOVEMBER 2021

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## EXECUTIVE SUMMARY

### LGA OVERVIEW

#### KEMPSEY LOCAL GOVERNMENT AREA

Kempsey Shire is a LGA (LGA) in the mid north coast region of New South Wales, Australia located approximately 420 kilometres north of Sydney and 400 kilometres south of Brisbane. The shire services an area of 3,381 square hectares with a population of approximately 29,921 people.<sup>1</sup>

The LGA is focused on the Macleay River Valley. The main population centres within the Shire are Kempsey and South West Rocks with a number of smaller village communities throughout.

Major industries within the Shire include tourism, timber products, beef cattle, dairying, horticulture, manufacturing and fishing.

Kempsey is the main retail centre for the Shire, with secondary retail centres located at South West Rocks and Crescent Head.

Residential development is predominately detached dwellings with density types generally limited to dual occupancies, villas, town house and a small number of walk-up flat buildings.

Valuing year 2021 is for land tax purposes, the last local council general valuation was 2019.

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

The Kempsey Shire LGA comprises standardised LEP zones for residential, business, industrial, rural, special uses, recreation and waterway zones.

For the 2021 annual program 14,736 properties were valued at the Base Date 1 July 2021 and valuations are reflective of the property market at that time.

Valuation changes in the LGA between the land tax valuation year and land tax valuation year 1 July 2021 in dollar value and the percentage change in values between the valuation year of 1 July 2020 and 1 July 2021 are as follows:

Zone		Number of entries	2021 LV	2020 LV	% change	Band	Trend
Residential	B4, E4, R1, R3, R5, RU5	9881	\$2,018,228,560	\$1,724,518,030	17.03	3	Strong increase
Commercial	B1, B2, B3, B6	363	\$102,766,300	\$92,814,990	10.72	3	Strong increase
Industrial	IN1, IN2	177	\$34,560,260	\$30,270,040	14.17	3	Strong increase
Rural	RU1, RU2, RU4	3853	\$1,088,767,330	\$884,272,110	23.13	3	Strong increase
Other	E1, E2, E3, RE1, RE2, RU3, SP2, SP3, W1	462	\$99,670,580	\$89,992,100			
<b>LGA</b>		<b>14736</b>	<b>\$3,343,993,030</b>	<b>\$2,821,867,270</b>	<b>18.50</b>	<b>3</b>	<b>Strong increase</b>

<sup>1</sup> <https://profile.id.com.au/kempsey>



## **STATE AND LOCAL GOVERNMENT LEGISLATION FOR LGA**

The principal instruments in force in Kempsey council region include, but are not limited to the following;

Kempsey Local Environmental Plan 2013, commencement effect 3 February 2014. The plan conforms to the standardised Local Environmental Plan (LEP) program prescribed by the New South Wales Department of Planning, Industry and Environment.

Since commencement there has been twenty-four (24) direct LEP Amendments, plus numerous additional amending legislations. During the current annual program year, since the prior final report, there has been 2 direct LEP Amendments. LEP amendment, number 1 of 23/12/2020, and number 30 of 05/03/2021. All amendments are reviewed for a potential for effecting change to land values.

## **SIGNIFICANT ISSUES AND DEVELOPMENTS**

There have not been any significant developments or applications for developments outside of those that are permissible under the current zoning and therefore no special consideration is required.

## **MARKET OVERVIEW**

Overall, land values in the Kempsey LGA experienced a strong increase between July 2020 and July 2021.

This trend occurred across all market segments and was driven by several factors including an increased demand from metropolitan sea and tree changers relocating to the area, taking advantage of flexible arrangements to work remotely.

Other market drivers include the relative affordability of property in Kempsey compared to some other north coast localities and on-going low interest rates.

## **SUMMARY OF VALUATION CHANGES TO RESIDENTIAL LAND 2020 - 2021**

Kempsey LGA experienced a strong increase overall in residential land values between July 2020 and July 2021.

The trend was evident across all residential markets largely due to sea and tree changers from larger centres seeking coastal and hinterland lifestyle properties in the Kempsey area.

Medium density land in Crescent Head saw a very strong increase, as did development land at South West Rocks, mainly due to relative affordability compared to other coastal areas on the north coast and continued demand for coastal living.

Large lot residential land on the fringes of South Kempsey showed a very strong increase. This was largely due to sustained demand for affordable lifestyle properties within commuting distance of local amenities with easy access to larger centres following upgrades to the Pacific Highway.

Moderate increases were experienced in the village localities of Willawarrin and Kundabung, reflecting the longer distance to major town services and amenities. Low density residential land in East Kempsey also saw moderate increases due to balanced supply and demand.



### **SUMMARY OF VALUATION CHANGES TO COMMERCIAL LAND 2020 - 2021**

Kempsey LGA saw a strong increase in commercial land values between July 2020 and July 2021.

The small tightly held commercial sector is mainly located in Kempsey and South West Rocks. Demand exceeded supply in an otherwise thinly traded market and increases in land values were across the board.

The most significant movement was seen at Macleay Valley Way, South Kempsey which showed a very strong increase in value levels due to good access from the Pacific Highway.

Commercial properties in the villages of Crescent Head and South West Rocks also experienced a strong increase in land values which was in line with the prevailing residential markets in those locations.

In contrast, some commercial pockets like Tozer Street in West Kempsey, remained steady with supply meeting demand.

### **SUMMARY OF VALUATION CHANGES TO INDUSTRIAL LAND 2020 - 2021**

There was a strong increase in industrial land values in the Kempsey LGA between July 2020 and July 2021.

The Kempsey industrial sector is a relatively small and thinly traded market and is generally concentrated to the Kempsey and South West Rocks localities.

Industrial land in other north coast locations have continued to increase in recent years, making the relatively lower valued Kempsey industrial sector attractive to the market. This increased demand for a limited supply has seen industrial land values increase strongly.

### **SUMMARY OF VALUATION CHANGES TO RURAL LAND 2020 – 2021**

Overall, rural land values in the Kempsey LGA experienced a strong increase between July 2020 and July 2021.

Smaller rural properties in the coastal localities of Crescent Head and Greenhill showed strong increases, being attractive to sea changers wanting a rural lifestyle with access to beaches and the Kempsey town services.

Localities like Dongdingalong, Toorooka, and Yarrahapinni saw very strong increases for smaller rural lifestyle properties. This was largely due to increased demand from investors, owner-occupiers and tree changers from larger centres relocating to coastal and hinterland properties in Kempsey LGA to live and work.

Confidence in the agricultural sector following good rainfall, buoyant commodity prices, and a favourable seasonal outlook saw grazing land values in the Bellbrook locality increase very strongly.

There is a continuing demand for quality productive land for grazing and cropping activities.



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## DISCLAIMER - PURPOSE OF THIS REPORT

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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 2021 valuation in the LGA of Kempsey.

Land valuations must comply with the requirements and assumptions set out in rating and taxing legislation, such as the Valuation of Land Act 1916 (NSW), and Valuer-General policies. The contract 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.



## LGA OVERVIEW

### LOCATION OF THE DISTRICT

Kempsey Shire is an LGA in the mid north coast region of New South Wales, Australia, located approximately 420 kilometres north of Sydney and 400 kilometres south of Brisbane. The shire services an area of 3,381 square km's that includes undulating coastal land and lower escarpment lands of the coastal hinterlands. The LGA is focused on the Macleay River Valley, from its coastal outlet to the South Pacific Ocean at South West Rocks to the lower reaches of Great Dividing Range. A direct line distance of some 75 kilometres. The river has its source from the New England tablelands. The LGA landscape comprises of towns and villages separated by large tracts of rural, forestry and national park uses that follow the river valley from the coast to the hinterland. Land area developed for residential purposes comprises a relatively small percentage against the total land mass.

The population of the Shire is approximately 29,921 people 2020(ABS).

The LGA is primarily accessed via the Pacific Highway and North Coast railway line, with air access through the council operated Kempsey Airport. Port Macquarie airport provides a more comprehensive range of commercial flights into the nearby region.

The LGA (LGA) adjoins four other LGAs. Nambucca to the north, Armidale and Walcha Councils to the west and Port Macquarie-Hastings Council to the south.

### PRINCIPAL TOWNS

#### Kempsey, South Kempsey and West Kempsey

Kempsey is located approximately 35 kilometres upriver from the coast and is home to the Council administrative centre for the Shire. This aggregate of suburbs is split by the Macleay River. The town is a focal point for provision for commercial and domestic needs across the LGA.

The towns provide a wide range of services and amenities, across both retail and commercial, community amenity and support, fire and ambulance, including major grocery chains, major lending institutions, district hospital, public and private schools. State government departments and agencies with offices in Kempsey include Centrelink & Medicare, Service NSW, Primary Industries District Office – Agriculture, and Local Land Services. Additional significant facilities include regional sports grounds and facilities, social clubs and entertainment centres.

#### South West Rocks

South West Rocks town is located at the coastal mouth of the Macleay River, 32 kilometres north-east of Kempsey CBD. It is a popular tourist destination with its beaches, fishing and water sports as well as a gateway for tours of the Smoky Cape Lighthouse, Fish Rock Cave and Trial Bay Goal. The town centre provides a limited range of retail and commercial facilities.

#### Crescent Head

Crescent Head is a beach-side village located approximately 19 kilometres south-east from Kempsey CBD. It is a popular tourist destination for its tourism, fishing, surfing and coast front golf course. The village centre provides a limited range of retail and commercial facilities.

#### Gladstone & Smithtown

Gladstone & Smithtown are located approximately 15 kilometres north-east of Kempsey and sit opposite each other across the Macleay River. Supporting a small village population, providing services and facilities to the surrounding rural district. Village retail precincts offer a strong heritage feature for boutique shopping, cafes and galleries.



## MAIN INDUSTRIES

Major industries and employment sectors within the Shire, listed in order of employed persons, include health care and social assistance, retail trade, education, construction, tourism/hospitality, public administration, manufacturing, primary industries such as beef and dairy cattle, cereal cropping, dairying, horticulture, forestry, and fishing.

Livestock slaughtering is the leading, by dollar value of output, agricultural industry in Kempsey LGA. The tourism industry is mainly focused around South West Rocks and Crescent Head with both being popular tourist destinations with majority of the local business reliant on their incoming tourism to survive.

High profile companies located in the LGA include Akubra at South Kempsey, Nestlé at Smithtown, and Eversons Food Processors at Frederickton

## SIGNIFICANT RETAIL CENTRES

Kempsey is the main retail centre for the LGA. It is identified as a sub-regional centre. South West Rocks and Crescent Head provide very localised services, with an emphasis on seasonal tourism. Port Macquarie located 50 kilometres to the south east is identified as a larger regional centre providing a wider range of commercial and retail services and goods.

## TYPE OF RESIDENTIAL DEVELOPMENT

Most of the residential development is concentrated around Kempsey and in smaller localities surrounding and towards the coast across the lower river flats and coastal beachside. A wide variety of residential home formats is available across the broader region. A majority of residential development comprises single and two-storey detached dwellings. The age profile of housing is very wide as the regions history dates from the mid 1800's. Older housing stock can be found around the main town centres, Kempsey and the older established river side suburbs, Smithtown and Gladstone. This aligns with historic water-based transport routes.

The greater majority of housing comprises of detached dwellings. There are limited precincts of medium density in dedicated locations aligning with the major towns, South Kempsey, South West Rocks and Crescent Head. South West Rocks being the most significant, by a large margin, for this development option. Density developments, aligning with strata title or duplex units, comprise of a very small number of the existing housing stock.

Large lot residential estates are popular and are found as a ring of satellite suburbs to Kempsey. These include Aldavilla, Yarraval, Euroka, South Kempsey, Verges Creek and Frederickton. Arakoon and Crescent Head offer this model in the coastal/beachside setting.

Adding to this mix, and to a lesser extent, are over 55's living options, and manufactured home villages.

The tourist market is catered for with a variety of caravan-camping-holiday parks plus motel and holiday housing across the popular coast side destinations.



## STATE AND LOCAL GOVERNMENT LEGISLATION FOR LGA

The principal instruments in force in Kempsey council region include, but are not limited to the following;

Kempsey Local Environmental Plan 2013, commencement effect 3 February 2014. The plan conforms to the standardised Local Environmental Plan (LEP) program prescribed by the New South Wales Department of Planning, Industry and Environment.

Since commencement there has been twenty-four (24) direct LEP Amendments, plus numerous additional amending legislations. During the current annual program year, since the prior final report, there has been 2 direct LEP Amendments. LEP amendment, number 1 of 23/12/2020, and number 30 of 05/03/2021. All amendments are reviewed for a potential for effecting change to land values.

Kempsey Council has development controls through LEP's and development control plans that affect the subdivision and erection of dwellings which impacts on land values. These include, but are not limited to:

<b>KEMPSEY LEP 2013</b>	
<b>Residential</b>	<b>Minimum lot size</b>
<b>R1</b>	500m <sup>2</sup>
<b>R5</b>	1ha
<b>Rural</b>	
<b>RU1</b>	40ha
<b>RU2</b>	40ha
<b>RU4</b>	8ha (note some localised precinct exceptions at 4ha)
<b>Business</b>	By merit – Council consent required
<b>Industrial</b>	By merit – Council consent required

### The Kempsey Development Control Plan 2013

The Development Control Plan (DCP) is an integrated design and policy document developed to support and expands upon the aims, objectives and provisions of the LEP, which provides Council's requirements for sustainable quality development.

### The North Coast Regional Plan 2036

The NSW Government's vision for the North Coast is to create the best region in Australia to live, work and play thanks to its spectacular environment and vibrant communities.



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## **MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST**

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Robertson & Robertson Contractors have undertaken significant analysis of the Kempsey district property market to provide an accurate and reliable basis of valuation. In excess of four hundred (400) sales have been analysed to enable the establishment and verification of land values as of 1 July 2021. These analysed sales also support the grading across components. Analysed sales reports are provided to Valuer General NSW on a consistent basis throughout the year. The added value of improvements is also analysed to enable the accurate deduction from improved sale prices to determine underlying land values. Robertson & Robertson Contractors 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 the Kempsey district this year sales and resales of properties as a generalisation overall indicated strong increase in values throughout the year from September 2020 to 1 July 2021 for properties across all zones.

### **GENERAL OVERVIEW**

Land values across the Kempsey LGA have overall shown a strong increase between July 2020 and July 2021. This outcome is consistent across all land zone markets, residential, commercial, industrial and rural. General market drivers across the breadth of the area include affordability and the availability of a variety of properties across both location and price range. These include suburban, rural lifestyle and productive property types.

General market drivers across the breadth of the area include affordability and the availability of a variety of properties across both location and price range.

Additional market drivers of the strong increases has been a continuation of low interest rates with a further reduction in the cash rate to 0.1% in November of 2020 by the Reserve Bank of Australia. This has encouraged both borrowing of funds, and expenditure of cash funds, which have in part been directed to the property market. Furthermore, COVID-19 has considerably increased demand for the regional locality, with many people offered the opportunity to work remotely and looking to relocate from more densely populated areas.

Since the 2013 opening of the Pacific Highway Kempsey town by-pass, travel times, road safety and general accessibility across the region has improved. This has had flow on effect to all market segments.

### **RESIDENTIAL LAND CHANGES 2020 - 2021**

Residential land values have shown a strong increase across the Kempsey LGA between July 2020 and July 2021. This outcome being consistent across a majority of market segments and locations. One exception to show a very strong increase is medium density land at Crescent Head. Market drivers in the residential sector include appeal to tree-changers, coastal location, good road access, affordability, and the availability of a variety of properties across both location and price range.

Additional drivers include those looking to relocate from more densely populated areas, in part caused by COVID-19 and a greater acceptance of working from home arrangements. The relative affordability of areas within Kempsey has attracted many buyers who have sold within higher valued locations, with the restricted supply resulting in strong increases to underlying land values. The continuation of the low interest rate environment adds further to the list of market drivers.

Suburban residential development is concentrated in three primary locations, Kempsey, South West Rocks and Crescent Head. Urban growth areas are identified in and around these 3 locations.



Vacant land supply, suburban homesites sales, in these locations, has contracted during the year, as existing stocks have been exhausted. In South West Rocks there has been a number of development site sales with development approvals during the year which should see an increase in home site stocks and a return of sale volumes during 2022.

Large lot residential blocks, surrounding Kempsey, and in coastal locations, performed very well with strong value increases. These locations include, surrounding Kempsey, Aldavilla, Yarravel, Verges Creek, South Kempsey, Dondingalong and Euroka, whilst in coastal are Arakoon and Crescent Head.

Moderate increases were experienced in the village localities of Willawarrin and Kundabung, reflecting the longer distance to major town services and amenities. Low density residential land in East Kempsey also saw moderate increases due to balanced supply and demand.

### **COMMERCIAL LAND CHANGES 2020 - 2021**

Commercial land values across the Kempsey LGA have shown a strong increase between July 2020 and July 2021. A small segment thinly traded, with low vacancies and good demand. There were a good body of sales evidence this year across key locations, Kempsey, South Kempsey and South West Rocks.

Market drivers include demand from both owner occupiers and investors, affordability compared to larger centres, coastal proximity, and good access from the M1 Pacific motorway.

Additional drivers of commercial land values have been a continuation of low interest rates and a further reduction in November 2020 to a cash rate of 0.1% by the Reserve Bank of Australia. Reduced interest rates have both encouraged borrowing for commercial real estate, and investment of cash funds into commercial real estate by investors and owner occupiers.

As a generalisation this market segment is small and tightly held driven by affordability, the need to provide goods and services locally, with low to moderate volumes of sales and rental activity in any one year. A strong hierarchal profile is evident across the towns to villages.

The Kempsey LGA comprises commercial zoned properties across four commercial zones (excluding B4 reported under residential). These properties are divided into four main commercial precincts, in ranked order; Kempsey, West Kempsey, South West Rocks, and Crescent Head. The nature of commercial development is geared to provide services at the local and sub-regional/LGA level. Regional centres are identified as Port Macquarie 50 kilometres to the south and Coffs Harbour 104 kilometres to the north.

Kempsey town post Pacific Highway bypass case study published November 22, 2018, reports, since the 2013 opening of the bypass, Kempsey CBD has shown increases in visitors, trade and tourism. Moderate levels of demand have resulted in consistent low volume of sales activity across the Kempsey CBD.

The most significant movement was seen at Macleay Valley Way, South Kempsey which showed a very strong increase in value levels due to good access from the Pacific Highway.

Commercial properties in the villages of Crescent Head and South West Rocks also experienced a strong increase in land values which was in line with the prevailing residential markets in those locations. In contrast, some commercial pockets like Tozer Street in West Kempsey, remained steady with supply meeting demand.



## INDUSTRIAL LAND CHANGES 2020 - 2021

Industrial land values across the Kempsey LGA have shown a strong increase between July 2020 and July 2021. This sector is a relatively small and tightly held market segment in this LGA with moderate demand from owner occupiers and investors.

The Kempsey LGA comprises industrial zoned property across two industrial zones. These properties are divided into three main industrial precincts, in ranked order by property numbers; South Kempsey, South West Rocks and West Kempsey. The nature of industrial development is geared to provide services at the local and sub-regional/LGA level. Regional centres are identified as Port Macquarie, 50 kilometres to the south and Coffs Harbour, 104 kilometres to the north.

Market drivers in this segment are affordability, main road accessibility via the M1 Pacific Motorway across the area, and demand for the provision for goods and services to the local markets.

Industrial land in other north coast locations have continued to increase in recent years, making the relatively lower valued Kempsey industrial sector attractive to the market. This increased demand for a limited supply has seen industrial land values increase strongly.

## RURAL LAND CHANGES 2020 - 2021

Rural land values across the Kempsey LGA have shown a strong increase between July 2020 and July 2021. The increases have been consistent across the broad range of locations coastal and hinterland and for all segments, lifestyle and productive lands. There is continuing demand for quality land for agricultural purposes, rural grazing or cropping activities.

Kempsey LGA rural lands can be described in three broad groups. Each of these broad groups supports both commercial and residential lifestyle opportunities and options. Firstly, Coastal Floodplain, as a generalisation located down river from Kempsey, extending to the coast, secondly, Central Hobby Farms and Grazing, located around Kempsey, and thirdly, Upper Valley, comprising the upper reaches of the Macleay River and its hinterland tributaries extending into the foot hills and lower reaches of the dividing range.

All three locations support a variety of commercial and domestic land uses range from grazing and cropping to lifestyle homesites. Land has been aggregated in some locations to substantial holdings for commercial operations whilst elsewhere become fragmented as smaller holdings became less viable. The range of uses across the valley include large scale commercial operations and smaller boutique production.

Market drivers in the rural and lifestyle segment remain low interest rates, availability of variety across location and price range, affordability, and land quality for agricultural purpose, rural grazing or cropping activities. These latter points strongly associated with Macleay Valley food bowl profile of the area. These features appealing to owner occupiers, investors, and migrating and local aspirational purchasers.

Smaller rural properties in the coastal localities of Crescent Head and Greenhill showed strong increases being attractive to sea changers wanting a rural lifestyle with access to beaches and Kempsey town services. Localities like Dongdingalong, Toorooka, and Yarrahapinni saw very strong increases for smaller rural lifestyle properties.

Confidence in the agricultural sector following good rainfall, buoyant commodity prices, and a favourable seasonal outlook saw grazing land values in the Bellbrook locality increase very strongly.

## SALES

The following sales are of particular interest, in that we consider them key sales that represent what is happening to particular segments of the market.

Address	Sale Price	Sales Date	Land Area	Land Use	
19 Memorial Avenue, South West Rocks	\$ 761,000	03/02/2021	505 m <sup>2</sup>	Commercial development site	
Address	Sale Price	Sales Date	Land Area	Land Use	
14 Smith Street, Kempsey	\$ 2,905,000	11/05/2021	2,873 m <sup>2</sup>	Commercial arcade	
Address	Sale Price	Sales Date	Land Area	Land Use	
79 & 81 West Street, South Kempsey	\$ 400,000	24/05/2021	2,102 m <sup>2</sup>	Industrial vacant land	
Address	Sale Price	Sales Date	Land Area	Land Use	
334 Gregory Street, South West Rocks	\$ 1,650,000	23/09/2020	3.983 ha	Residential development site	
Address	Sale Price	Sales Date	Land Area	Land Use	
20 Kalang Avenue, South West Rocks	\$ 355,000	08/04/2021	495 m <sup>2</sup>	Suburban home site	
Address	Sale Price	Sales Date	Land Area	Land Use	
48 Belle O'Connor Street, South West Rocks	\$ 1,500,000	15/10/2020	3.577 ha	Residential development site	
Address	Sale Price	Sales Date	Land Area	Land Use	
Lots 26 , 30 ,18, 91, 94, 96, 159, 175, 82/752419 Yessabah Rd, Yessabah	\$ 2,100,000	11/11/2020	180.857 ha	Rural homesite grazing parcel	

Address	Sale Price	Sales Date	Land Area	Land Use	
Kesbys Road, Millbank	\$ 365,000	21/06/2021	10.23 ha	Non-urban home site	
Address	Sale Price	Sales Date	Land Area	Land Use	
Wortley Drive, Crescent Head	\$ 475,000	01/07/2021	8.002 ha	Non-urban home site	

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## SIGNIFICANT ISSUES AND DEVELOPMENTS

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### SIGNIFICANT DEVELOPMENTS – FROM PRIOR TO CURRENT ANNUAL VALUATION

Development Approvals of interest:

Property Address: PHILLIP DRIVE SOUTH WEST ROCKS, (Lot 2/DP1032643)

Application Number: 2019/LD-00140 REV01

Date Lodged: 13 Apr 2021

Approved: 01/07/2021

Description: HIGH PERFORMANCE SPORTS CENTRE. South West Rocks Cricket Ground will be improved and developed with a 668-seat grandstand incorporating 8 wheelchair spaces, change rooms, disabled amenities, flexible use community sport and recreation areas, media broadcast and coaches boxes, upgraded sports field LED lighting and perimeter fencing. Cost in excess of \$5,000,000.

Property Address: 50 BELLE O'CONNOR STREET SOUTH WEST ROCKS, (Lot 1/DP1229162)

Application Number: 2020/LD-00322

Date Lodged: 30 Sep 2020

Approved: 23 Apr 2021

Description: 63 SENIOR LIVING DWELLINGS

Property Address: 87 BELGRAVE STREET KEMPSEY, (Lot 9/DP1147558)

Application Number: 2020/LD-00411

Date Lodged: 09 Oct 2020

Approved: 8 Jun 2021

Description: SHOP TOP HOUSING - 19 RESIDENTIAL UNITS, GROUND FLOOR BUSINESS PREMISES AND RETAIL PREMISES (CAFE)

Property Address: 211-221 GREGORY STREET SOUTH WEST ROCKS, (Lot 223/DP754396)

Application Number: 2020/LD-00211

Date Lodged: 03 Jun 2020

Approved: 25 Feb 2021

Description: SUBDIVISION (ONE LOT INTO 35 LOTS)



## FLOOD

In March 2021 flooding impacted the Kempsey LGA. The threat of flood escalated over the period from 17 to 24 March 2021, with the threat abating after these dates and the clean-up beginning from 25 March 2021.

Impacted areas included those generally known to flood and with prior flood history i.e. Smithtown and Gladstone, the Macleay Valley Way northern approach to Kempsey town centre, road closures to Hat Head and Crescent Head, Macleay River crossings west from Kempsey, Sherwood Bridge, Turners Flat Rd, Temagog Rd, Toorooka Rd, Toose Rd-Bellbrook, Dungay Creek, Moparrabah Road and Dowlings Falls causeways

Along the Macleay River valley, flood peaks were reported as at moderate level. This did result in property inundation and damage.

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## SIGNIFICANT VALUE CHANGES

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### SIGNIFICANT VALUE CHANGES – FROM PRIOR TO CURRENT ANNUAL VALUATION

Kempsey LGA has experienced an overall 18.50% strong increase in land values between July 2020 and July 2021.

Crescent Head Medium Density was an exception and experienced a very strong value increase. Limited large scale development opportunities, limited supply, and the feature of extensive northeast coastline with beach and town views being readily available from the residential precincts that rise up hill behind the village commercial precinct have provided a catalyst for very strong value growth in this coastal village.

Strong growth was evident across the broad rural-agriculture and rural-residential market segments. This was generally stronger in both segments to the coast side of Kempsey. Whilst the closer to Kempsey hinterland locations to show similar include Collombatti, Bellbrook, Skillion Flat, Turners Flat, Deep Creek and Mungay Creek.

The overall strong increased value change has been driven by the residential market led by lifestyle properties in the area surrounding Kempsey town and the coastal towns and villages. Localities like Dongdingalong, Toorooka, and Yarrahapinni saw very strong increases for smaller rural lifestyle properties.

Any greater value changes have been limited to generally property specific instances and supported by the property's sale.



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## OVERVIEW OF THE QUALITY ASSURANCE PROCESS

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Valuer General NSW provide Valuation Analysis Tools (VATools) and exception files, these are imported to our database MVOW Quality Assurance applications. Together they quality assure the delivered future values and market data analysis. Exceptions highlighted through the VATools are reconciled in our database MVOW and reported to Valuer General NSW via electronic file transfer.

Valuer General NSW has been provided with detailed valuation analysis reporting, which details the quality assurance process of Robertson & Robertson and outlines that the verification process and certifies that land values meet all statistical measures and component data analysis. In addition, a quality statement and lists of high value and high-risk properties is also provided in the valuation analysis report.

Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value bases have been correctly determined and all concessions and allowances have been supplied.

Additionally, properties that had land values amended through the objection or re ascertainment process were individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and reference benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the contract.

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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## ROBERTSON & ROBERTSON AS AUTHOR OF THIS FINAL REPORT

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Robertson & Robertson is the author of this report, produced on behalf of the NSW Valuer General.

Town planning, land use and other market information contained in this report have been compiled based on enquiries undertaken during the valuation process.

Third parties should make their own enquiries into these details and should not rely on the contents of this report.

Robertson & Robertson disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

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