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approved under Professional  
Standards Legislation.*

# VALUATION ADVICE

FLOOD CONSTRAINED LAND

Situated within

- a. Vineyard Stage 1 (Vineyard CP)
- b. Alex Ave and Riverstone (CP20) and
- c. North Kellyville (CP13)

AS INSTRUCTED BY

**IPART**

Independent Pricing and Regulatory Tribunal  
PO Box K35, Haymarket Post Shop, NSW 1240  
Level 15, 2-24 Rawson Place, Sydney NSW 2000

For

## THE ESTIMATION OF LAND ACQUISITION COSTS

DATE	19 DECEMBER 2019
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## 1. EXECUTIVE SUMMARY

1.1	Address	Review of “Flood constrained land values” within the following locations (as identified with the following Contribution Plans: a. Vineyard Stage 1 (Vineyard CP), considering the preliminary valuation reports for 5 O’Dell St, Vineyard), b. Alex Ave and Riverstone (CP20), and c. North Kellyville (CP13).
1.2	Prepared for	IPART. Independent Pricing and Regulatory Tribunal
1.3	Purpose	The Estimation of Land Acquisition Costs
1.4	Precincts	Relevant lands contained within the following Contribution Plans: a. Vineyard Stage 1 (Vineyard CP), considering the preliminary valuation reports for 5 O’Dell St, Vineyard), b. Alex Ave and Riverstone (CP20), and c. North Kellyville (CP13).

## 2. ABBREVIATIONS TABLE

<b>IPART</b>	Independent Pricing and Regulatory Tribunal
<b>NWPGS</b>	North West Priority Growth Area
<b>LEP</b>	Local Environmental Plan
<b>SEPP</b>	State Environmental Planning Policy
<b>ILP</b>	Indicative Layout Plan
<b>CP</b>	Contribution Plan
<b>NKP</b>	North Kellyville Precinct
<b>DCP</b>	Development Control Plan

## 3. VALUATION INSTRUCTIONS

We have been instructed in our capacity as an expert Valuers to determine the average (\$/sqm) market value of flood constrained land to be acquired by the relevant councils in the following precincts:

<b>Location</b>	<b>Local Government Area</b>	<b>Contribution Plan</b>
Vineyard	Hawkesbury	Vineyard Stage 1
Alex Avenue & Riverstone	Blacktown	CP20
North Kellyville	Baulkham Hills	CP13

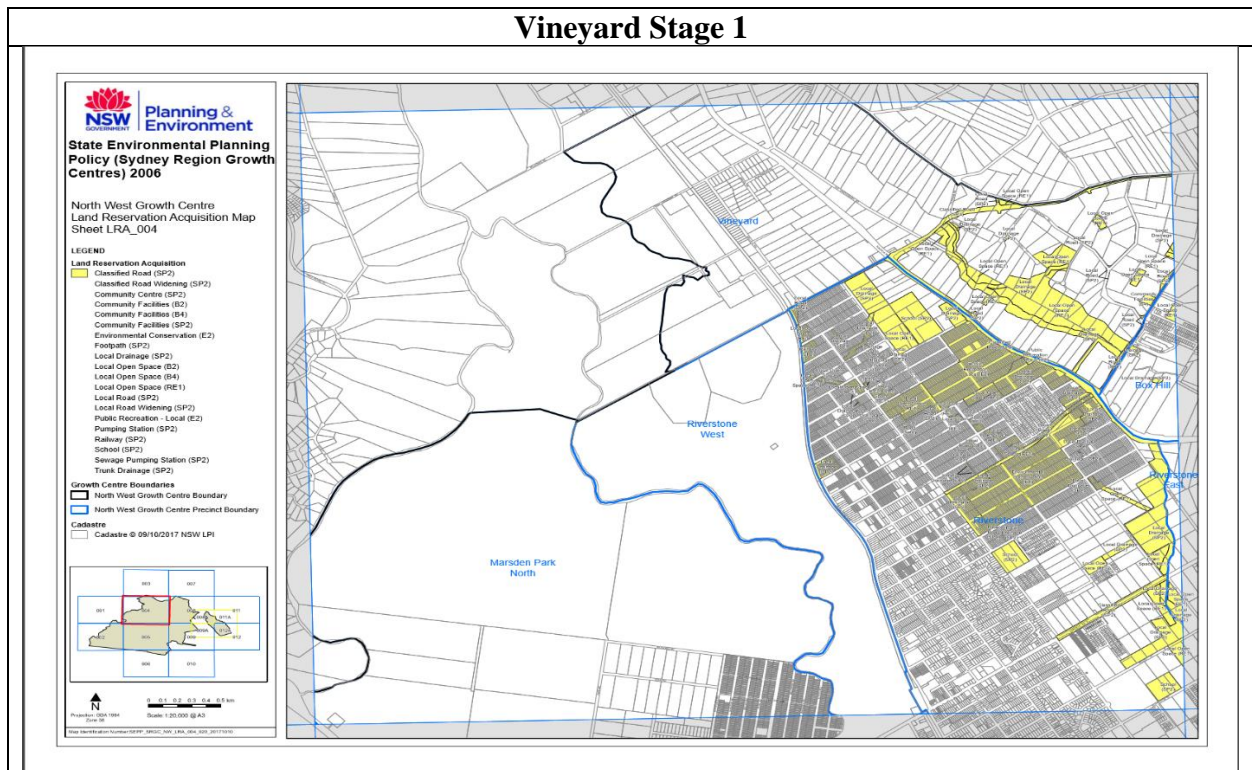
- The interest being valued is the unencumbered fee simple in possession.

## 4. DEFINITION OF MARKET VALUE

- International Valuation Standards defines market value as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

## 5. LOCATIONS

The locations of the constrained lands areas identified within each of the following contribution plans.

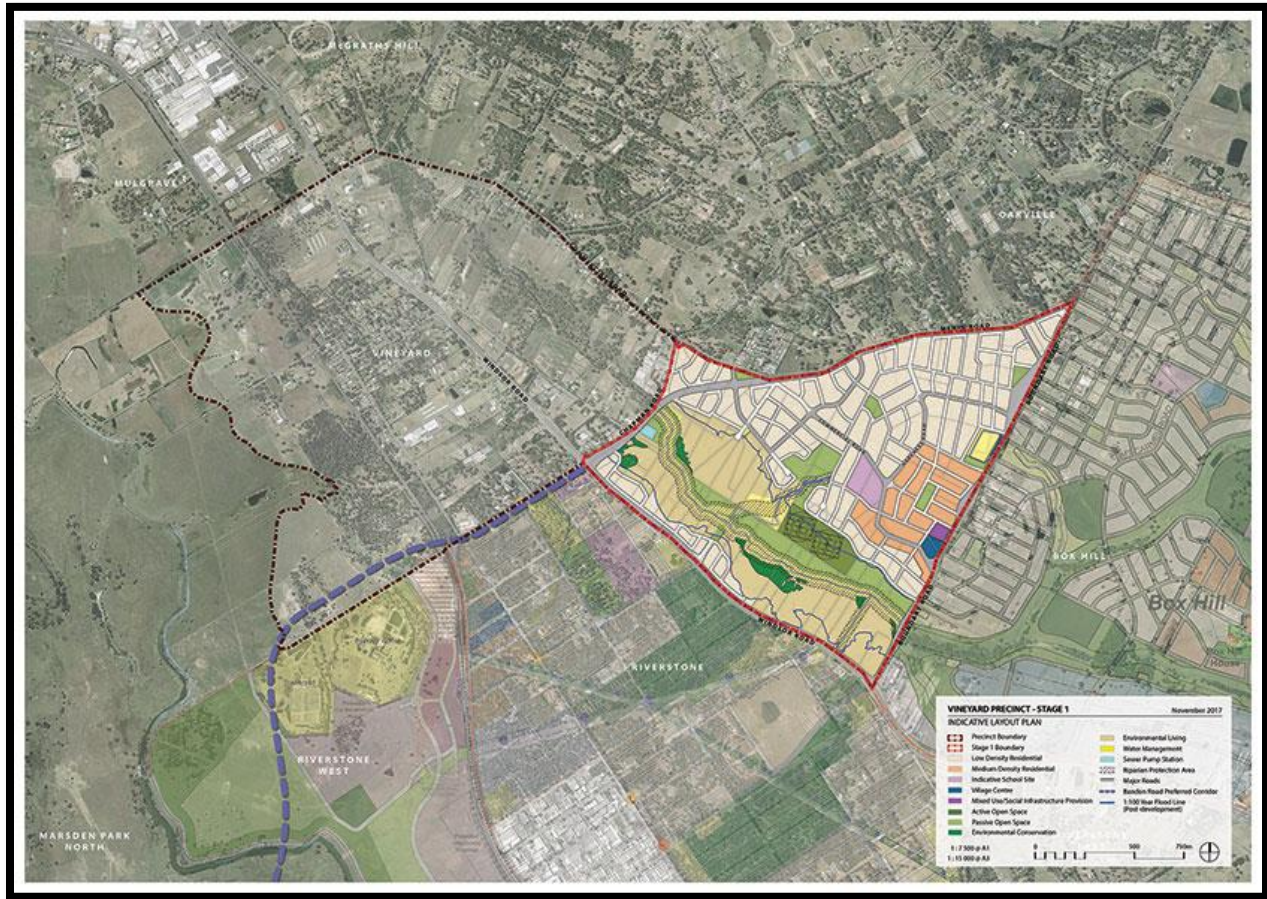


Vineyard (Stage 1) precinct is located some 52 kilometres north-west of the Sydney CBD and is an area traditionally occupying small rural holdings and non-urban zoned small lots of scheduled lands.

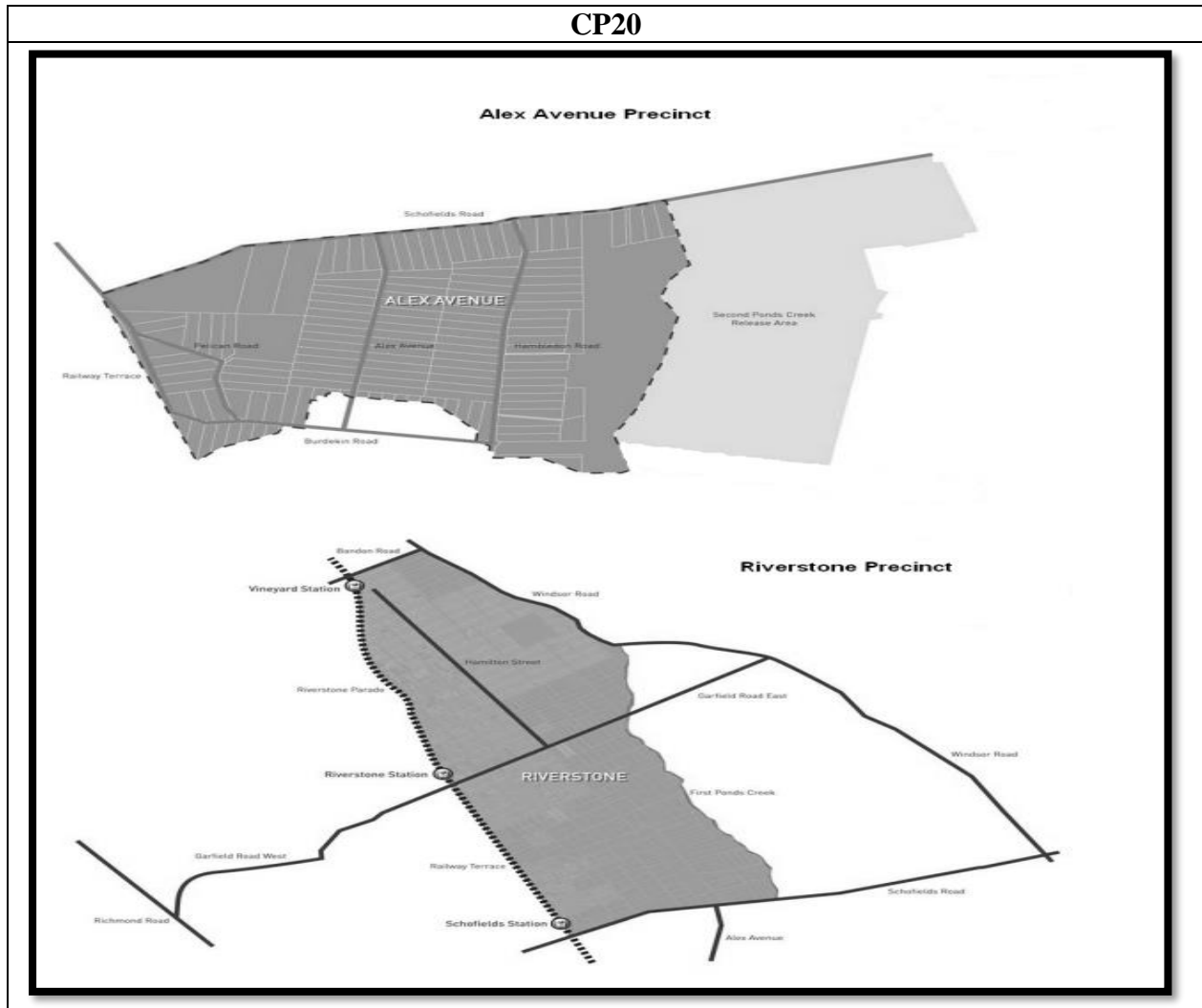
Stage 1 is bounded by Windsor Road to the south, Boundary Road to the east and Chapman Road/Menin Road to the north/north-west. The current rezoning includes approximately 230 hectares of land to be redeveloped including the proposal of a new primary school, around 27 hectares of open space focused on the Killarney Chain of Ponds and adjacent land for new playing fields, parks and cycleways, a village centre and up to 2,300 new homes.



The Vineyard Stage 1 Precinct ILP is shown below:



CP20

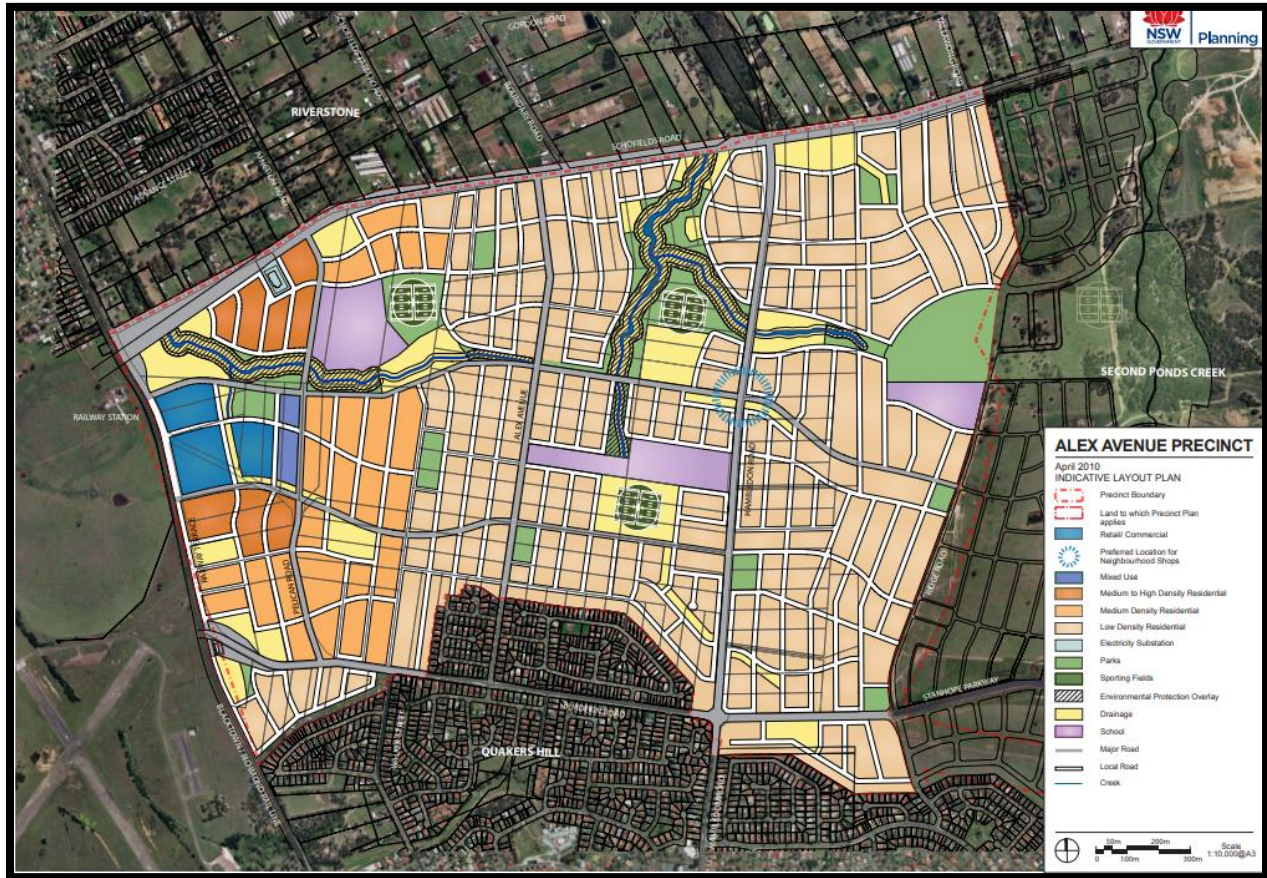


Rezoned in 2010 the Alex Avenue Precinct is located in the Blacktown City Council local government area, in the North West Growth Area. This precinct is located some 47 kilometres west of the Sydney CBD, 2 kilometres east of the Schofields Railway Station, 3 kilometres south-west of the Tallawong Light Railway Station and some 4.3 kilometres west of the Rouse Hill Town Centre.

The precinct is approximately 420 hectares and is bounded by Burdekin Road to the south, Schofields Road to the north, the Richmond Rail line to the west and the Second Ponds Creek release area to the east.



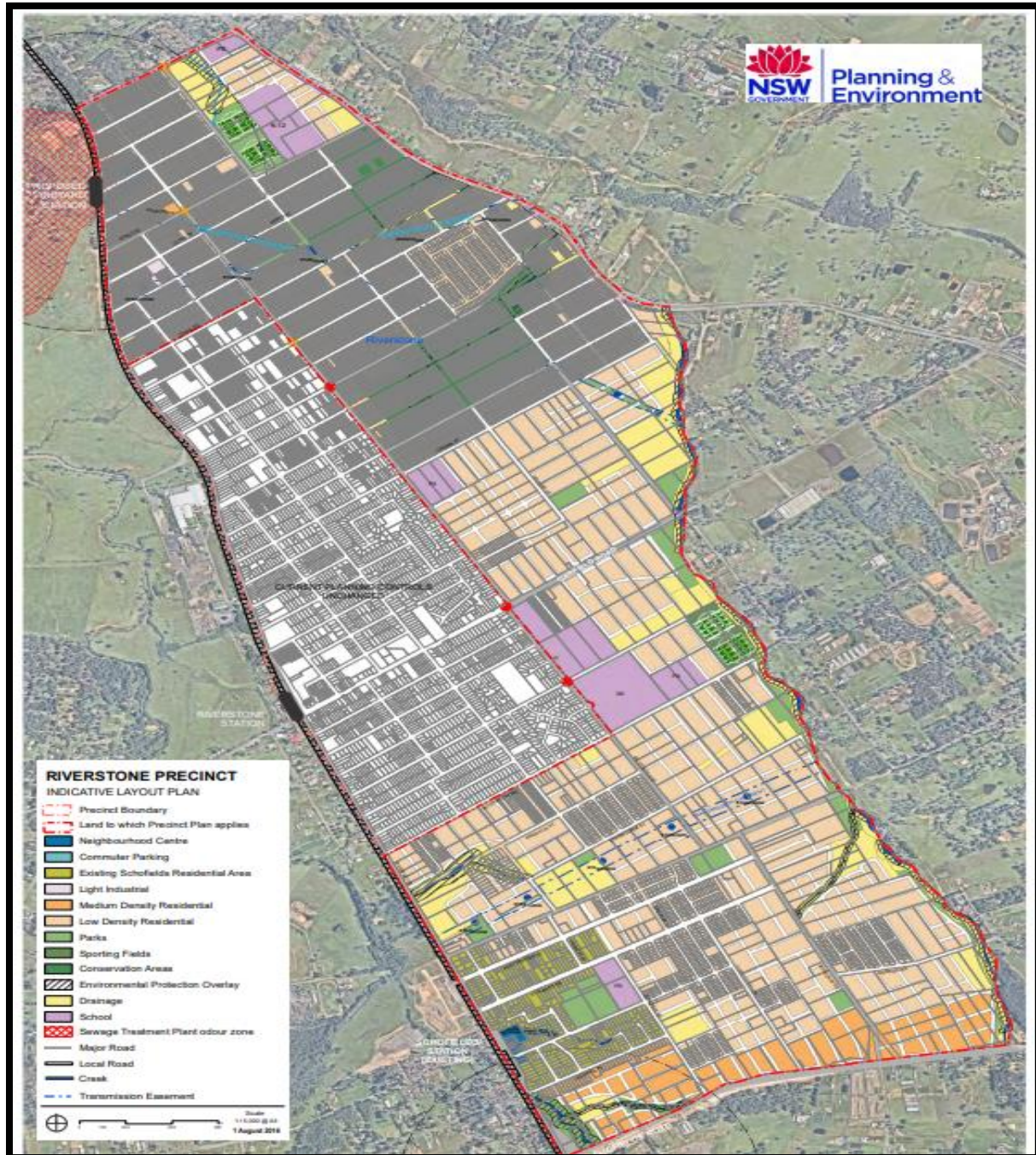
The Alex Avenue Precinct ILP is shown below:



Riverstone is part of the North West Growth Area. The plan was finalised in May 2010 and new planning controls were introduced to enable urban development. The new community at Riverstone will benefit from up to 9,000 new homes, three new schools, road upgrades and two neighbourhood centres.

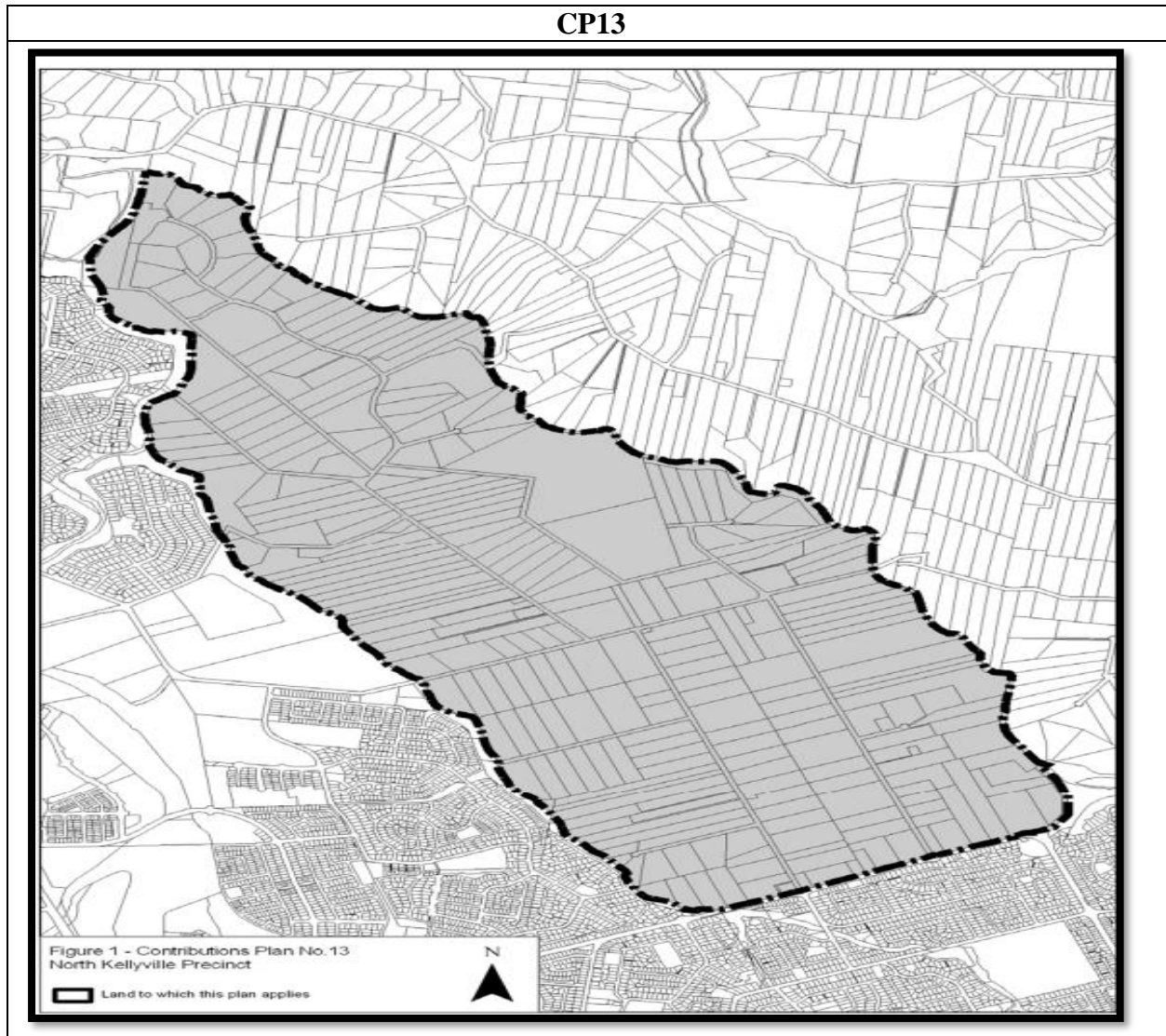


The Riverstone Precinct ILP is shown below:





**CP13**



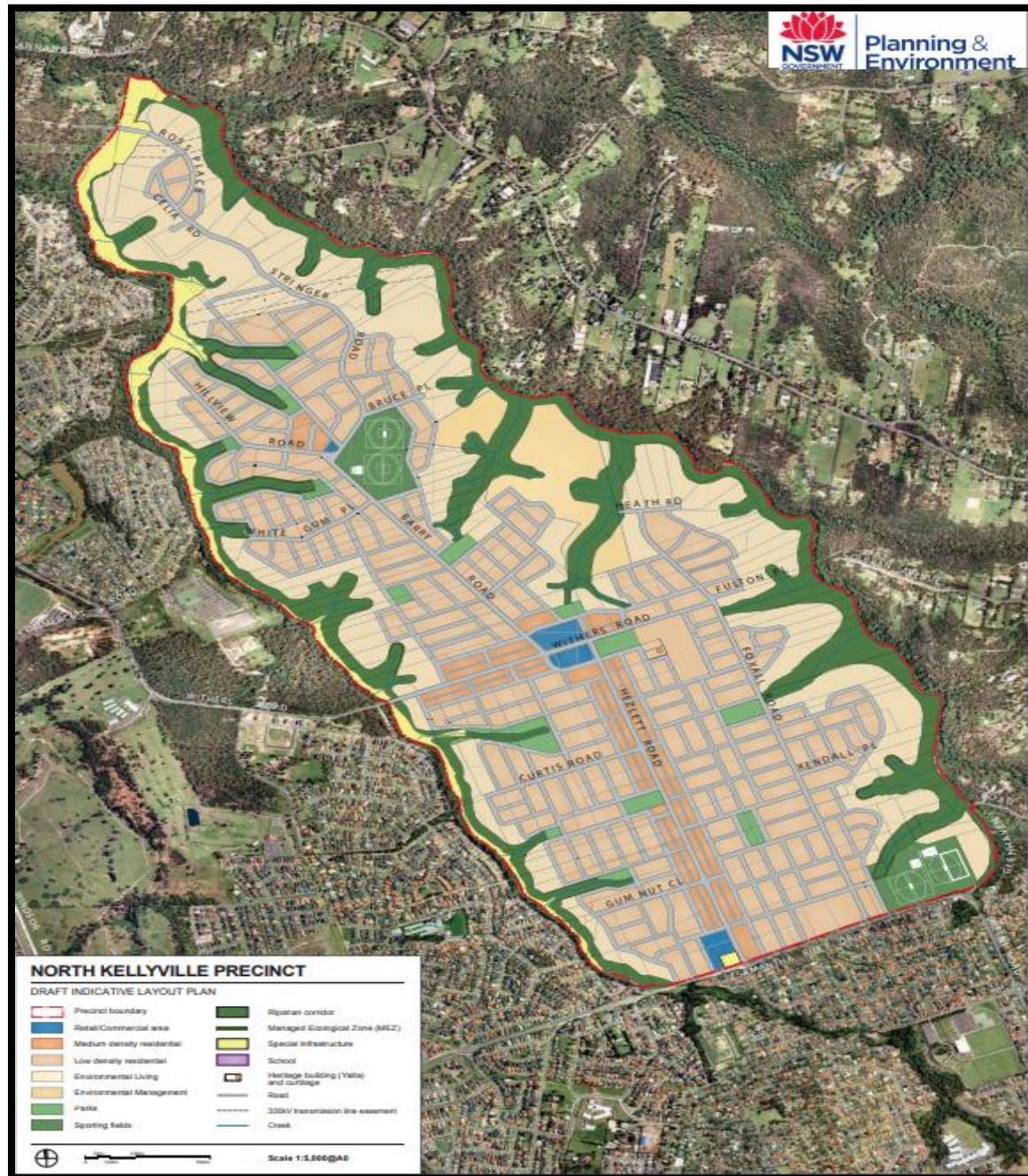
Located within the North Western Sydney suburb of Kellyville is the North Kellyville Precinct (NKP). This area is located about 4 kilometres west of the Rouse Hill Town Centre, 9 kilometres west of Castel Hill Light Railway Station and some 44 kilometres north-west of the Sydney CBD.

This area forms part of the North West Priority Growth Area (NWPGA) was rezoned for urban use during the late 2000s and the area is now being rapidly redeveloped from non-urban lands into a mixture of low to high-density developments including mixed-use residential/commercial.

NKP is bounded by Cattai Creek to its northeastern, Smalls Creek to its western boundary and Samantha Riley Drive to the south.



The North Kellyville Precinct ILP is shown below:



## 6. FACTORS THAT INFLUENCE THE VALUE OF CONSTRAINED LAND

We have been instructed to help determine factor which influences the value of constrained lands and in our opinion influencing factors which help attributed values are as follows:

<b>Quality of land/topography</b>	<p>Whether any urban development can occur on any part of the constrained land. For example, if the Local Government Authorities allows civil works to be undertaken to help reduce the risk of flooding, then such constrained land gains more value but “costs and incentive (profit and risk)” to remedy the land are needed to be factored into the value.</p> <p>Similarly, if the impact of flooding is so significant that it prohibits any urban redevelopment, then this will significantly impact upon its demand and subsequent value.</p>
<b>Underlying zoning</b>	Like any other land, the underlying zoning impacts upon the value of constrained land. The ability to use, redevelop and or occupy any land attracts and attributes value. The key is to measure how badly affected the land is impacted by flooding (level of constrained) in order to determine what impact, the underlying zoning would have upon the value of this land.
<b>Council Policy</b>	The implementation of local government policies (council) that may or may not allow the redevelopment of constrained land.
<b>Size</b>	Similar to other lands and properties in general, it has been our experience that constrained land are also influenced by economies of scale, that is to say that larger lots sales when analysed will show lower dollar rate per square metre when compared to smaller holdings.
<b>Location</b>	Like any other property is Metropolitan Sydney the location of land impacts upon its Value. Location is generally factored into the price of each sale when analysed with “like with like” properties.
<b>Vegetation</b>	Land adjoining and surrounding natural creeks corridors may be identified as Environmentally Sensitive Riparian Corridors with Native Vegetation Retention required. Such constraints impact the potential to redevelop the land, decreasing demand and subsequently negatively impact on value.



## **7. REPORT INPUTS**

Within accordance with our instructions, we have been asked to review and consider the following documents have been summarised below and copies annexed to this report:

<b>a</b>	The preliminary report from International Valuation & Property Services – Determination of Compensation for Compulsory Acquisition of Land by Hawkesbury City Council, Part 5 O’Dell St, Vineyard, under letter dated 16 April 2019
<b>b</b>	A revised preliminary report from International Valuation & Property Services – Determination of Compensation for Compulsory Acquisition of Land by Hawkesbury City Council, Part 5 O’Dell St, Vineyard, under letter date 9 August 2019
<b>c</b>	Valuation report of CivicMJD, Review of Land Values for Contributions Plan 13 – North Kellyville Precinct, 20 March 2018
<b>d</b>	IPART, Assessment of Contributions Plan 13 – North Kellyville Precinct, Draft Report, not for publication, May 2019, p 65 (related to the value of constrained land)
<b>e</b>	Relevant Land Reservation Acquisition Maps for Vineyard, Alex Ave and Riverstone, and North Kellyville under the State Environmental Planning Policy (Sydney Region Growth Centres 2006, showing the location of land to be acquired by the relevant councils.

### **Comments, considerations and response**

<b>a</b>	Valuer Generals [preliminary report] dated 16 April 2019, results in the determining valuer adopting a flat rate per square over the entire acquired area. This board brush approach “piecemeal” approach and fails to recognize or distinguish between constrained and unconstrained lands. The result is finding of \$100/sqm for the acquired portion of land regarding its underlying zoning or level of constraint.
<b>b</b>	<p>Valuer Generals [second preliminary report] dated 9 August 2019, results the determining valuer, relied upon independent expert town planning and hydrology that concludes:</p> <p>“ 1. the underlying zoning is considered to be part E4 Environmental Living and part R2 Low-Density Residential (the part considered to be R2 is estimated to be approximately 6,100sqm and would consist of the portion of land that is not flood-impacted, assuming the northern portion of the site pipes the overland flows);</p> <p>2. based on the flood extent maps, the entire area of the Acquired Land (1.309ha) is inundated during the 100 year ARI event, however if more detailed survey and modelling were to be undertaken the extent and depth of floodwaters within the northern portion of the site may be reduced due to the man-made channels; and</p> <p>3. it is possible that upstream catchment and local property flows could be piped and with localised filling may allow the northern portion of the site to be developed.</p> <p>As a of this independent expert advice by HGR Consulting, the Valuer-General, [again using the “piecemeal approach”] applies the following rates per square metre upon the acquired lands:</p>

	<ul style="list-style-type: none"> <li>• \$100/sqm for that part of the acquired land considered to have underlying zoning of E4 Environmental Living; and</li> <li>• \$350/sqm for that part of the acquired land considered to have underlying zoning of R2 Low-Density Residential is indicative of the market value as at the date of gazettal being 22 February 2019, on the basis that it forms part of parent land with an area of 2.027 hectares.</li> <li>• A deduction of an estimated amount of \$600,000 rounded (as determined by the experts HGR Consulting) for the construction of a detention basin.</li> </ul> <p><i>...” This determination is based on:</i></p> <ol style="list-style-type: none"> <li><i>1. The application of a rate of \$100/sqm for that part of the acquired land considered to Have underlying zoning of E4 Environmental Living;</i></li> <li><i>2. The application of a rate of \$350/sqm for that part of the acquired land considered to have underlying zoning of R2 Low-Density Residential; and</i></li> <li><i>3. A deduction of \$600,000 (rounded) for the cost of constructing a detention basin as outlined in section 5.4 of the report prepared by HGR Consulting Pty Ltd dated June 2019” ...</i></li> </ol> <p>In our view the above rationale final conclusion is well reasoned and supported by independent Town Planning and Hydrology advice, although the actual dollars rates applied by the Valuer-General appeared to have based upon dated sales evidence. It would also appear that the Valuer-General held a view that evidence of land sale within the Box Hill release precinct could be used in this matter, due largely to the lack of sales evidence available at the time within the Vineyard Precinct.</p> <p>Hawkesbury City Council’s acquisition of 5 O’Dell St, Vineyard and its consideration of the development potential of flood constrained land it all depends how far it sits below the AHD level for each affected property. So, on that basis that affectation on its development potential (in particular for Hawkesbury Council) may change from property to property as Hawkesbury Council do allow fill (development) in these areas up to 2 metres below the 1:100 AHD level.</p>
c	<p>The CivicMJD report on the land values for Contribution Plan No. 13 -North Kellyville Precinct has generally ascribed the following rates for constrained lands, regardless of zoning: Low: - \$100/sqm, High: -\$125/sqm, Adopted \$125/sqm.</p> <p>The constrained land identified within this report relates mainly to “Cattai Creek and Smalls Creek border the precinct at its north-eastern and southwestern boundaries respectively, with numerous tributaries and gullies draining into these recognised waterways. The surrounding lands drain naturally to these watercourses via creeks and dams, which in turn provide actual and potential habitat for threatened species.</p> <p>Land comprising, adjoining and surrounding these areas may be identified as</p>

<p>Environmentally Sensitive Riparian Corridors. Additionally, Native Vegetation Retention and Existing Native Vegetation areas are also prevalent. Such land is frequently constrained resulting in discounts to unaffected market rates being applied when assessing their market value<sup>1</sup>.</p> <p>This assessment of value for the contained lands relied mainly upon three sales within the NKP that area zoned E4. These analysed rates fall between \$90/sqm to \$113/sqm<sup>2</sup>.</p> <p>The writers have then considered one councils acquisition sale at Kellyville of constrained land which shows \$120/sqm and three further sales which occurred outside the NKP, including release areas of Marsden Park, Vineyard and Rouse Hill<sup>3</sup>. These rates as analysed fall between \$26/sqm to \$85/sqm.</p> <p>The writers conclude the following..." <i>Prior to re-zoning under the SEPP, sales prices for rural properties in this area would have been dictated by the physical nature of the land itself, i.e. whether arable, timbered, flood affected, containing threatened species, etc. – the latter reflecting lesser rates than unconstrained arable land.</i></p> <p><i>From planning advice provided in matters we have been involved in within the NWPGA, following re-zoning, but for the public purpose zoning, "constrained" lands would otherwise generally have been zoned E2 - Environmental Conservation which permits extremely limited uses which do not include general development.</i></p> <p><i>Now that the lands have been rezoned under the SEPP, the assessment of land values for these properties should be underpinned at the very least by rural rates for similar quality lands, which makes sense given that these are former rural-residential holdings which have been legally occupied and used as such in the past, with these uses continuing under existing use rights once rezoned under the SEPP until the land is developed or acquired. Given that these lands are located within release areas with existing/proposed amenities and enhanced infrastructure available locally, it is also appropriate that such would be considered locationally superior to land in rural locations further afield.</i></p> <p><i>However, such land is considered inferior to E4 zoned lands which have potential for further subdivision/development"</i><sup>4</sup>...</p> <p>In our opinion the evidence provided within the CivicMJD report does not support their ultimate findings of \$125/sqm of constrained lands regardless of zoning. The analysis of the evidence is somewhat lacking and dated. Only one sale supported the \$125/sqm, this site was "acquired" by the Local Council via the Just terms Act and greater caution should have been applied when the writers were relying upon this sale.</p>
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<sup>1</sup> Page 8 CivicMJD Report.


<sup>2</sup> Pages 24,25 CivicMJD Report.

<sup>3</sup> Pages 29,29 CivicMJD Report.

<sup>4</sup> Page 30 CivicMJD Report.


<b>d</b>	We can concur with the findings of the draft Assessment of Contributions Plan 13 – North Kellyville Precinct by IPART that states ... <i>“The valuer’s report does not include sales evidence or analysis to support the separate values for constrained land based on the underlying zonings. However, we note that this structure (with unconstrained and constrained land values for each land use) reflects the structure of land values applied in CP13 (2010)<sup>5</sup>”</i> ...
<b>e</b>	We can confirm that we have sighted the attached the relevant Land Reservation Acquisition Maps for Vineyard, Alex Ave and Riverstone, and North Kellyville under the State Environmental Planning Policy (Sydney Region Growth Centres 2006, showing the location of land to be acquired by the relevant councils.

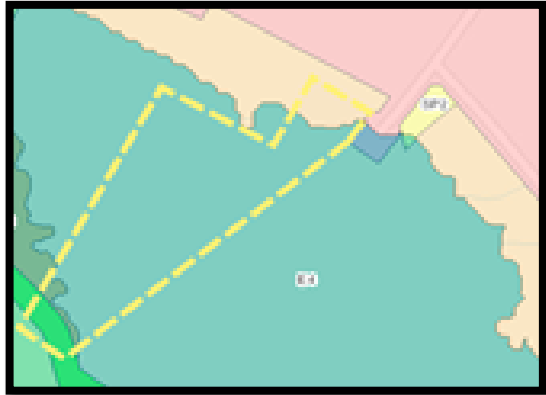
## 8. SALES EVIDENCE AND ANALYSIS OF CONSTRAINED LAND VINEYARD PRECINCT


Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
1	689-697 Windsor Road, Vineyard  Lot 14 & 15 DP1159365	Vineyard Stage 1	\$4,000,000	4.5 ha	5/2017	11.1 acres / 4.5 hectares, available as 2 separate lots or in one-line. Excellent exposure and access on Windsor Road 132-metre-wide frontage to Windsor Road. Brick house and sheds on site. Majority of the site cleared land. Surrounded by new residential estates. Zoned RU4 - Located in the Vineyard Release Area.
	Vendor				Lonham	
	Purchaser				CJLS Australia PTY LTD	
Analysis	Stage 1, 95% impacted by 1:100-year flooding as shown below. Has been rezoned to E4 since purchased.					
Rates	Raw rate:				\$88.00	
\$/sqm	Adjusted rate (after allowance for improvements)				\$85.00	
						
Source RPData, Knight Frank & APM research						

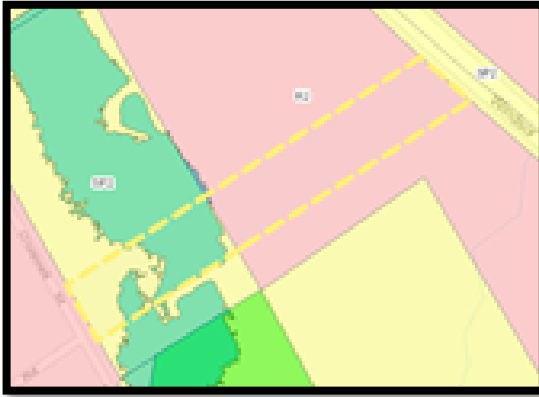
<sup>5</sup> Page 65 Draft Assessment of Contributions Plan 13 – North Kellyville Precinct

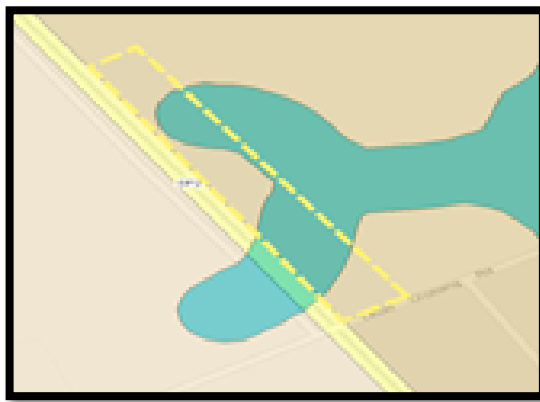


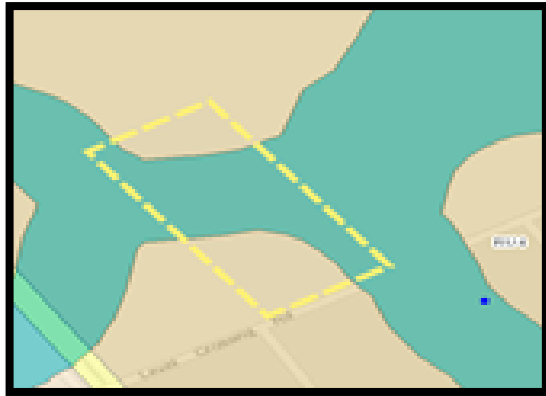
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
2	675 Windsor Road, Vineyard  Lot 13/ DP1159365	Vineyard Stage 1	\$3,970,000	5.51 ha	6/2017	This property is situated in the Vineyard Precinct Stage 1. 13.6 acres offering excellent main road exposure to Windsor Road, majority of the site is cleared, new residential development close by, currently Zoned RU4, DA Approved for Dual Occupancy attached, swimming pool and shed. Located in the Vineyard Release Area part of the North West Growth Centre.
	Vendor				Kaur	
	Purchaser				CJLS Australia PTY LTD	
Analysis	Stage 1, 95% impacted by 1:100-year flooding as shown below. Has been rezoned to E4 since purchased.					
Rates	Raw rate:			\$72.00		
\$/sqm	Adjusted rate (after allowance for improvements)			\$70.00		
						
Source RPData, L J Hooker & APM research						


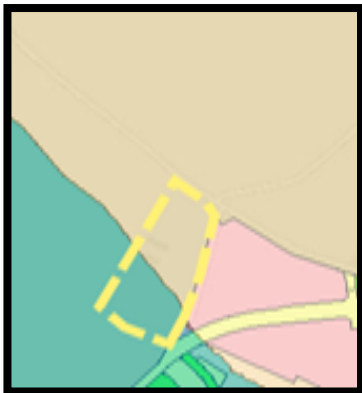
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
3	3 Putland Place, Vineyard  Lot 4/ DP244901	Vineyard Stage 1	\$2,800,000*  Unsettled sale.	2.43 ha	8/2019	six acres of land in stage 1 of the Vineyard release area. 1980s style four-bedroom home, large machinery shed, modern Colourbond stables. This property is Zoned mostly Environmental Living giving the opportunity to develop the land further into minimum lot sizes of 2,500 sqm blocks.
	Vendor			ESZ & McLAUGHLIN		
	Purchaser			UNDISCLOSED (Agents advice).		
Analysis	Stage 1, 98% impacted by 1:100-year flooding as shown below. Has been rezoned to E4 since purchased.					
Rates	Raw rate:			\$114.00		
\$/sqm	Adjusted rate (after allowance for improvements)			\$100.00		
						
Source RPData, L J Hooker & APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
4	Turrallu Circuit, Schofields  Lot 128/ DP1205228	Schofields	\$3,300,000	1.70 ha	2/2019	
	Vendor			Schofields WW Pty Limited		
	Purchaser			Blacktown Council.		
Analysis	50% of the land impacted by flooding and zoned RE1 and SP2. Located within an established area. Adopt \$85/sqm for constrained land shows \$722,500. Residual value is \$2,577,500 or say \$303/sqm for the unconstrained land.					
Rates \$/sqm	Constrained land:			\$85/sqm @ 8500 sqm = \$ 755,500		
	Unconstrained land:			\$303/sqm @ 8500 sqm = \$2,577,500		
						
Source RPDData & APM research						

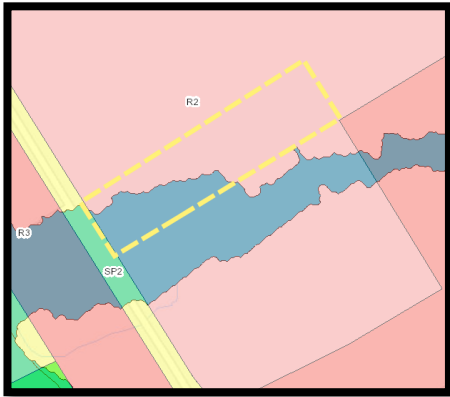
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
5	1578 Windsor Road, Vineyard  Lot 1/ DP1042658	Vineyard	\$3,165,000	2.42 ha	6/2019	Main road fronted property located within Riverstone Precinct. Zoned R2 and part RE1 with flooding along its rear boundary. Approx. 30% impacted by flooding.
	Vendor			Torno		
	Purchaser			Blacktown Council.		
Analysis	Adopt rate of \$85/sqm for constrained land leaves a residue value of say \$2,548,000 which reflects a rate of \$150/sqm for the land zoned R2 low density.					
Rates \$/sqm	Constrained land:			\$85/sqm @ 8500 sqm = \$ 617,100		
	Unconstrained land:			\$150.40/sqm @ 8500 sqm = \$2,547,900		
	Total			17,000 sqm = \$3,165,000		
						
Source: APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
6	52 Level Crossing Road, Vineyard  Lot 9/ DP227054	Vineyard Stage 2	\$1,600,000	2.02 ha	5/2019	Currently zoned RU4. Vacant land facing the main railway line and is situated in the Vineyard Stage 2 rezoning area. Advertised as being flood free but flood map reveals the land is approximately 70% impacted by 1:100-year flooding.
	Vendor			Dimos		
	Purchaser			Chawla.		
Analysis	Adopt rate of \$85/sqm for constrained land leaves a residue value of say \$398,100 which reflects a rate of \$66/sqm for the land zoned Ru4 .					
Rates	Unconstrained land:			\$85/sqm @	14140 sqm =	\$1,201,900
\$/sqm	Unconstrained land:			\$66/sqm @	6060 sqm =	\$ 399,960
	Total				20,200 sqm =	\$1,601,860
						
Source: APM research, RPData, Cutcliffe RE						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
7	36 Level Crossing Road, Vineyard  Lot 7/ DP227054	Vineyard Stage 2	\$3,100,000	2.02 ha	11/2017	Currently zoned RU4. 5 acres, good road frontage. 1950s style weatherboard 3-bedroom cottage. Flood map reveals the land is approximately 40% impacted by 1:100-year flooding.
	Vendor			Stewart.		
	Purchaser			Cremona.		
Analysis	Land value after allowance for existing improvements is say \$2,900,000. Adopt rate of \$85/sqm for constrained land leaves a residue value of say \$686,800 which reflects a rate of \$66/sqm for the land zoned Ru4.					
Rates \$/sqm	Constrained land:			\$85/sqm @ 8080 sqm = \$ 686,800		
	Unconstrained land:			\$182.60/sqm @ 12120 sqm = \$2,213,200		
	Total			20,200 sqm = \$2,900,000		
						
Source: APM research, RPData, Cutcliffe RE						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
8	172 Commercial Road, Vineyard  Lot 9/ DP227054	Vineyard Stage 2	\$4,000,000	4.80 ha	06/2018	Currently zoned RU4. 40% impacted by flooding at rear boundary. 5% Impacted by transmission line easement which runs across the front corner as shown below.
	Vendor Purchaser			K & M Hunt Pty Ltd Chivas Vineyard Pty Ltd		
Analysis	Adopt rate of \$85/sqm for constrained land leaves a residue value of say \$686,800 which reflects a rate of \$66/sqm for the land zoned Ru4.					
Rates \$/sqm	Constrained land flooding:			\$85/sqm @ 19,200 sqm = \$1,632,000		
	Constrained land TLE			\$120/sqm @ 2,400 sqm = \$ 288,000		
	Unconstrained land:			\$78.78/sqm @ 26,400 sqm = \$2,080,000		
	Total			48,000 sqm = \$2,900,000		
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Source: APM research, RPData, Cutcliffe RE

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
9	28 Clarke Street, Riverstone  Lot 8/ DP30211	Riverstone East	\$9,750,000	2.15 ha	03/2019	5 Acres, Zoned R2, Riverstone East Precinct. 30% impacted by flooding
	Vendor			Dennis		
	Purchaser			Elite Land Holdings (Clarke)		
Analysis	Adopt rate of \$85/sqm for constrained land leaves a residue value of say \$686,800.					
Rates \$/sqm	Constrained land flooding:			\$85/sqm	@	6450 sqm = \$ 548,250
	Unconstrained land:			\$611.41/sqm	@	15,050 sqm = \$9,201,750
	Total					21,500 sqm = \$9,750,000
						

Source: APM research, RPData, Peppercorn Property RE

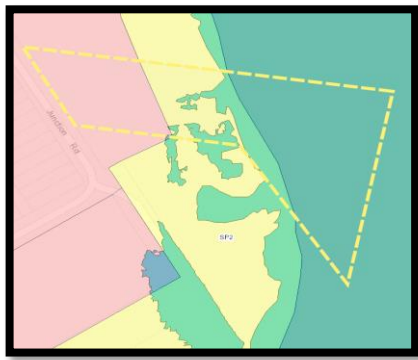


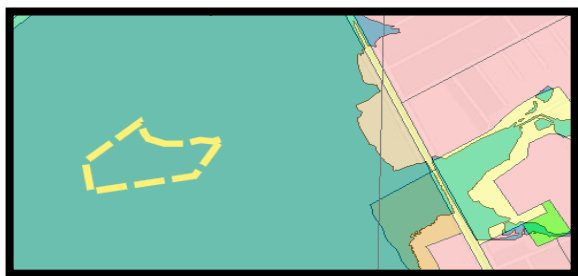
## 9. CONCLUSION AS TO CONSTRAINED LAND VALUE VINEYARD PRECINCT

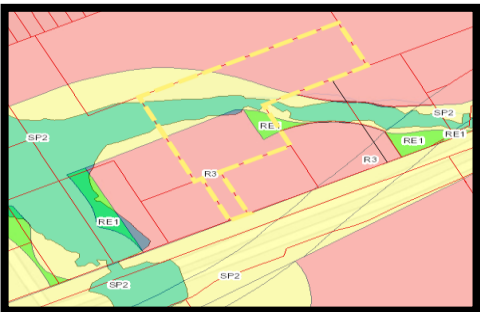
- This assessment has been conducted using a Direct Comparison methodology of valuation. This method requires the Valuer to examine sales of properties which are as like the property being valued, and after adjusting for differences, place a value on the subject property. Typical factors that are considered in making these adjustments include the comparable size of the allotment, topographical and locational aspects, position of the allotment, size and quality of the residences, and general state of repair and presentation. As such, a comparison of market sales to the subject property has been made to determine the subject's underlying value.
- These sales above, are relied upon as examples in the marketplace of similar style Constrained and partly constrained lands located within the Vineyard Precinct and adjoining Precincts considered to be comparable. These sales are considered the best available comparable evidence to determine average rates per square metre of constrained lands for the purposes to this report.
- Sale 1 in our Constrained Sales highlights a property located at 689-697 Windsor Road Vineyard within Vineyard Stage 1. This property comprises 4.5ha of land that is approximately 95% flood affected which sold for \$4,000,000. The raw land rate shows \$88/m<sup>2</sup> and the site was also improved. After allowing for improvements the sale reflects \$85/m<sup>2</sup>.
- Sale 2 in our Constrained Sales provides for a 5.31ha site located at 675 Windsor Road Vineyard within Vineyard Stage 1. The property sold for \$3,970,000 in June 2017 and is predominantly 95% impacted by 1: 100 flood zone. The sale overall shows \$72.00/m<sup>2</sup> overall and \$70/m<sup>2</sup> after allowing for some improvements.

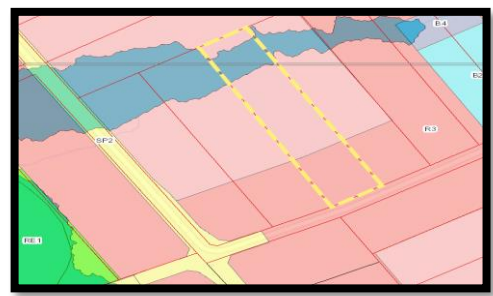
***In conclusion we can support a valuation range of \$80 to \$100/sqm and for the purposes of this report we have adopted a rate of say \$85/sqm.***

## **10. SALES EVIDENCE AND ANALYSIS OF CONSTRAINED ALEX AVENUE AND RIVERSTONE PRECINCT**

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
1	88-94 Junction Road, Riverstone  Lot 1 & 2 DP218794	Riverstone	\$1,400,000	7.84 ha	6/2019	7.84 hectares, available as 2 separate lots. 12.4 acres. Mixed zoning comprises R2 Residential (5000sqm) and balance being SP2 Drainage and RU4 Rural Primary Production. Heavily contained lands with illegal fill and dumping covering site. 80% of the site constrained by flooding.  Mortgagee sale, price impacted by issues with contamination cleanup cost risk factors
	Vendor	Regreen 2000 Pty Limited				
	Purchaser	Junstone Developments PTY LTD				
Analysis	Riverstone Precinct 80% impacted by 1:100-year flooding as shown below.					
Rates	Raw rate:	\$17.85				
\$/sqm	Adjusted rate (after allowance for improvements)	N/a				
						
Source RPDData, Cutcliffe RE & APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
2	11 Neville Road, Riverstone  Lot 72 DP1358	Marsden Park North	\$2,100,000	4.5 ha	1/2019	45,020m2 - 11.124684 acres approx. RU4 zoning - Primary Production Small Lots. 300m2 fully serviced shed and awning - perfect for storage or home business. DA Approval for 3-bedroom, 2-bathroom home. Approved shed and fill. Fenced in yards for horses, sheep, cattle etc. Level compacted gravel driveway for heavy vehicles storage. Town Water, new Envirocycle septic system and NBN . 2.2km from Riverstone station and town centre. 100% impacted by flooding inundation
	Vendor			Sant		
	Purchaser			Nanak Investments PTY LTD		
Analysis	Marsden Park Precinct, adjoining Riverstone, current remaining un-zoned. 100% impacted by 1:100-year flooding as shown below.					
Rates	Raw rate:			\$46.67		
\$/sqm	Adjusted rate (after allowance for improvements)			\$42.00		
						
Source RPDData, Ray White RE & APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
3	9 Schofields Road, SCHOFIELDS  Lot B DP389673	Riverstone	\$7,000,000	2.22 ha	10/2019	<p>650m to Schofields train station and local shopping amenities. Schofields Road now interconnects Richmond Road and Windsor Road with a four-lane access road creating easy connection to local town centres and transport / shopping precincts, which include Rouse Hill TC and Sydney Business Park.</p> <p>Offering approximately 5.47 acres of land, this acreage property holds a mixture of both R3 and SP2/RE1 zoning, with the opportunity now yours to develop and recreate the new direction for this property holding. This property is also walking distance or a short drive / bus to Sydney Metro light rail at Cudgegong / Tallawong Road. Surrounded by quality infrastructure and a myriad of growing amenities, schooling, shopping and transport, this here is a prime development opportunity to secure.</p> <ul style="list-style-type: none"><li>• 5.47 acres (approx.) of R3 &amp; SP2/RE1 zoning</li><li>• Prime location 650m to Schofields train station</li></ul>
	Vendor			Camilleri		
	Purchaser			Undisclosed		
Analysis	Riverstone Precinct. 40% impacted by 1:100-year flooding as shown below. Adopt \$500/sqm for R3 zone land @ 12000 sqm = \$6,000,000. Balance \$1,000,000/10,200sqm is \$98/sqm					
Rates \$/sqm	Raw rate:			\$315.31		
	Adjusted rate (after allowance for R3 land)			\$98.00		
						
Source RPDData, Guardian RE & APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
4	182 Guntawong Road Riverstone Lot 47 DP30186	Riverstone East	\$6,600,000	2.02 ha	10/2019	Under Put and call option 12 months from October 2019. Forms part of the Riverstone East Precinct and the wider North West Priority Growth Area, a joint initiative between the NSW Department of Planning and Environment and the Blacktown City Council. R2 Low Density Residential (15430sqm) and the southern portion rezoned to R3 Medium Density Residential (4770 sqm). Some 7850 sqm of the R2 zoned land is impacted by flooding and transmission line easements.
	Vendor Purchaser			Morris Undisclosed		
Analysis	Riverstone East Precinct. Adopt \$425/sqm for R2 (unconstrained) zone land @ 9000 sqm = \$3,825,000. Adopt \$450 for R3 unconstrained land @ 4770 = \$2,011,500. Adopt \$150/sqm for TLE lands @ 3600 sqm = \$540,000. Balance (flood impacted land) is say \$223,500/4830 sqm or \$46/sqm					
Rates \$/sqm	Raw rate:			\$326/sqm		
	Adjusted rate (after allowance for R2/R3 land)			\$46.00/sqm		
						
Source RPDData & APM research						

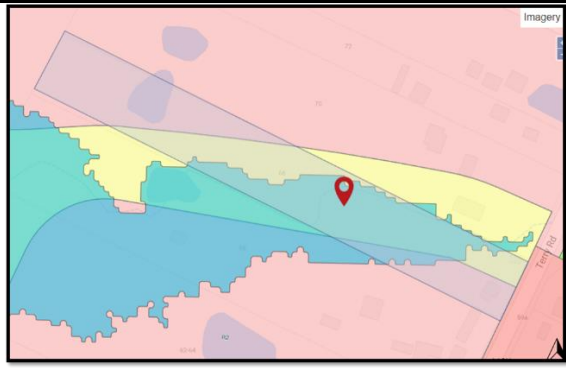
## **11. CONCLUSION AS TO CONSTRAINED LAND VALUE ALEX AVENUE AND RIVERSTONE PRECINCT**

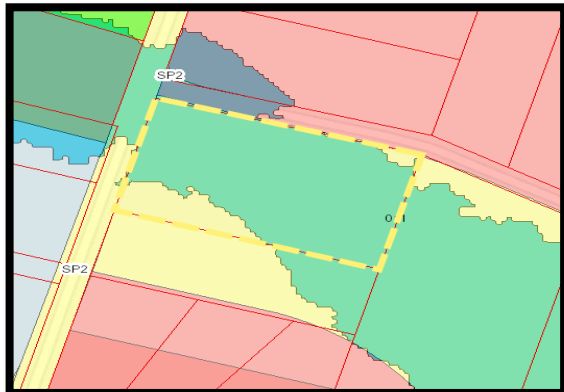
- This assessment has been conducted using a Direct Comparison methodology of valuation. This method requires the Valuer to examine sales of properties which are as like the property being valued, and after adjusting for differences, place a value on the subject property. Typical factors that are considered in making these adjustments include the comparable size of the allotment, topographical and locational aspects, position of the allotment, size and quality of the residences, and general state of repair and presentation. As such, a comparison of market sales to the subject property has been made to determine the subject's underlying value.
- These sales above, are relied upon as examples in the marketplace of similar style Constrained and partly constrained lands located within the Alex Avenue and Riverstone Precincts and adjoining Precincts considered to be comparable. These sales are considered the best available comparable evidence to determine average rates per square metre of constrained lands for the purposes to this report.
- Sale 1 in our Constrained Sales highlights a property located at 88-94 Junction Road, Riverstone. This property comprises 7.84 ha of land that is approximately 80% flood affected which sold for \$1,400,000. The sale price achieved reflected the fact that this site was heavily contained land with illegal fill and dumping. The raw land rate shows \$17/m<sup>2</sup> and the site was also improved. We don't consider this sale to provide good evidence for the value of constrained lands due to its issues with known site contamination.
- Sale 2 in our Constrained Sales provides for a 4.5ha site located at 111 Neville Road, Riverstone within the Marsden Park North Precinct. The property sold for \$2,100,000 in January 2019 and is 100% impacted by 1: 100 flood zone. The sale overall shows \$46.67/m<sup>2</sup> overall and \$40/m<sup>2</sup> after allowing for some improvements.
- Sale 3 is of a partly constrained site, that is to say land suitable for redevelopment has been severed by a natural course and subsequent flooding. After making some allowance to reflect the value of the developable portion of the site (noting the fact the portion is also severed), leaves a residual value of say \$98/sqm for the constrained lands portion.
- Sale 4 located within the Riverstone East Precinct also offers multi zoned land which is also impacted by flooding and electrical transmission line easements and after allowance are made for the values of each zone, a residual value of \$46/sqm results for the constrained land

***In conclusion there is no clear supportable value as the ranges vary from \$17/sqm (contaminated lands) through to \$98/sqm, but for the purposes of this report we have adopted a rate of say \$85/sqm.***



## **12. SALES EVIDENCE AND ANALYSIS OF CONSTRAINED SUPPORTING NORTH KELLYVILLE PRECINCT**

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
1	68 Terry Road, Box Hill Lot 2 DP213067	Box Hill	\$2,900,000	2.023 ha	08/2018	Zoned R2 Low-Density Residential & SP2 Infrastructure. Min 15 dwelling per hectare. 6600 sqm of SP2 zoned land was below the 1:100-year flood level. 4,401/sqm of SP2 was flood-free. Court Administrator appointed sale.
	Vendor			Gleeson		
	Purchaser			Burr Oak Holdings		
Analysis	Box Hill Precinct.					
Rates	Raw rate:			\$143/sqm		
\$/sqm	Adjusted rate (after allowance for R2/R3 land)			\$46.00/sqm		
						
Source RPData & APM research						

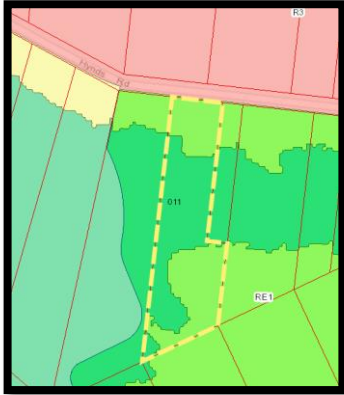
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
2	17 Terry Road, Box Hill Lot 94 DP10157	Box Hill	\$3,736,750	2.43 ha	06/2019	Zoned SP2 Infrastructure. 90% flood affected block. Acquired by The Hills Shire Council. Balance of site with underlying R3 zoning/value to apply.
	Vendor				Chalmers	
	Purchaser				The Hills Shire Council	
Analysis	Box Hill Precinct.					
Rates \$/sqm	Raw rate:			\$153/sqm		
	Adjusted rate (After R3 allowance). Further deduction may be required to reflect Just Terms heads of compensation if they were applied by council.			\$100/sqm		
						
Source RPData & APM research						



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## IPART: FLOOD CONSTRAINED LAND

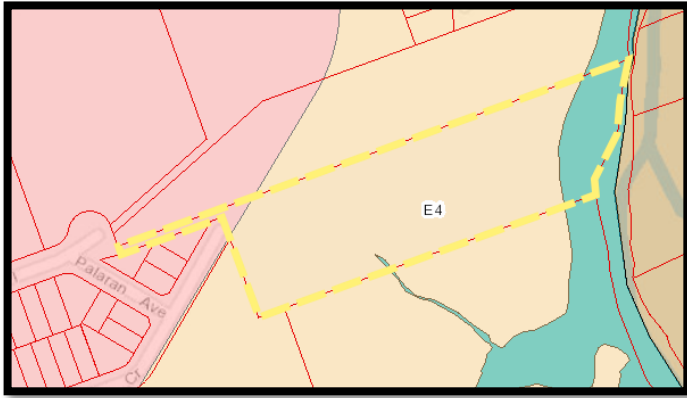
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
3	20 Hynds Road, Box Hill Lot 2 DP566555	Box Hill	\$6,210,475	2.09ha	10/2018	Zoned RE1 Open Space. 80% flood-affected block. Acquired by The Hills Shire Council. Balance of site with underlying R3 zoning/value to apply. Modest single level, 1990s style brick veneer home with 4 bedrooms, detached self-contained flat, brick stables and fenced horse paddocks. Land is also impacted by TLE transmission lines
	Vendor			Votano		
	Purchaser			The Hills Shire Council		
Analysis	Box Hill Precinct.					
Rates \$/sqm	Raw rate:			\$297/sqm		
	Adjusted rate (after deduction for improvements & r3 value) Further deduction maybe required to reflect Just Terms heads of compensation if they were applied by council.			\$200.00/sqm		
						
Source RPData & APM research						

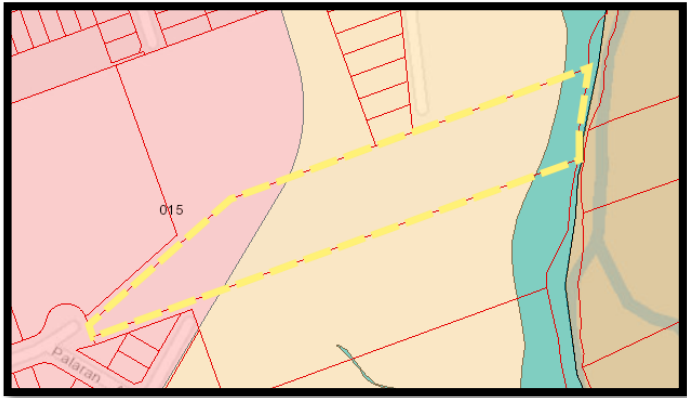


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## VALUATION ADVICE

## IPART: FLOOD CONSTRAINED LAND

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
4	6 Kendall Place, North Kellyville Lot 11 DP582310	Kellyville North	\$2,900,000	2.34ha	7/2019	Zoned E4. 10% flood-affected block. Battle axed position. Min lot size 4000 sqm. With Riparian Area. 1980s style single level brick home with four bedrooms, bathroom, timber kitchen, pitched roof pergola and garage.
	Vendor			Want		
	Purchaser			Pyrus Pty Ltd First Gate Pty Ltd		
Analysis	Box Hill Precinct.					
Rates \$/sqm	Raw rate:			\$124/sqm		
	Adjusted rate (after deduction for improvements & E4 land value @ \$130/sqm ).			\$69/sqm		
						
Source RPData & APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
5	5 Kendall Place, North Kellyville Lot 4 DP249676	Kellyville North	\$3,400,000	2.02ha	8/2019	Zoned E4 Environmental Zoning & R2 Low-Density Residential. 10% flood-affected block. Battle axed position. Min lot size 4000 sqm. With Riparian Area. 1980s style single level brick home with four bedrooms, two bathrooms, in-ground pool and garage.
	Vendor			Moriarty		
	Purchaser			Pyrus Pty Ltd First Gate Pty Ltd		
Analysis	Box Hill Precinct.					
Rates \$/sqm	Raw rate:			\$168/sqm		
	Adjusted rate (after deduction for improvements & E4 & R2 land value @ \$175/sqm ).			\$108/sqm		
						
Source RPData & APM research						

### **13. CONCLUSION AS TO CONSTRAINED LAND VALUE NORTH KELLYVILLE PRECINCT**

This assessment has been conducted using a Direct Comparison methodology of valuation. This method requires the Valuer to examine sales of properties which are as like the property being valued, and after adjusting for differences, place a value on the subject property. Typical factors that are considered in making these adjustments include the comparable size of the allotment, topographical and locational aspects, position of the allotment, size and quality of the residences, and general state of repair and presentation. As such, a comparison of market sales to the subject property has been made to determine the subject's underlying value.

- These sales above, are relied upon as examples in the marketplace of similar style constrained and partly constrained lands located within the North Kellyville Precinct and adjoining Precincts considered to be comparable. These sales are considered the best available comparable evidence to determine average rates per square metre of constrained lands for the purposes to this report.
- Sales 4 & 5 in our Constrained Sales are considered to hold more weight due to there situated within the precinct. Once analysed these sales show rates of \$69 to \$98 per square metre for the constrained lands. This range provides a very strong indication of supportive ranges for such land within the prescribed precinct of North Kellyville.

Sales 1-3 are located within the adjoining outer precinct of Box Hill 2 with sales 1 & 2 reflecting a range of \$46/sqm to \$100/sqm for the constrained lands portion. Each sale appears to have been transacted on the open market, while sale 3 for \$200/sqm appears to have been purchased (under Just Terms) by the Local Council and reflects a rate of \$200/sqm.

***In conclusion there is no clear supportable value as the open market transaction values ranges from \$46/sqm through to \$98/sqm, but for the purposes of this report we have adopted a rate of say \$85/sqm.***

#### **14. UNDERLYING LAND VALUE OF CONSTRAINED LAND**

In providing comment on the issue of underlying value on flood constrained land please note that on a site by site basis these are merit based. That being if a land owner can demonstrate to Council that they can in part develop a site and mitigate low lying flood areas with improved flood mitigation works (ie improved piping, possible on site retention etc) to alleviate concerns with AHD levels then a value of that constrained land maybe the value of the underlying zoning less the cost and time to rectify and remediate that land to a useable level. Again this would change from property to property.

As highlighted in our report Hawkesbury City Council's acquisition of 5 O'Dell St, Vineyard and its consideration of the development potential of flood constrained land it all depends how far it sits below the AHD level for each affected property. So, on that basis that affectation on its development potential (in particular for Hawkesbury Council) may change from property to property as Hawkesbury Council do allow fill (development) in these areas up to 2 metres below the 1:100 AHD level. Therefore the underlying land value is driven by the cost of rectification.

## 15. SPECIAL REMARKS

- By standard practice, I must state this report is for the use only of the party to whom it is addressed to and for the purpose for which instructions were given. I disclaim any responsibility to any third party acting upon or using the whole or part of its content.
- Neither the whole nor any part of this Valuation Certificate nor any reference to it may be included in any published document, circular or statement or published in part or in full in any way without the written approval of **Access Valuations Pty. Limited**. I accept no responsibility to third parties for errors and omissions which may appear herein.
- This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors peculiar to the particular property). I do not accept liability for losses arising from such subsequent changes in value.
- Without limiting the generality of the above comment, I do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the assessment, or such earlier date if you become aware of any factors that have any effect on the valuation.
- I have obtained market information from real estate websites, RPData and APM research and I have spoken to Real Estate Agents who are active in the subject locality. The information provided from these enquiries are deemed to be correct for this report and would otherwise rely upon by any prudent party to the subject hypothetical sale transaction.
- My usual practice to look at comparable sales externally however for most of the sales and rental evidence I have had the benefit of interior photos of these properties that have been available as part of the marketing of those properties. In some circumstances, I have carried out an internal inspection.
- While Access Valuations Pty Limited makes every effort to confirm and verify the sales evidence relied upon, we have assumed that this evidence is genuine and correct. Should it be discovered that any part of the evidence of this sale be incorrect or inaccurate, and then I shall reserve the right to amend and adjust my valuation accordingly.
- This valuation has been prepared by Russell Briggs FAPI, Certified Practising Valuer, as engaged by **Access Valuations Pty. Ltd ACN 079 865 204**.

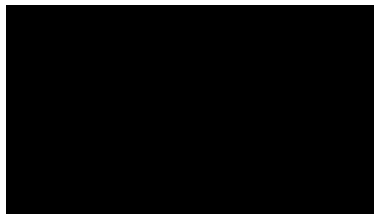


## 16. VALUATIONS

I assess the following Market Values of the within described property, unencumbered and by the comments in this report as at 19 December 2019, to be as follows:

Location	\$Rate/m <sup>2</sup>
CONSTRAINED LAND VINEYARD PRECINCT	\$85
CONSTRAINED ALEX AVENUE AND RIVERSTONE PRECINCT	\$85
CONSTRAINED LAND VALUE NORTH KELLYVILLE PRECINCT	\$85

ISSUED BY: ACCESS VALUATIONS PTY. LTD



**RUSSELL BRIGGS FAPI**  
Certified Practising Valuer