

Our Ref: Vineyard Contributions Plan

18 October 2019

## Independent Pricing and Regulatory Tribunal

E-mail: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Sir/Madam

## Hawkesbury City Council Submission to IPART Second Draft Recommendations Report – Vineyard Contributions Plan

Thankyou for the opportunity to lodge a submission with respect to IPART's Second Draft Recommendations Report.

A review of the Second Draft Recommendations Report has highlighted that a number of issues raised as part of Council's submission to the First Draft Recommendations Report and subsequent information request and discussions have been reflected in the latest Draft Report. Of particular note in this respect is:

- Collector Roads Costs
- Channel Stabilisation works
- Open Space Embellishment works

However, the Second Draft Recommendations Report raises a number of issues for Council, the Hawkesbury Community and potentially property owners within the Vineyard Stage 1 Precinct. Please consider this correspondence and appendix as Hawkesbury City Council's submission to the IPART Second Draft Recommendations Report issued on 20 September 2019.

Please also note that Council had written to all property owners within the Vineyard Stage 1 Precinct to advise of the release of IPART's Second Draft Recommendations Report.

## Land Acquisition Costs

This section of the Second Draft Recommendations Report is by far and away the most significant concern. Attached for consideration is a review of the Second Draft Recommendations Report and supporting material (Peer Review by Access Valuations) undertaken by K D Wood Valuations (Aust) Pty Ltd.

The review highlights significant concerns with the supporting material relied upon to inform IPART's Second Draft Recommendations Report.

As detailed in the review there is significant variance between the respective valuations with regard to:

- Unconstrained R2 zoned land
- Flood liable land
- Constrained Land

Based on the K D Wood valuation, Council is of the view that the following acquisition rates are appropriate for inclusion in the Vineyard Contributions Plan:

- R3 zoned land (unconstrained) \$400/m2



- R2 zoned land (unconstrained) \$300/m2
- Blended Rate \$350/m2
- Flood Liable Land \$100/m2
- Constrained Land \$140-\$160/m2 dependant on the degree of affectation.

In addition to the various points contained within the KD Wood review there are a number of further points that Council would like to raise and be considered by IPART.

In addition to the KD Wood valuation, two other independent valuers including the Valuer General support a rate consistent with rates contained within the Contributions Plan, if not higher. It is considered that the valuation obtained by IPART to inform the Second Draft Recommendations Report is completely inconsistent with three independent valuers and even with the valuation obtained by IPART to inform the First Draft Recommendations Report. It is considered that the position in IPART's Second Draft Recommendations Report with respect to land acquisition costs is an assertion that is not supported by clear and consistent evidence.

As the Second Draft Recommendations Report currently stands, Council is of the view that based on clear evidence, there will be a shortfall of \$21.74M in Contributions collected across the Precinct for the purposes of land acquisition. This effectively means one of two things. Firstly (and most likely scenario) is that the general Hawkesbury rate base will have to fund the shortfall, which is of serious concern to Council. The alternative is that through the acquisition process, property owners do not receive appropriate compensation for land that is identified. In reality land acquisition legislation and processes would result in the wider rate base funding this identified shortfall. Nonetheless, a number of property owners have individually raised their concerns through Council with respect to the rates recommended by IPART.

Council has previously provided evidence to IPART in terms of a live land acquisition within the Vineyard Precinct that is yet to be finalised by the Valuer General. Given that particular land acquisition process is yet to be finalised the details cannot be included within this submission. However, it is clearly evident from the material previously provided to IPART, that the position Council finds itself in is that two separate State organisations (IPART and the Valuer General) have distinctly different opinions on land valuations within the Vineyard Precinct. This raises considerable concerns with the whole contributions planning and land acquisition process on a wider basis. How can Council, property owners and the community have faith in a system that has led to such a circumstance where effectively the wider rate base has to fund a shortfall of \$21.74M. Failure to permit sufficient reasonable costs associated with development of the Vineyard Precinct will have the potential to cause significant delay in the delivery of development within the Precinct and provision of a liveable community based on the objectives of the North West Growth Area.

In terms of acquisition costs, it is noted that Part 1 of the relevant IPART Guideline highlights that land costs include:

- Actual costs of land acquired
- Estimated costs of land to be acquired
- Disturbance/relocation, legal and valuation costs likely to be paid to land owners (there is a statutory maximum of \$75,000)
- Any conveyancing costs associated with the acquisition

Part 1 further states that land costs do not include:

- Council administrative costs including valuation and project management costs – these are recoverable through the plan admin costs allowance)
- Demolition, fencing and temporary works associated with land acquisitions – these are recoverable through the associated infrastructure works)



## Vineyard Precinct

- Total of 69 properties that Council needs to acquire land from, which excludes two properties Council currently owns and duplicates where land is required for different infrastructure needs.
- Council's conveyancing costs are generally \$1,550 per transaction.
- Property owner costs are based on the only actual figures incurred for the acquisition currently underway.

### Calculations:

#### *Land Acquisition Costs:*

Disturbance/relocation costs	$\$75,000 \times 69 = \$5,175,000$
Conveyancing costs	$\$1,550 \times 69 = \$106,950$
Property Owner legal expenses	$\$7,500 \times 69 = \$517,500$
Property Owner valuation expenses	$\$13,200 \times 69 = \$910,800$
Property Owner town planning consultant expenses	$\$9,405 \times 69 = \$648,945$
Property Owner hydrology consultant expenses	$\$13,315 \times 69 = \$918,735$

TOTAL \$8,277,930

Land acquisition plan costs \$53,410,100

Other costs represent 15% of the costs so a 10% allowance at least should be made.

#### Calculation for additional plan administration costs:

Valuation expenses	$\$1,650 \times 69 = \$113,850$
Professional fees (eg survey)	$\$7,500 \times 69 = \$517,500$

TOTAL \$631,350

Potential Valuer General fees  $\$39,000 \times 35 = \$1,365,000$

\* This is based on the number of hardship applications and appeals Blacktown Council are experiencing in their new release areas.

POTENTIAL TOTAL \$1,996,350

These figures highlight the increasing expenses to Council for the acquisition process and supports Council's position that a 10% allowance for acquisition costs is appropriate.

### **Boundary Road Classification and Chapman/Menin Sub Arterial Status and Timing**

IPART's comments with respect to coordination of the planning and delivery of Boundary Road are noted and Council would welcome greater certainty in this respect. Uncertainty remains about the final classification of Boundary Road as evidenced by the proposed Special Infrastructure Contribution (SIC) and further advice to Council by the RMS.

In a precinct planning process that spanned around 3-4 years, the reclassification of Boundary Road to a collector road status occurred in the final weeks of that process, and no subsequent updates to the cost estimate for the works were notified to Council by the Department of Planning and Environment (who had coordinated the original cost estimates).

In the Department of Planning and Environment Finalisation Report for the Vineyard Precinct (November 2017), the change in the classification of Boundary Road is not listed as a major planning change but rather is identified in the appendix of updates to the DCP, which is attached to the main report. Supporting documents to the Finalisation Report nominate Boundary Road as a Sub Arterial road.



Given the role of Boundary Road in the road hierarchy remains in doubt, and comments made by the RMS about what was assumed to be the Chapman/Menin Roads sub-arterial route that would in time replace Boundary Road, it is considered to be a failure of the precinct planning process undertaken by the Department Planning and Environment.

The draft SIC released for the North West Growth Area shows current and proposed new SIC roads. The proposed road upgrade NXR 31 (Loftus Street – Windsor Road to Hamilton Street) would appear to suggest the need for a higher order road on Boundary Road; certainly, it raises this question at the very least.

This concern was raised by The Hills Shire Council in its submission to the draft SIC in November last year:

*Boundary Road (Windsor Road to Old Pitt Town Road): It is anticipated Boundary Road will function as a sub-arterial route, requiring four lane carriageway and a bridge construction at the Killarney Chain of Ponds floodway. In the short term, the route will likely carry traffic from Box Hill, Vineyard, Box Hill North and new employment areas within the North West Growth Area (Box Hill and Riverstone). It will also serve as a primary bus link to Riverstone Station in the short-to-medium term.*

*The proposed SIC erroneously assumes that a substantial portion of Boundary Road will remain unformed and serve only to provide secondary access to Windsor Road (noting that Menin Road (NXR23.5) is identified as a main sub-arterial SIC item linking Box Hill to Vineyard and Riverstone). Notwithstanding this, concern is raised that NXR23.5 will not be completed for at least 10 years, by which time the entire length of Boundary Road will already be serving a sub-arterial function (and would need upgrading accordingly).*

*The continued exclusion of the upgrade of Boundary Road from the SIC is likely to result in a major burden to the local traffic network for the short-to-medium term, potentially hindering the delivery of new housing and degrading the amenity and quality of life for new residents in the North West Growth Area.*

Recent meetings with RMS associated with the North West Growth Area have indicated that RMS are not planning for Chapman / Menin Roads as a sub arterial road and that the RMS planning for the Bandon Road extension essentially finishes at Windsor Road. Council continues to seek a clearer understanding in terms of the intended future role of Chapman / Menin from RMS, but should not have to do so had the precinct planning process appropriately addressed these matters.

Resolution of the classification and timing of delivery of upgrades associated with Boundary Road and Chapman/Menin Roads is considered to be essential in order to facilitate the timely development of the Vineyard Precinct in a coordinated and cost effective manner.

In terms of costs associated with the construction of Boundary Road, the reduction in earthworks costs recommended by IPART is considered inappropriate. The Vineyard Precinct is highly fragmented and is likely to be developed by multiple developers as opposed to other areas of the North West Growth Area. Put simply there isn't sufficient area within individual development sites within the Precinct to accommodate the volume of fill material as a consequence of earthworks associated with constructing Boundary Road on an appropriate vertical and horizontal alignment.

The Precinct already has a series of existing road corridors throughout which will have to remain open during construction in order to permit access to existing residents. The Precinct cannot be viewed as one development site and treated as such. Earthworks within the Precinct and particularly along existing road corridors will be vastly different to development of a single larger development site. For these reasons the cost estimates of works and contingencies associated with Boundary Road is considered to be justified.



## **Previous Council Submission to First Draft Recommendations Report**

In finalising the review of the Vineyard Contributions Plan, Council requests that IPART consider the Council submission and supporting material lodged when the First Draft Recommendations Report was on exhibition. This is particularly relevant to Section 2 – Overview of key concerns of the Council submission which outlined a comparison to other IPART assessed Contribution Plans within the North West Growth Area. Of particular note is the Box Hill Precinct that adjoins the Vineyard Precinct and the approved rate of that Plan versus the IPART recommendation.

Contribution rates for other urban release area precincts in the North West Growth Area, generally endorsed by IPART and the NSW Government, are higher than the IPART-assessed rate for Vineyard.

Council notes that IPART has also recently released its draft assessment of the Schofields Precinct Contributions Plan (June 2019) and that it has endorsed low density contribution rates of \$102,525 per lot and \$90,672 per lot for the Eastern Creek catchment in that assessment. The Schofields precinct has a very similar final development yield to that of Vineyard (8,158 population/2,813 dwellings in Schofields compared with 7,489 population/2,459 dwellings in Vineyard) and Council questions why IPART considers that the difference in infrastructure provision requirements will be so significant between the precincts.

Council submits that that there is no legitimate reason that the local infrastructure in the Vineyard Precinct should cost any less (on an average per lot basis) than surrounding precincts in the North West Growth Area. That is because:

- as a new greenfield site, Vineyard needs the full suite of transport, stormwater management, open space and community facility infrastructure to facilitate new development, as other areas generally do
- the density of expected residential development is similar to other developing precincts in the area
- the geographical terrain is similar to surrounding precincts, noting Council must also address significant flood mitigation requirements and highly fragmented land ownership in facilitating development in the Vineyard precinct.

Further, Blacktown City Council and The Hills Shire Council (the other two councils in the North West Growth Area) both have very large levels of pooled contributions for growth infrastructure and significant implementation and delivery scale which is not available to Hawkesbury City Council.

The implication for Council and the Hawkesbury community from IPART's recommendations is that there will be at least \$16.5 million in unfunded essential infrastructure in this State Government designated growth area. The Hawkesbury community must already fund an estimated \$5m-plus in capital works costs for community facilities to meet the demand from growth in the Vineyard Precinct because the State Government policy currently disallows these costs in development contributions.

The Hawkesbury LGA is one of the first to be excluded by the State Government from the Local Government Infrastructure Scheme (LIGS) which funded essential works in contribution plans above the Minister's cap. Development in 15 other greenfield precincts in NSW, six of which are in the North West Growth Area, were all potentially able to be subsidised under this program. Council had made representations to the State Government to allow Vineyard and the associated development to be included in the scheme but without success.

The State Government policy does, however, allow Council to fully fund the reasonable cost of essential infrastructure in the community – an outcome which IPART's draft assessment does not provide for.

The draft Vineyard Contributions Plan was prepared by the State Government (the Department of Planning and Environment over four or more years as part of the precinct planning process. After such a long time period and the high level of inquiries from landowners intending early lodgement



of development applications, Council publicly exhibited the plan and then progressed it expediently to IPART (13 November 2018) in good faith based on the reasonableness of the overall proposed costs and contribution rates to help facilitate development progress in the precinct.

Should the changes in this submission be endorsed in IPART's final report, the contributions plan can be progressed and adopted so that infrastructure provision and development is not delayed unnecessarily in the Vineyard Precinct, and the community of Hawkesbury LGA is not unfairly left with \$16.5 million of the essential infrastructure bill.

Council would welcome the opportunity to discuss the Vineyard Contributions Plan and this submission to IPART in further detail.

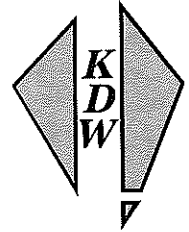
Should you require any further clarification on the matters outlined above, and in the attached submission, do not hesitate to contact me on the details below.

Yours faithfully

**Andrew Kearns** | Manager Strategic Planning | Hawkesbury City Council  
[Redacted Signature] □ [www.hawkesbury.nsw.gov.au](http://www.hawkesbury.nsw.gov.au)

# K.D. WOOD VALUATIONS (AUST.) PTY. LTD.

ACN: 098 993 367 ABN: 33 098 993 367



## **Directors**

K.D. Wood F.A.P.I Registered Valuer No. 11

J.M. Wood A.A.P.I Registered Valuer No. 6289

## **Valuers and Property Analysts**

10 October 2019

Ref: 19HCC04A

Ms. Linda Hewitt  
Acting Manager Corporate Services and Governance  
Hawkesbury City Council  
PO Box 146  
WINDSOR NSW 2756

Dear Linda,

---

Re: IPART Second Draft Report

---

I have read the Peer Review of Access Valuations, Messrs. Azar and Briggs (A&B) (Appendix 1) wherein they consider the following rates to be applicable.

'R2' land: \$200/m<sup>2</sup>

'R3' land: \$400/m<sup>2</sup>

Flood liable land: \$85/m<sup>2</sup>

T.L.E. affected land: \$120/m<sup>2</sup>

### **District Park 5**

In my report dated 24<sup>th</sup> June 2019, District Park 5 was divided into two categories, constrained land and unconstrained land. Rates of \$100/m<sup>2</sup> and \$300/m<sup>2</sup> were applied to give a resultant value of \$9,883,500, say \$10,000,000. IPART disputes the cost of acquiring this land on the basis that the areas of 9,000m<sup>2</sup> constrained and 29,945m<sup>2</sup> unconstrained, total 38,945m<sup>2</sup> are incorrect. IPART contends that District Park 5 has an area of 26,557m<sup>2</sup> of constrained (ENV) land and 12,388m<sup>2</sup> of non-constrained (NVRA) land to which Lunney Watt attributed rates of \$100/m<sup>2</sup> and \$150/m<sup>2</sup> respectively, i.e. \$300/m<sup>2</sup> less 50% for ecology risk/costs, total \$4,513,900.

IPART quote Section 56 of the Land Acquisition Act and would infer that my interpretation of Section 56 Market Value is incorrect. Any increase or decrease in the value of the land or the proposal to carry out the public purpose must be disregarded. This does not mean that any constraints whether they be physical, e.g. T.L.E.'s or inherent features, e.g. flooding, protected vegetation etc. should be disregarded. It is accepted that the unconstrained values should be discounted to bring to account the foregoing, the degree or percentage discount is subjective being dependent on the likely imposition of the constraint.

It would appear that District Park 5 was previously designated as 'Certified' land which is capable of residential development and subsequently re-classified as non-Certified land which requires onerous ecological and environmental assessments.



Re: IPART Second Draft Report

IPART contend that the whole of District Park 5 would be classified as ENV on non-Certified land and as a result, cannot be cleared. This is a matter for planning and biodiversity consultants and outside my area of expertise. From a valuation perspective, I would contend that if this be the case, the unconstrained rate for 'R2' land should be discounted by two thirds, i.e. to \$100/m<sup>2</sup> whilst if the land can be developed subject to environmental impact assessments, a discount of one third, i.e. to \$200/m<sup>2</sup> would be applicable and if the land is classified as ENV land within a Certified area, a rate of \$300/m<sup>2</sup> would be applicable.

The various area classifications are a matter for the parties.

I also note the recent Valuer General's valuation of that part compulsorily acquired under 'hardship' provision of the Land Acquisition (Just Terms Compensation) Act 1991 as amended, adjoining District Park 5 at the rates of \$100/m<sup>2</sup> flood liable, i.e. land below the 1:100 year (17.3m contour) zoned 'E2' Environmental Living and land above the 1:100 year contour and able to be developed for 'R2' Low Density Residential at \$350/m<sup>2</sup>.

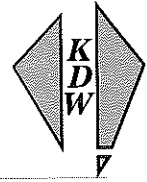
I note in the IPART Report at 9.4.1. IPART considers a blended average for 'R2' and 'R3' land is not reasonable. In my report dated 27<sup>th</sup> October 2017, a rate of \$300/m<sup>2</sup> was recommended for 'R2'/'R3' lands. This rate was increased to \$350/m<sup>2</sup> in line with market transactions but it was stated that this rate was an average and would be more or less dependent on salient factors and a rate of \$300/m<sup>2</sup> was adopted for District Park 5 on an 'alternative' or 'underlying' 'R2' zoning. Whilst I have previously been of the opinion that in the early stages of release there is 'no difference' in the sale price between englobo 'R2' and 'R3' land, this being attributable to the fact that 'R3' land invariably is not developed in the initial stages, however modern trends in housing design and reduction in minimum lot sizes, brought about by 'affordability' is reversing this trend and 'R2' and 'R3' zoning within estates are being developed simultaneously. Examples of this are Thornton, North Penrith which provided for increased density and the Grange, Marsden Park where a smaller product in terraced housing was developed. Contracts recently negotiated in Vineyard, of which I am aware, show rates of \$410/m<sup>2</sup> for 'R3' land and \$332/m<sup>2</sup> for 'R2' land, i.e. a difference of approx. 20%. This land adjoins Boundary Road to the west within Box Hill precinct to the east with recent 'R2' sales showing rates of \$366/m<sup>2</sup>.

I note that Access Valuations have recommended a rate of \$400/m<sup>2</sup> for 'R3' land. I would support this recommendation however a reduction of 50% for 'R2' land is unrealistic. A rate as previously recommended of \$300/m<sup>2</sup> is considered appropriate.

The assertion by A&B that 'R2' unconstrained land should carry a rate of \$200/m<sup>2</sup> is nonsensical and without necessary enquiry and investigation and ignores prevailing market forces within the north-west sector. In short, in my opinion it is without credibility. The report relies on two sales of land. Sale No. 1, 184 Commercial Road, Vineyard, a 2.44ha (6 acre) property sold on 16<sup>th</sup> November 2018 for \$4,500,000. The property has two road frontages but access may only be gained from one. It is of irregular shape and is the steepest land in the release area. I am advised that several developers had viewed this property but withdrew because of the added development costs of fill and benching. The vendor was an elderly retiree living in Malta who visited the land simply to effect a sale and returned to Malta. The agent advised in his opinion it was "out of line" however in my opinion the price was a reflection of the lands' physical constraints (12% gradient), (see Aerial Photograph appended, Appendix 2).

Sale 2 (unconstrained land) is a large property of 10.11 hectares (25 acres) situate on the northern side of Glengarry Road. Part of the land is zoned 'RE1' Public Recreation (7,000m<sup>2</sup>) and part 'RE1' subject to transmission line easement (20,800m<sup>2</sup>) this represents 56% of total area of 10.1has. Allow \$150/m<sup>2</sup> over the 'RE1' land, see Zoning Plan (Appendix 3).





---

Re: IPART Second Draft Report

---

Analysis	\$28,000,000
37,000m <sup>2</sup> @ \$150/m <sup>2</sup>	\$ 5,550,000 -
	<u>\$22,450,000</u>

This shows 6.41 has unconstrained @ \$350/m<sup>2</sup> as compared to the \$273/m<sup>2</sup> as calculated by A&B.

This land in my opinion is:

In a less favourable location.

Close proximity to Sydney Business Park.

Much of the 'R2' land is in close proximity to the major TLE.

It is apparent that A&B have not inspected this property and yet rely on it to determine a rate of \$200/m<sup>2</sup> for 'R2' unconstrained land within the subject precinct.

Re: IPART Second Draft Report

---

**K.D. Wood Report dated 27<sup>th</sup> October 2017**

In relation to the comments of A&B, I would comment as follows.

The determination of applicable rates attributable to each zoning has been ongoing since my initial report dated 20<sup>th</sup> January 2015 and 4<sup>th</sup> September 2015 to which A&B have not been privy. If they had been and had studied the reports, they would be cognisant of the increase in value since that time of land designated 'R2', 'R3', 'B1' land within TLE's and flood liable land. All four reports would require investigation and the prior report of Lunney Watt & Associates.

**Paragraph 3 – Standard of Report**

The report contained ten (10) sales, seven of 'R2' land, two of 'SP2' land acquired on a Residential basis and one 'R3'. Of note the 'R3' sale was in the range of the 'R2' sales.

The Schedule attached (page 13 of the report), indicates a range from \$275/m<sup>2</sup> to \$444/m<sup>2</sup> from which I applied the lower end of the range on the basis Vineyard is further removed from the CBD and as most valuers appreciate values decline depending on the distance from Sydney Metro.

**Paragraph 4**

The report was written in October 2017, sales relied upon were contracted from September 1, 2015 to March 2017, with the majority having been contracted in March 2017 and were settled prior to inclusion in the report. Paragraph 4 is, in my opinion, knit-picking and unwarranted.

**Paragraph 5**

As is Para. 5. As there were sufficient sales from which to draw conclusions from a competent valuer as to the level of value applicable to the subject.

**Paragraph 6**

Yes, I agree the market was buoyant and there was a degree of speculation. Are A&B suggesting the sales were low and higher rates should have been applied? In fact, it is generally accepted that the market declined 10-15% during 2018.

**Paragraph 7**

There was no necessity to do this exercise as the evidence as to unconstrained land was conclusive and was applied directly to the subject.

**Paragraph 8**

As previously advised, it is an accepted fact that the further removed from the Sydney CBD, the less the rate/m<sup>2</sup> for englobo land and the lower the purchase price for lots in subdivision. This is the reason that the rates applicable in Blacktown and Hills Shire are significantly greater than the recommended rates for Vineyard.

**Paragraph 9**

I am mystified as to how A&B would deduce from the sales analysed a rate of less than \$275/m<sup>2</sup> would/should be applied.

---

Re: IPART Second Draft Report

---

**K.D. Wood Report dated 27<sup>th</sup> October 2017** (cont.)

Paragraph 10

Having regard to the location of the subject in relation to the sales analysed in Riverstone, Schofields and Rouse Hill are in closer proximity to Parramatta and the city and more progressed at this stage. As a matter of interest, the average price paid was \$354/m<sup>2</sup>. \$300/m<sup>2</sup> represents a reduction of 15%. A&B contend that a figure less than \$275/m<sup>2</sup> should have been applied and now contend the rate should be \$200/m<sup>2</sup>, i.e. a reduction of 43%. They lack consistency in their approach.

Paragraph 11

Whilst this land is wholly subject to flooding the land is above the 17.3m, 1:100 year contour and could be developed for R3 Medium Density development subject to piping, mitigation works. Council would be required to pay 'R3' rates for this land. The analysed 'R3' rate of \$394/m<sup>2</sup> reflects this constraint.

Paragraph 12

Sale 10 of my report is zoned 'R2' only, not 'R2'/'R3' as indicated by A&B. There is no disparity, it just provides additional evidence that the value ascribed at that time to the 'R2' land was reasonable and further evidence that the recommendation that 'R2' land should be valued at \$200/m<sup>2</sup> is illogical.

Re: IPART Second Draft Report

---

**K.D. Wood Report dated 24<sup>th</sup> June 2019**

Paragraph 1

No comment.

Paragraph 2

I make reference to V.P.A.'s agreed upon between Blacktown City Council and the Department of Planning with Stockland, Winten Property Group and more recently Clydesdale Estate at Elara and New Park Estate Marsden Park and Stockland, North Marsden Park.

It is not contended that V.P.A.'s are the best evidence of value however it is contended that regard should be had to these rates as they are determined by reference to comparable sales evidence by certified, experienced valuers acting for each party, i.e. they are arms-length transactions determined on the basis of available sales evidence. To ignore these transactions would be negligent of me as they are determined on sales transactions in the same submarkets as the subject and of which in my opinion IPART should be aware.

Paragraph 3

I have previously referred to the sale of 184 Commercial Road. It is evident that A&B have not investigated the circumstances of the sale or the physical constraints of this land. In fact, all they have done is to accept the sale as being representative of the value of 'R2' unconstrained land from which they have deduced a rate/m<sup>2</sup> "raw" of \$200/m<sup>2</sup>.

Paragraph 4

The sale at No. 226 Grange Avenue, Marsden Park is as stated in my report zoned part 'R2' and part 'R3'. It showed a blended rate of \$373/m<sup>2</sup> after adjusting for 12 months delayed settlement. Overall rate was \$403/m<sup>2</sup> and in my opinion is supportive of the rate adopted, i.e. \$350/m<sup>2</sup> (blended).

Paragraph 5

27 Campbell Street, Riverstone. This sale showed a deduced rate of \$456/m<sup>2</sup>, zoned 'R2'. If one was to allow 10% for D.A. and 10% for location, would give a resultant figure of \$365/m<sup>2</sup>. What is the point of this comment? There is no evidence to suggest that land in this locality would realise more than land within a new estate in close proximity to rail and services.

Paragraph 6

This paragraph indicates a lack of professional knowledge of A&B. It is true that when the land is to be acquired by an authority compensation is to be determined on the basis of its 'alternative' or 'underlying' zoning, however when analysing sales a valuer should reflect in their assessment of land designated for a public purpose the possible delays/contingencies one might experience in dealing with the relevant authority. It is every day practice to discount lands designated a Public purpose and this principle has been adopted in any number of Court judgements.

Re: IPART Second Draft Report

## **K.D. Wood Report dated 24<sup>th</sup> June 2019 (cont.)**

### **Paragraph 7**

This is one of a number of sales which shows a "raw" land purchase in excess of \$350/m<sup>2</sup> for 'R2' zoned land. The D.A. was over Nos. 132-134 Old Pitt Town Road and Nos. 78-80 Terry Road. A&B's comments concerning a superior location and superior views are a matter of opinion as this land is within 1km of subject and views are similar. Even accepting a discount for development approval how does one justify a reduction from \$355/m<sup>2</sup> to \$200/m<sup>2</sup> for the subject? This is another example of the inconsistency and irrationality of A&B. See also recent sales of Nos. 121-123 and 125 Boundary Road at \$366/m<sup>2</sup> directly opposite the subject precinct (page 8).

### **Paragraph 8**

In my opinion, a sale dated August 2017 is not dated under prevailing market conditions which have generally declined 10% since this date. Why is it not relevant? It wasn't used because it was not reported previously on any of the search engines including CoreLogic.

### **Paragraph 9**

Why are these sales not helpful? Certainly, they are smaller but show the same rate per m<sup>2</sup>. Not all of the land to be acquired will be large englobo lots with areas of 20,000+ square metres. The majority will have areas of circa 20,000m<sup>2</sup>. The five sales quoted form a part of the Riverstone Scheduled Lands Precinct and will be either acquired by Landcom or jointly developed. It is of interest to know what rate/m<sup>2</sup> the land content is valued on range \$330-\$355/m<sup>2</sup>.

### **Paragraph 10**

IPART should be made fully aware of prior court decisions concerning constrained (flood affected) land as in the absence of more recent sales, these will set a precedent for the court on appeal as has happened previously. A&B quote two sales:

#### **(1) 675-697 Windsor Road Vineyard**

This sale was effected in June 2017. In Paragraph 8, A&B query my use of a sale transacted in August 2017? Double standards? This sale which is 95% flood affected shows a rate of \$72/m<sup>2</sup>. It is a large 5.31ha site, i.e. 13 acres. I also note a sale over lots 689-697 dated 12 May 2017, which sold for \$4m, area 4.5has, shows \$89/m<sup>2</sup>. Improvements comprise 2 of aged dwellings and outbuildings, say \$250K, shows \$83/m<sup>2</sup> as vacant land. Again, a large 4.5ha (11 acre parcel), (Appendix 4).

#### **(2) 3 Putland Place, Vineyard**

A property which is 98% flood constrained (see Flooding Map appended, Appendix 2). Sold by Contract dated August 2019 for \$2,800,000 (2.43has). A&B have analysed this 2.43ha, 98% flood affected property at \$100/m<sup>2</sup>. This is the latest sale exchanged August 2019, shows a rate of \$100/m<sup>2</sup> is of a 2.43ha parcel, whereas their sales of 675 and 697 Windsor Road are of 5.31has and 4.5has twice the size transacted in June and May 2017, showing rates of \$72/m<sup>2</sup> and \$83/m<sup>2</sup> but in paragraph 17 states "In light of these two sales they couldn't possibly justify a rate of \$100/m<sup>2</sup>" and subsequently a rate of \$80-\$85/m<sup>2</sup> is considered to be more realistic.

1. The 3 Putland Road sale is the latest.
2. It is of an area more akin to the average in the Vineyard release 20,000m<sup>2</sup>.
3. It is 98% flood affected.
4. It shows a rate on their own analysis of \$100/m<sup>2</sup>

Re: IPART Second Draft Report

---

Sales Analysis - No. 3 Putland Place, Vineyard (Lot 4 DP244901)

Improvements comprise a substantial cottage, large machinery shed and inground pool – allow \$400,000. As vacant land \$2,400,000, shows \$99/m<sup>2</sup>

**Say \$100/m<sup>2</sup>**

**Additional Sale**

65 Kerry Road, Schofields (Appendix 6)  
Sold 13 December 2018 for \$1,260,000 (1.06has)  
100% flood liable.  
Zoned 'RU4'

Improvements comprise a low set single storey clad cottage/tiled roof, approx. 150m<sup>2</sup>, large machinery shed (7.5m x 10.1m) and carports. (6m x 10m + 7.5m x 5.5m), rear deck (10.4m x 3.7m).

Sale price \$1,260,000 less improvements \$250,000 = \$1,010,000

**Shows \$95/m<sup>2</sup>**

Paragraph 12

A&B make comment as to the sales being outside the Vineyard precinct. Failed to acknowledge the infrastructure already present?

Are they not aware that Vineyard adjoins the Box Hill, Riverstone precincts?

Do they not realise there are conditional sales within the Vineyard precinct which are awaiting the IPART determination prior to completion at rates between \$300 and \$410/m<sup>2</sup> for 'R2' and 'R3' land?

Do they not know that sewer and water carriers are in place for the subdivision of this land?

Do they not know that Vineyard is already serviced by rail and has commercial infrastructure along Windsor Road and is only 5kms from Windsor town centre and Rouse Hill village centre and already has a Public School?

Other estates at Box Hill, 'Elara' had none of these facilities prior to development and are still awaiting shopping and community centres.

A&B quote sales at Rouse Hill, Marsden Park. Where is the consistency with their statement under Paragraph 12?

Paragraph 13

I cannot reconcile this statement, where is the "plethora of sales"? With the exception of the five small sites within the Riverstone Scheduled Lands of the six larger sites analysed, five were transacted in 2018.

Paragraphs 14-16

I have already reviewed these items under paragraphs 10-12 and need no further comment.

Re: IPART Second Draft Report

### **Average Value for Unconstrained Lands with an Underlying Zoning of 'R2'/'R3'**

#### **Paragraphs 1-3**

A&B sales 4 & 5 are each of 2.02ha lots, each sold for \$545/m<sup>2</sup> in March and December 2018, zoned 'R2'. Why then would they recommend a rate of \$200/m<sup>2</sup> on the subject land? i.e. a discount of 63%.

Sale 6 – 102 Cranbourne Street, Riverstone zoned 'R2' on their analysis shows a rate of \$423/m<sup>2</sup> again supportive of the rate recommended of \$350/m<sup>2</sup>.

#### **Paragraph 4**

Sale 7 – 91 Schofields Road, Rouse Hill, zoned 'R3', shows a rate of \$655/m<sup>2</sup>. Again well in excess of the \$400/m<sup>2</sup> proposed by A&B. Referred to by A&B as "Bullish", i.e. they consider it to be out of line.

#### **Paragraph 5**

Sale 8 – No. 21 Northwood Road, Vineyard, analysed at \$404/m<sup>2</sup> after allowing \$120/m<sup>2</sup> for TLE. Why was an equivalent rate not allowed for the TLE traversing Sale No. 2 (25 Glengarrie Road, Marsden Park). In any case, I do not have any disagreement with a rate of \$400/m<sup>2</sup> for land zoned 'R3'.

#### **Paragraph 6**

Sales 9 and 10, 217 and 215 Grange Avenue show deduced rates of \$573/m<sup>2</sup> and \$453/m<sup>2</sup> for 'R3' zoned land, yet their sale nos. 4/5 show rates of \$545/m<sup>2</sup> for 'R2' land. How do they establish a 50% difference between 'R2' and 'R3'? They even describe the sale of No. 91 Schofields Road, Sale 7 at \$655/m<sup>2</sup> 'R3' as being "bullish".

Where is the "plethora" of sales of 'R3' land in Vineyard Stage 1? A&B have only identified one, being that of 21 Northwood Road of which I am in agreement at \$404/m<sup>2</sup>. Two additional sales on the eastern site of Boundary Road being Nos. 123-125 and 127 show rates of \$366/m<sup>2</sup>.

#### **Paragraph 7**

What sales are A&B reviewing here? The general level for 'R2' sales ranged from \$330/m<sup>2</sup> to \$545/m<sup>2</sup> with 'R3' sales (No. 1) at \$373/m<sup>2</sup> (blended) to \$657/m<sup>2</sup>.

The sale of 184 Commercial Road has been discredited and is a constrained parcel. Whilst that of 25 Glengarrie Road has been incorrectly analysed.

#### **Paragraph 8**

The adoption of a rate of \$200/m<sup>2</sup> based on the foregoing (Para 7.) is totally unrealistic and not supported by the sales evidence.

#### **Paragraph 9**

I am in agreement with the adoption of a rate of \$400/m<sup>2</sup> for land zoned 'R3'.



Re: IPART Second Draft Report

**Average Value for Unconstrained Lands with an Underlying Zoning of 'R2'/'R3' (cont.)**

In Summary

Flood liable land: \$100/m<sup>2</sup>

Unconstrained 'R2' land: \$350/m<sup>2</sup>

Unconstrained 'R3' land: \$400/m<sup>2</sup>

Constrained land, i.e. subject to TLE, a reduction of 60% of the unconstrained rate, i.e. from \$140/m<sup>2</sup> to \$160/m<sup>2</sup>, but would be dependent on the agreed rate.

Two additional sales which are conclusive evidence of the value of 'R2' land are:

1. Lot 21 DP1070858 and Lot 3 DP 414875, Boundary Road, Box Hill (6.22has)

Sold by contract dated 6<sup>th</sup> April 2018 for **\$22,813,000**

This equates to \$366/m<sup>2</sup>

2. Lot 2 DP581645, Boundary Road, Box Hill (6.22has)

Sold by contract dated 6<sup>th</sup> April 2018 for **\$14,187,000**

This equates to \$366/m<sup>2</sup>

These properties are located on the eastern side of Boundary Road at Vineyard directly opposite the subject precinct.

I am aware of two properties recently contracted on the eastern side of Harkness Road backing onto Boundary Road at the following rates.

1. 16 Harkness Road, (Lot 101 DP 620750)

Contracted at \$410/m<sup>2</sup> zoned 'R3'

2. 28 Harkness Road, (Lots 5-6 DP 25173)

Contracted at \$332/m<sup>2</sup> zoned 'R2'

Re: IPART Second Draft Report

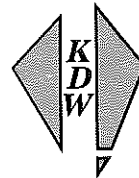
### Aerial Photograph Sales Evidence



These Contracts are subject to Confidentiality Agreements until settlement and are provided under Professional Privilege. They serve to illustrate the rate contended by A&B for 'R2' land is totally unrealistic and would involve Council in unnecessary litigation costs.

It is of interest that the land zoned 'R3' attracted a 23.5% premium over that zoned 'R2'. Generally, my experience has been that in the initial stages, land designated 'R3' will achieve the same rate as 'R2' land. This is because initially the demand is for single dwelling sites unless of course the land is within close proximity to a rail hub or shopping precinct. Recent pressures on affordability may be bringing on the development at an earlier stage, the Medium Density in the form of townhouse and villa style.

Based on the foregoing rates achieved a rate of \$400/m<sup>2</sup> for 'R3' and \$300 for 'R2' would be appropriate in lieu of the \$350/m<sup>2</sup> blended rate previously advised if separate rates are deemed appropriate.



---

Re: IPART Second Draft Report

---

### **Conclusion**

Having regard to the foregoing report and the most recent sales evidence, I am of the opinion appropriate rates as at 10<sup>th</sup> October 2019 are:

'R3' Land Unconstrained: \$400/m<sup>2</sup>

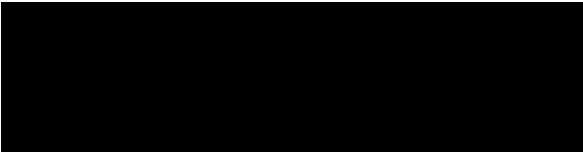
'R2' Land Unconstrained: \$300/m<sup>2</sup>

Blended Rate: \$350/m<sup>2</sup>

Flood liable land below  
17.3m contour: \$100/m<sup>2</sup>

Constrained Land: \$140/m<sup>2</sup> - \$160/m<sup>2</sup> range (depending on the degree of affectation).

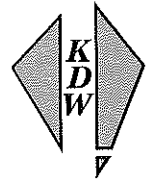
Dated this 10<sup>th</sup> day of October, 2019.



**Kent D. Wood**  
**CERTIFIED PRACTISING VALUER**  
Registered Valuer No. 11 F.A.P.I.  
for K.D. Wood Valuations (Aust.) Pty Ltd

### Appendices:

1. Peer Review of Access Valuations
2. Aerial photo of No. 184 Commercial Road, showing gradient.
3. Aerial photo of No. 25 Glengarrrie Road, showing 'RE1' land and existing TLE.
4. Flood Map 675-697 Windsor Road, Vineyard.
5. No. 3 Putland Place, Vineyard
6. No. 65 Kerry Road, Schofields



---

## APPENDIX 1

### Peer Review of Access Valuations

---





**CERTIFIED PRACTISING  
VALUERS & PROPERTY  
CONSULTANTS**

10a Spireton Place  
Pendle Hill NSW 2145

**All correspondence to:**  
PO BOX 3080  
Toongabbie East  
NSW 2146

23 August 2019

Ms Julia Williams  
Principal Analyst  
IPART  
Level 15, 2-24 Rawson Place,  
Sydney NSW 2000

EMAIL: Julia\_Williams@ipart.nsw.gov.au

Dear Ms Williams,

**RE: Peer Review of valuation advice for Vineyard CP and advice on flood  
constrained land in CPs**

**INSTRUCTIONS**

We refer to your Scope of Works written into your consultancy agreement received on Tuesday 20 August 2019. A copy of those scope of works for Stage 1 is provided as follows:

Provide a peer review of valuation advice from KD Wood (comprising advice dated 27 October 2017 and advice dated 24 June 2019) for the Vineyard Stage 1 precinct as it relates to:

1. an average value for flood constrained land (land below the 1:100 flood level), and
2. an average value for unconstrained land with an underlying zoning of R2/R3.

In doing so, provide comment on:

- the overall quality of the valuation report;
- the adequacy and relevance of the sample sales, including how they compare with the land to be acquired in the plan;
- whether the analysis and conclusions are appropriate and reasonable; and
- any other matters the consultant considers relevant.

In summary Mr Azar and I have undertaken this brief and provide the following comments.

#### KD Wood report Dated 27 October 2017

- 1 • We have not reviewed a full brief of Mr Woods instructions in relation to a report he undertook for GLN Planning albeit he did initially refer to various land value rates dating back to September 2015 (which hasn't been provided) which in summary addressed rates for underlying R2/R3 zoned land, B1 commercial land, land constrained by transmission line easements (TLE's) and Flood Liable constrained lands below 1:100 flood levels.
- 2 • That said we assume his 2017 report required an update of those values for land situated within the Vineyard Stage 1 location.
- 3 • In perusing the 2017 Report (KD 2017 Report) the quality of the report appears to be inconsistent and relatively brief in respect of general valuation standards albeit this may have been due to the level and scope of instructions.
- 4 • Mr Wood has provided a basket of sales evidence ranging from 2016 to early 2017 given the date of report was dated 27 October 2017. A question we raise is why sales closer to the date were not used, commented on or relied on regardless of settlement conditions.
- 5 • The analysis of those sales are considered to be brief and there is no comment on constrained components or otherwise of their analysis.
- 6 • We should point out that the market in 2016 & 2017 was very buoyant and there were a range of speculative purchasers in the market. Subsequently there was evidence that a greater number of transactions were available for analysis.
- 7 • His analysis in his table on Page 13 in his 2017 report provides a break-up on a rate/m<sup>2</sup> albeit it is not broken up or identified with any restraints other than general comments or a raw land rate.
- 8 • In respect to his conclusions on page 14 of his 2017 report KD provides general comments in respect to uplift in values for for Vineyard Stage 1 and concludes that he does not consider residential en-globo land would attract as high a rate within the precinct due to its distance from the Parramatta and the CBD. No examples of this affectation to value has been provided or demonstrated to support this finding.
- 9 • Values range from \$275-\$463/m<sup>2</sup> for R2/R3 land albeit a more reasoned conclusion based on his findings above would suggest a value range below \$275/m<sup>2</sup>.
- 10 • There was a number of sales of constrained land in particular 275-297 Windsor Road, Vineyard (stage 1) which in May 2017 showed raw land rates of between \$72-88/m<sup>2</sup> for significantly constrained land (flood affected) and this land has subsequently been rezoned to E4.





- 11 • In respect to his findings for unconstrained land in 2017 Sale 9 (10 Advance Street, Schofields) shows an average raw rate of \$394/m<sup>2</sup>, however our investigations would reveal that this sale is 45% impacted by flooding and on that basis his analysed unconstrained component would be significantly higher if he had of adopted a much lower rate on the flood affected portion. If we were to adopt \$85/m<sup>2</sup> on the constrained component, the raw land rate on the R3 zoned land would equate to a rate of \$647/m<sup>2</sup>.
- 12 • In respect to Sale 10 of his report at 32 Boundary Road Schofields (which is zoned R2 & R3) shows a raw land rate of \$453/m<sup>2</sup>, albeit when analysed appropriately there is a definite disparity between R2 & R3 land on that basis.

#### **KD Wood report Dated 24 June 2019**

- 1 • We reiterate we aren't privy to Mr Woods instruction from Hawkesbury Council albeit we assume he provides an update to his October 2017 report.
- 2 • This report appears to recommend that unconstrained land should increase from \$300-\$350/m<sup>2</sup> based on his view that these rates are in line with Blacktown Council and the Department of Planning and the fact that there has been various Voluntary Planning Agreements (VPA's) which he contends would help support those views. VPA's in our view are not considered the best test of the market.
- 3 • However, he fails to recognize Sale 1 (attached in our Unconstrained Land Sales appendix) which demonstrates a raw rate of \$184/m<sup>2</sup> for unconstrained R2 zoned land within the Vineyard Precinct.
- 4 • At Page 3 of his report he identifies a sale at 226 Grange Avenue, Marsden Park which he provides as part R2 and R3 zoned land. However, after reviewing the relevant zoning plan it is revealed that more than 90% of the site is zoned R3. This broad brushed approach in our view should be questioned.
- 5 • Reference is made to Sale 2 at 27 Campbell Street Riverstone highlighting a rate of \$456/m<sup>2</sup> overall but failed to deduct costs of the DA which according to his report was approved in April 2018. It is also important to note this property is situated in an established area of Riverstone and would be considered superior given the proximity to established residential property.
- 6 • Sale 3 of his report refers to a property situated at 19-25 Boundary Road, Box Hill which sold for \$37,000,000 in April 2018 comprising 10.09ha. This sale shows a raw land rate of \$367/m<sup>2</sup> and makes reference to a DA and part of the land zoned for Public Recreation and further highlights that a 20% discount should applied. Albeit from our own analysis no such discount was applied and if it was (given the land constrained by the public purpose) we would argue why this discount was even applied given the principles of the Just Terms Act.
- 7 • Sale 4 at 132 Old Pitt Town Road, Box Hill (Page 6 of his report) refers to a site comprising 2.51ha and sold for \$8,900,227 at \$355/m<sup>2</sup> zoned R2. The property sold with a DA for 155 lots and further notes an adjoining owner purchase which could quite possibly reflect a premium. This land is superior in location and position and could quite possibly enjoy district views.





- 8 • Sale 5 is a dated Sale in August 2017 and not overly relevant and we query why it wasn't used previously.
- 9 • KD provides a range of smaller sales identified as Scheduled Lands of Riverstone/Vineyard which are notably smaller and, in our view, not overly helpful for analysing large scale en-globo land circa 20,000+ square metres.
- 10 • On Page 15 of his report KD refers to a number of Land & Environment Court decisions in the North West Growth Centre that discuss constrained land and subsequently discusses 4 sales of this affected land in 2015. In our view this doesn't overly assist us in 2019 given more relevant sales of constrained land are available including 675-697 Windsor Road Vineyard and 3 Putland Place Vineyard.
- 11 • 3 Putland Place is over 98% flood constrained and also has significant improvements situated on the property, however after allowing approximately \$400,000 for those improvements the analysed value would reflect \$100/m<sup>2</sup>.
- 12 • Predominantly the sales used by Mr Wood (which appear to be in the main are outside Vineyard Stage 1) fail to acknowledge the infrastructure already existing in those locations and has not appeared to make any adjustments to those sales in order to be comparable in our view. Some of these locations already have significant infrastructure including Marsden Park with its Bulky Goods Retail Precinct, the Schofields Road upgrade and the significant rail infrastructure and town centre within the Rouse Hill locations.
- 13 • It is also noted that he has provided a plethora of sales in his 2019 report which were transacted in early to mid 2017 which as already stated, enjoyed some very strong market conditions.

**Provide an average value for flood constrained land (land below the 1:100 flood level).**

- 14 • We have reviewed a variety of sales evidence which we have provided in our sales analysis attached (and headed Constrained & Unconstrained Land) which are provided for your review. A couple of these we have discussed below.
- 15 • 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>.
- 16 • 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 light of these two sales we couldn't justify a rate of \$100/m<sup>2</sup> on this flood constrained land as provided by KD and subsequently a rate of \$80-\$85/m<sup>2</sup> would appear to be more realistic.

### Average value for unconstrained land with an underlying zoning of R2/R3

1. We have taken a similar approach to Unconstrained R2 and R3 zoned land which are provided in our sales analysis for those components.
2. Sale 1 provides for a 2.44ha site situated at 184 Commercial Road Vineyard which was sold in Nov 2018 for \$4,550,000. This site is situated within Vineyard Stage 1 and zoned R2. This sale shows a rate of \$184/m<sup>2</sup>.
3. Sale 2 provides for a large 10.11ha site located at 25 Glengarrie Rd, Marsden Park within the Marsden Park Precinct. The property sold for \$28,000,000 with 70% being zoned R2. The raw rate shows \$277/m<sup>2</sup> and after allowing for improvements of a large residence shows approximately \$273/m<sup>2</sup>.
4. Sale 7 comprises a site of 2.02ha located at 91 Schofields Road, Rouse Hill. This site was sold for \$11,000,000 in December 2018 and comprised R3 medium density land which was purchased by the State Government under Just Terms. Sale shows a fairly "bullish" \$655/m<sup>2</sup>.
5. Sale 8 comprised 1.11ha located at 21 Northwood Road Vineyard within Stage 1 and comprises R3 land which is approximately 20% affected by a TLE (Transmission Line Easement). After allowing \$120/m<sup>2</sup> for the TLE affected land the R3 land represents \$404/m<sup>2</sup>.
6. In our view there is a clear delineation between R2 and R3 zoned sites in Vineyard Stage 1. While there seems to be a plethora of sales to show R3 land attracts rates well in excess of \$300/m<sup>2</sup>, there is equally as many sales that demonstrate R2 land is being purchased for under \$300/m<sup>2</sup>.
7. We are unsure if you have looked at these rates on a blended basis albeit in our view the R2 rates appear to range from \$185 to \$275/m<sup>2</sup> while the R3 sales seems to demonstrate rates well in excess of \$300/m<sup>2</sup> and in a number of cases over \$400/m<sup>2</sup>.
8. Based on the most recent sale at Commercial Road and considering other R2 sales in the superior surrounding precincts, we are quite comfortable with a raw R2 rate within Vineyard Stage 1 Precinct at \$200/m<sup>2</sup>.
9. Based on Sale 8 in our Unconstrained Land Sales we consider R3 Unconstrained land is in the order of \$400/m<sup>2</sup>.



We should point out that this advice is not a formal valuation but is a summary and critique of reports tabled by KD Wood dated 27 October 2017 and 24 June 2019 and an investigation of sales to provide indicative advice on constrained 1:100 Flood affected land and R2 and R3 zoned land within Vineyard Stage 1.

We understand that a more formal valuation maybe required within a Stage 2 report but for your initial requirements we have provided this as pre cursor advice in the first instance in line with your instructions.

SIMON AZAR FAPI

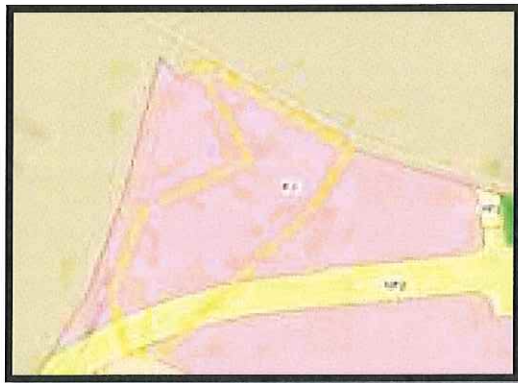
RUSSELL BRIGGS FAPI

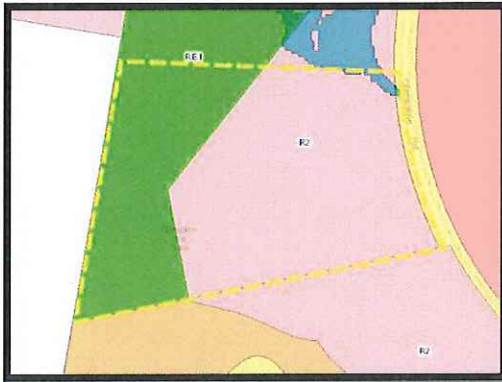


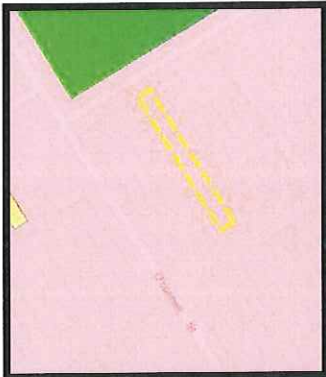

Certified Practising Valuer  
**WITHOUT LIMITATION**  
Licensed NSW Builder 74394c


Certified Practising Valuer

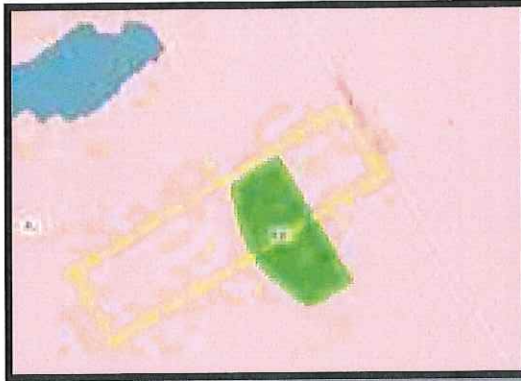


R2 low density sales						
Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>1</u>	184 Commercial Road, Vineyard  Lot 1 DP224860	Vineyard Stage 1	\$4,500,000	2.44 ha	11/2018	6 acre (2.44ha) vacant parcel is zoned R2. The land is arable, contains 2 road frontages and is located in the recently rezoned Vineyard precinct.
	Vendor			Burri		
	Purchaser			Commercial Road PTY LTD		
Analysis	Stage 1. Part zoned SP2 but is not affected by flooding.					
Rates	Raw rate:			\$184.42		
\$/sqm	Adjusted rate (after allowance for improvements)			\$184.42		
						
Source RPDData, Cutcliffe RE & APM research						

Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>2</u>	25 Glengarric Road, Marsden Park Lot 1 DP224860	Marsden Park	\$28,000,000	10.11 ha	7/2018	Large modern style single level brick veneer range style home with 5 bedrooms, triple car garage set on some 10.11 hectare of land with 70% zoned R2 Low density. Slightly impacted by flooding to the front northern corner. Rear portion of land is zoned RE1 but isn't impacted by flooding
	Vendor			Farrugia		
	Purchaser			UPG PTY LTD		
Analysis	Reflects a residual land value of say \$27,600.00.					
Rates	Raw rate:			\$277		
\$/sqm	Adjusted rate (after allowance for improvements)			\$273		
						
Source RPDData & APM research						

Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>3</u>	Lot 5 Otago Street, Vineyard Lot 5-6 Dp1480 Sec 44	Vineyard Stage 1	\$200,000	0872 ha	07/2019	R2 low density land located with stage 1 of Vineyard (Schedule lands section).
Vendor				Mallis		
Purchaser				Mana Aus Pty Ltd		
Analysis						
Rates	Raw rate:			\$230		
S/sqm	Adjusted rate:			\$230		
						
						
Source RPDdata, LJ Hooker RE & APM research						

Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>4</u>	135 Tallawong Road, Rouse Hill Lot 57/DP30186	Area 20	\$11,000,000	2.02 ha	03/2018	R2 low density land located with a good location close to new station. DA approved for 41 residential blocks.
	Vendor Purchaser			Phillips Routall 136 Pty Ltd		
Analysis						
Rates	Raw rate:			\$545		
\$/sqm	Adjusted rate			\$545		
						
Source RPDData APM research						

Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>5</u>	135 Tallawong Road, Rouse Hill Lot 400/DP1237611	Area 20	\$11,000,000	2.02 ha	12/2018	R2 low density land located with a good location close to new station.
	Vendor Purchaser			Brozzesi Tallawong Ridge Pty Ltd		
Analysis						
Rates	Raw rate:			\$545		
\$/sqm	Adjusted rate			\$545		
						
Source RPDData APM research						


Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
6	102 Cranbourne Street, Riverstone Lot 3/O/DP712	Riverstone	\$11,200,000	2.83 ha	11/2017	R2 low density land located with a good location close to new station. 2564sqm impacted by TLE
	Vendor				Leotta	
	Purchaser				UPG 54 Pty Ltd	
Analysis	Adopt \$120/sqm for TLE land is \$318,480. Residual value is \$10,881,520 or say \$422/sqm					
Rates	TLE land :	@\$120/sqm	2564 sqm @ \$120.00 = \$ 318,480			
\$/sqm	Residual R2 zoned land value	@\$423/sqm	25736 sqm @ \$422.81= \$10,881,520			
	Total		28,300 sqm \$11,200,000			
						
						



Source RPDdata. APM research

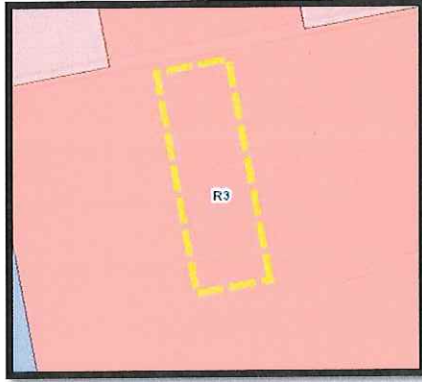
Source RPData APM research



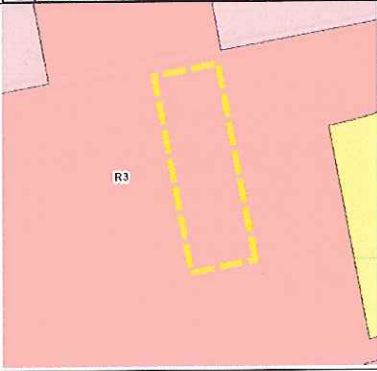
### R3 sales

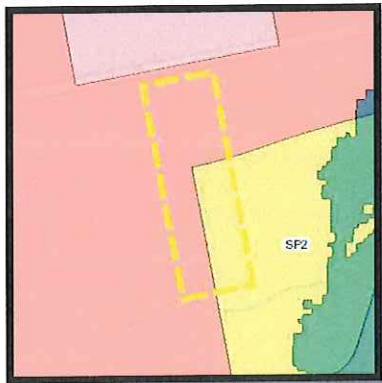
Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>7</u>	91 Schofields Road Road, Rouse Hill Lot 11/DP27220	Area 20	\$11,000,000	2.02 ha	12/2018	R3 medium density zoned property purchased by NSW Government Under Just Terms. Good location close to new station. Medium density
	Vendor			Grima		
	Purchaser			Minister for Education		
Analysis	Land not impacted by flooding.					
Rates	Raw rate:			\$655		
\$/sqm	Adjusted rate			\$655		
						
Source RPData APM research						


Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>8</u>	21 Norwood Road, Vineyard Lots 21-28,43-54 Dp1654 Sec F	Vineyard <u>Stage 1</u>	\$3,850,000	1.11 ha	12/2017	R3 zoned medium density land located with stage 1 of Vineyard (Schedule lands section), 20% impacted by TLE easement and zoned RE1.
	Vendor			Brizzi & Vartuli		
	Purchaser			Vineyard Investment PTY LTD		
Analysis	Adopt \$120 for constrained TLE land shows \$266,400. Residual R3 value is \$3,583,600 or say \$403/sqm.					
Rates	Raw rate:			\$346		
\$/sqm	Adjusted rate (after adjustment for TLE)			\$403.50		
						
						
Source RPData & APM research						


Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>9</u>	217 Grange Avenue, Marsden Park 8/1/DP193074	Schofields	\$6,250,000	1.09 ha	6/2018	R3 zoned medium density land 2.5 Acres of Medium Density Residential Development Site subject to Council Approval. Prime Location and very close to Sydney Business Park in Marsden Park
Vendor				Constable		
Purchaser				Marsden Park Investment Group PTY LTD		
Analysis						
Rates				\$573		
\$/sqm				Adjusted rate \$573		
						

Source RPDData & APM research & Starr Partner RE

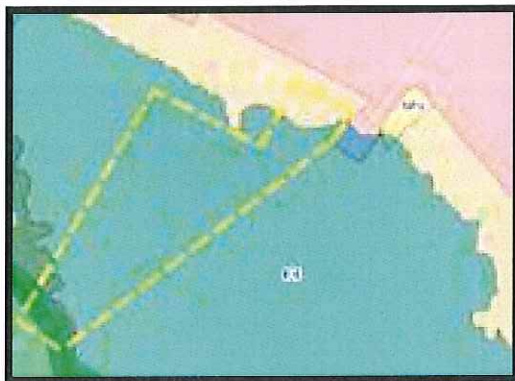
Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>10</u>	215 Grange Avenue, Marsden Park 8/1/DP193074	Schofields	\$4,950,000	1.09 ha	1/2017	R3 zoned medium density land 2.5 Acres of Medium Density Residential Development Site subject to Council Approval. Prime Location and very close to Sydney Business Park in Marsden Park
Vendor				Borg		
Purchaser				Greenland (NSW) PTY LTD		
Analysis						
Rates	Raw rate:			\$453		
\$/sqm	Adjusted rate			\$453		
						
Source RPDData & APM research						


Unconstrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>11</u>	211 Grange Avenue, Marsden Park 8/1/DP193074	Schofields	\$3,900,000	1.09 ha	9/2017	70% zoned R3 zoned medium density land 2.5 Acres Good road frontage. Large 5- bedroom home. 30% SP2 but not impacted by flooding.
	Vendor Purchaser			Saliba Sydney Norwest Property Pty Ltd Yanan Family Holdings Pty Ltd Sydney Norwest Property Project 2 Pty Ltd		
Analysis						
Rates	Raw rate:			\$357		
\$/sqm	Adjusted rate			\$357		
						
Source RPDData & APM research						


Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>1</u>	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						

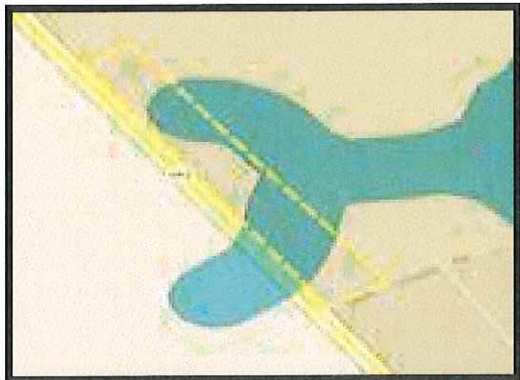
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>2</u>	675 Windsor Road, Vineyard  Lot 13/ DP1159365	Vineyard Stage 1	\$3,970,000	5.51 ha	6/2017	This property is situated in the Vineyard Precinct Stage 1, 13.6 acres offering excellent main road exposure to Windsor Road, majority 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						

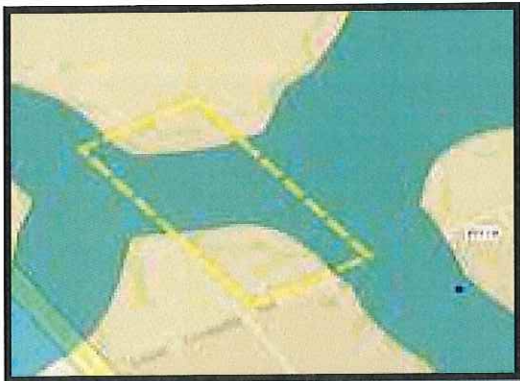


Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>3</u>	3 Putland Place, Vineyard  Lot 4/ <u>DP244901</u>	Vineyard Stage 1	\$2,800,000*  <u>Unsettled sale.</u>	2.43 ha	8/2019	six acres of land in stage 1 of the Vineyard release area. 1980s style four-bedroom home, large machinery 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						

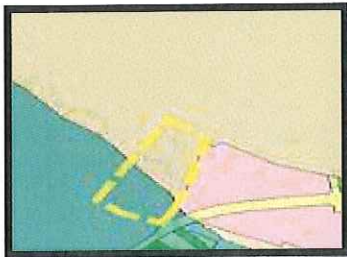

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>4</u>	Turrallo Circuit, Schofields  Lot 128/ DP1205228	Schofields	\$3,300,000	1.70 ha	2/2019	
	Vendor			Schofields WW Pty Limited		
	Purchaser			Blacktown Council.		
Analysis	50% of the land impacted by flooding and zoned RE1 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	Constrained land:			\$85/sqm @ 8500 sqm = \$ 755,500		
\$/sqm	Unconstrained land:			\$303/sqm @ 8500 sqm = \$2,577,500		
						
Source RPDdata & APM research						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>5</u>	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				Tomo	
	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
<u>6</u>	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		
<u>Analysis</u>	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 Rud					
<u>Rates</u> <u>\$/sqm</u>	<u>Constrained land;</u>			\$85/sqm @ 14140 sqm = \$1,201,900		
	<u>Unconstrained land;</u>			\$66/sqm @ 6060 sqm = \$ 399,960		
	<u>Total</u>			20,200 sqm = \$1,601,860		
						
Source: APM research, RPData, Cutcliffe RE						

Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>7</u>	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	Constrained land;			\$85/sqm @ 8080 sqm = \$ 686,800		
\$/sqm	Unconstrained land;			\$182.60/sqm @ 12120 sqm = \$2,213,200		
	Total			20,200 sqm = \$2,900,000		
						
Source: APM research, RPData, Cutcliffe RE						

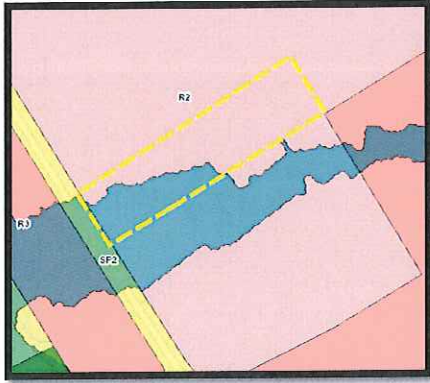
Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>8</u>	172 Commercial Road, Vineyard  Lot 9/ DP227054	Vineyard Stage 2	\$4,000,000	4.80 ha	06/2018	Currently zoned RU4. 40% impacted by flooding at rear boundary. 5% Impacted by transmission line easement which runs across the front corner as shown below.
	Vendor				K & M Hunt Pty Ltd	
	Purchaser				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		

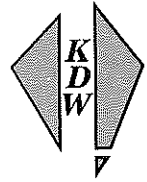



---

Source: APM research, RPData, Cutcliffe RE



Constrained lands						
Sale No	Address	Precinct	Price	Area	Date	Comments
<u>9</u>	28 Clarke Street, Riverstone  Lot 8/ DP30211	Riverstone East	\$9,750,000	2.15 ha	06/2018	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 which reflects a rate of \$66/sqm for the land zoned Ru4.					
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						



---

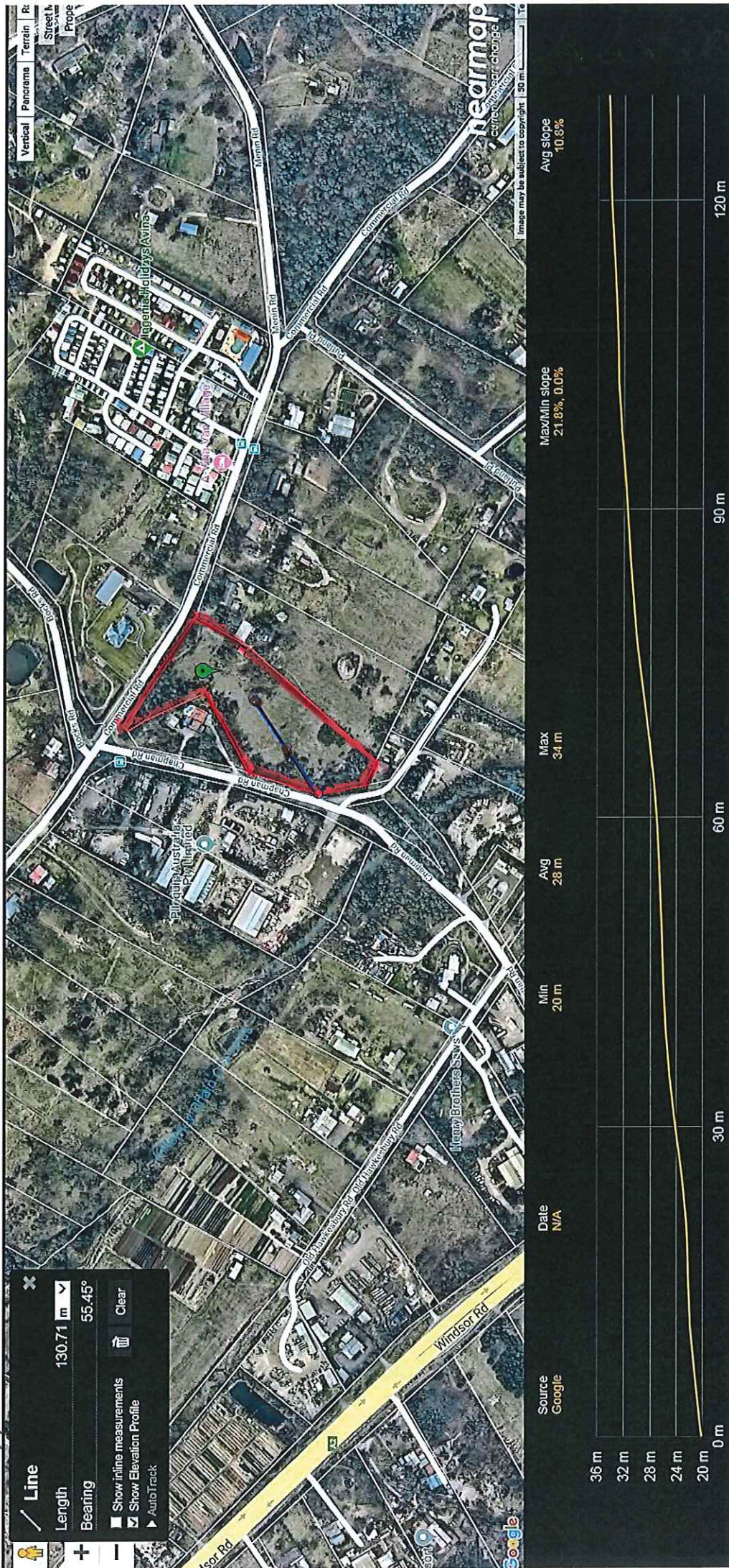
## APPENDIX 2

Aerial Photo of No. 184 Commercial Road, Showing Gradient

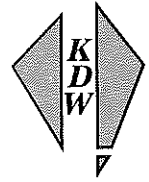
---



# Appendix I





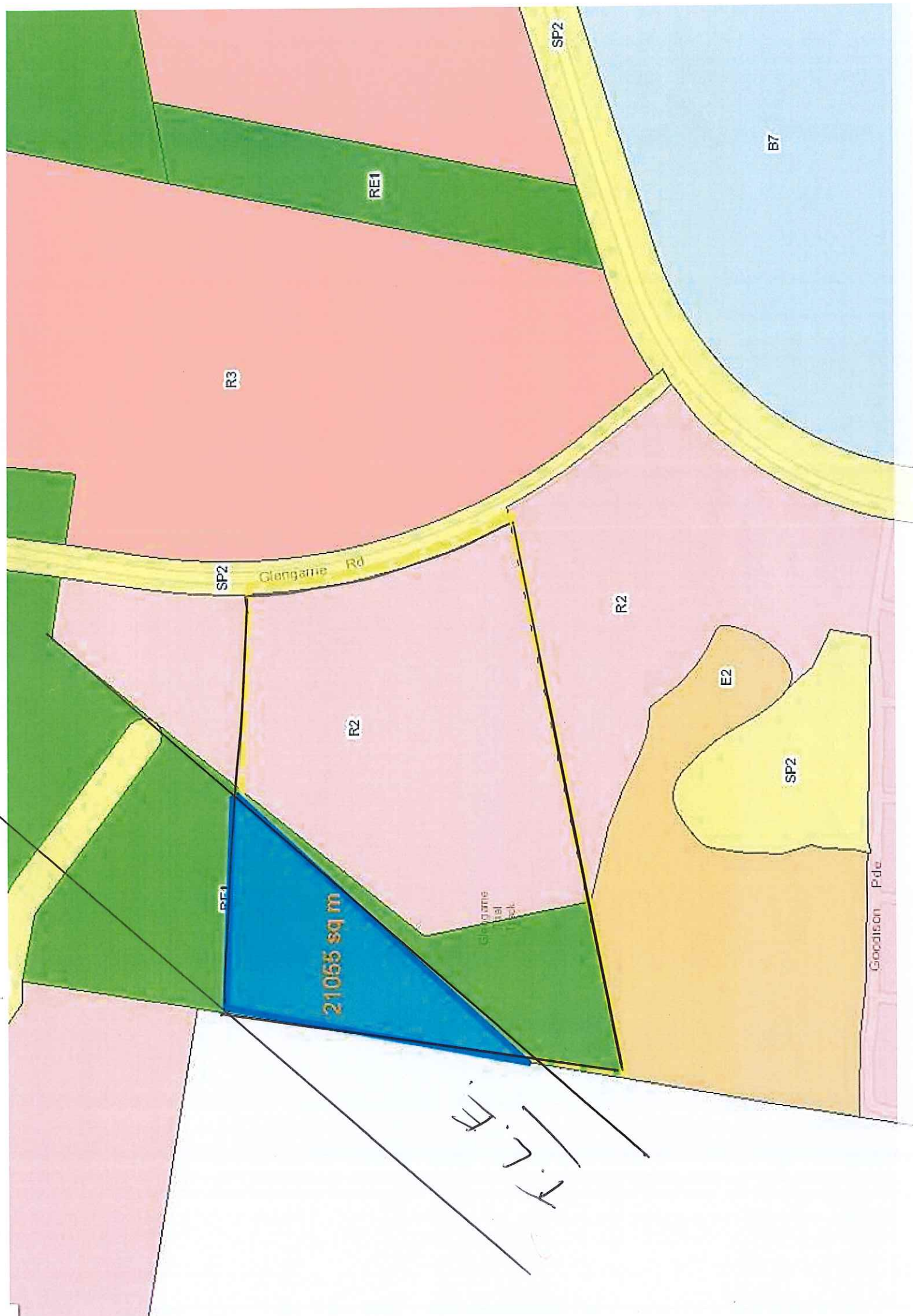


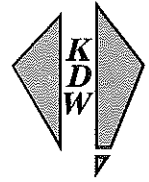
---

## APPENDIX 3

Aerial Photo of 25 Glengarrie Road, showing 'RE1' land and Existing TLE

---





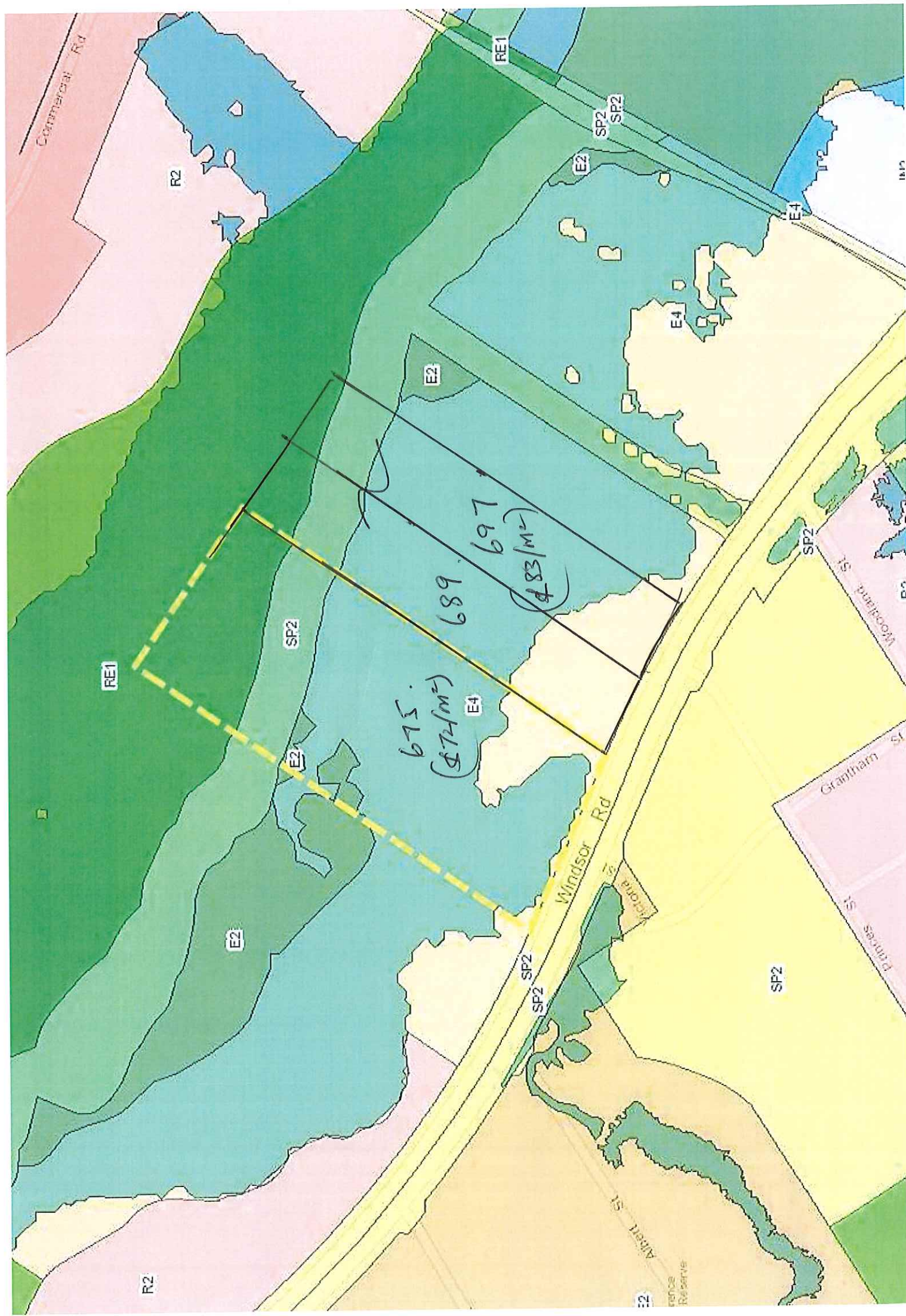
---

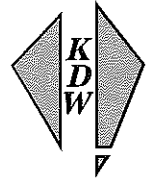
## APPENDIX 4

Flood Map 675-697 Windsor Road, Vineyard

---







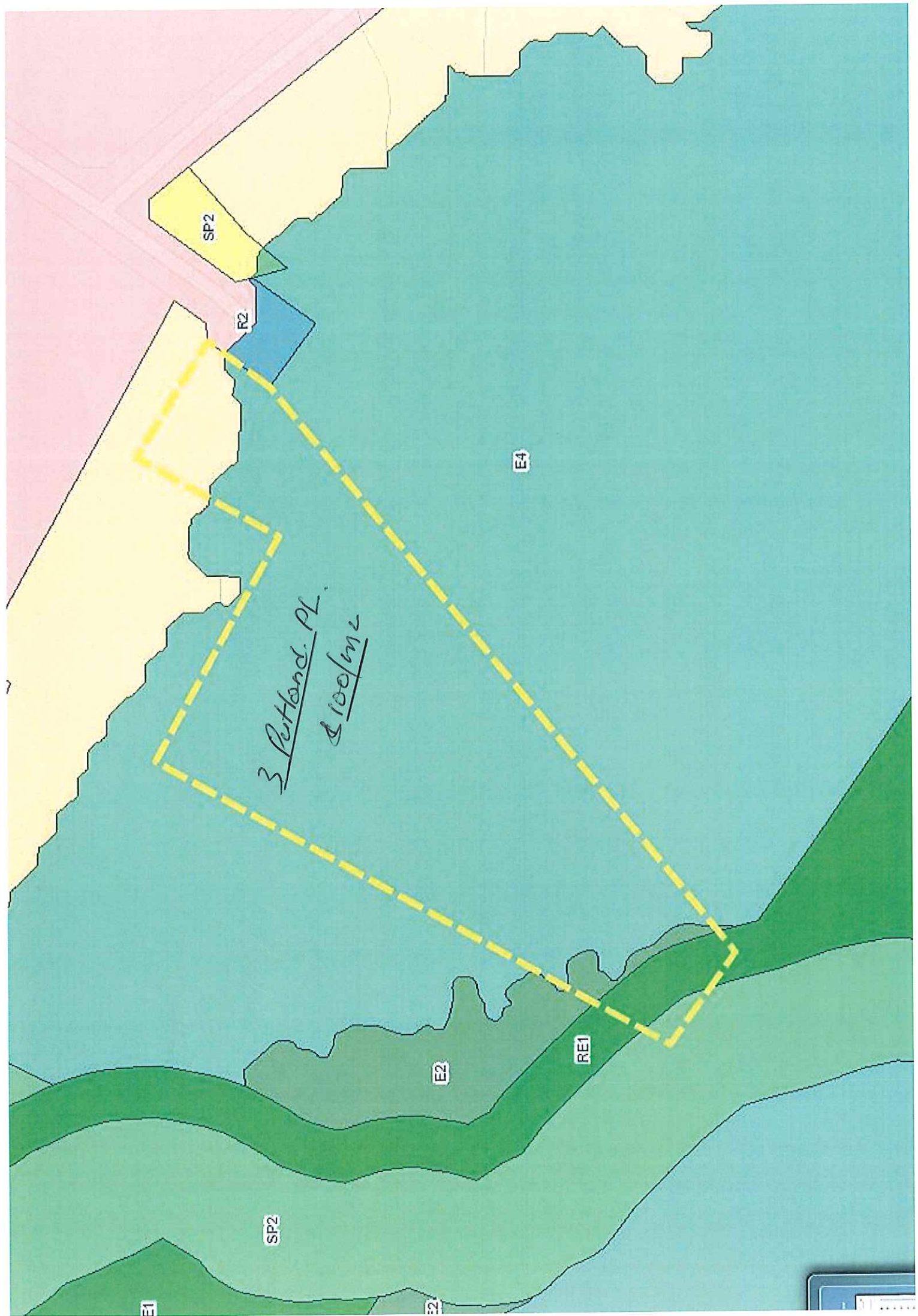
---

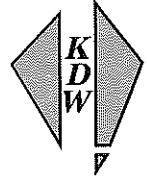
## APPENDIX 5

No. 3 Putland Place, Vineyard

---







---

## APPENDIX 6

No. 65 Kerry Road, Schofields

---



