Department of Natural Resources, Mines and Energy
State Valuation Service

Valuer-General's 2019 Property Market Movement Report




Queensland Government

Cover photos – clockwise from top left

Aerial view of suburbs, Brisbane. (Photo courtesy of Shutterstock)

Windmill, Darling Downs. (Photo courtesy of DNRME image library)

Agricultural land, Darling Downs. (Photo courtesy of DNRME image library)

Aerial view of Cairns, North Queensland. (Photo courtesy of Shutterstock)

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Number of valuations=
1.03 million

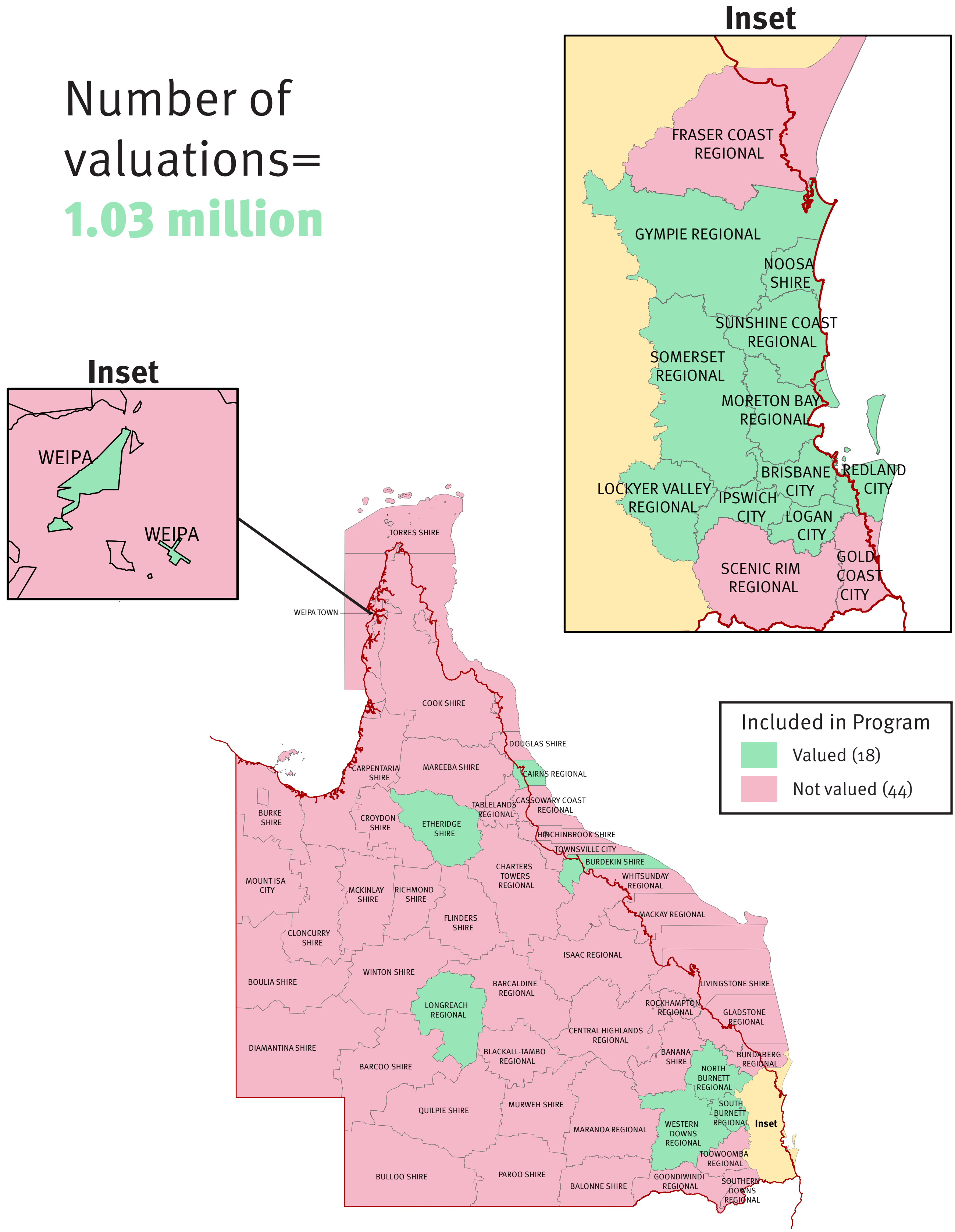


Figure 1: Local government areas and the 2019 annual valuation program

Valuer-General's foreword

I am pleased to release this year's property market movement report, ahead of the issue of the 2019 annual statutory land valuations on Wednesday, 6 March 2019.

Following a state-wide market survey and consultation with local government and industry groups, 18 local government areas have been valued in accordance with the *Land Valuation Act 2010*.

A market survey report prepared for each local government area details the sales of land in the area since the last valuation was made and the probable impact of those sales on the value of land in an area. In addition, valuers also consider factors that impact on the value of the land such as the state of the economy, commodity prices and population trends.

The 18 local government areas receiving new valuations this year are: Brisbane, Burdekin, Cairns, Etheridge, Gympie, Ipswich, Lockyer Valley, Logan, Longreach, Moreton Bay, Noosa, North Burnett, Redland, Somerset, South Burnett, Sunshine Coast, Weipa and Western Downs.

These local government areas represent approximately 1.03 million properties or 60 per cent of Queensland's valuation roll.

The new valuations will take effect on 30 June 2019 for local government rating, state land tax and state land rental purposes (where applicable).

This report summarises the comprehensive analysis of all property markets within the 2019 annual valuation program for Queensland by a team of regionally-based registered valuers in the State Valuation Service of the Department of Natural Resources, Mines and Energy.

There are continued signs of strength in some areas of Queensland's property market. Generally, across Queensland there has been increased sales activity in rural markets. This has resulted in an uplift in land values within the majority of grazing, horticultural, small crop and dryland farming industries.

Continued strong cattle prices within the beef industry and continued low interest rates are driving this confidence, even though the majority of the state remains drought declared.

Looking at other economic indicators, Queensland Treasury advise 'dwelling investment in Queensland is entering a 'recovery phase', following a 4.8% decline in 2017–18. While approvals and construction have declined, the substantial amount of work remaining in the pipeline indicates dwelling investment is headed for a 'soft landing' compared with previous housing cycles. [1]

'The nominal value of Queensland's overseas goods and services exports reached a record high of $94.3 billion in 2017–18, boosted by a recovery in coal export volumes, as well as sustained high global commodity prices.

Looking ahead, while commodity prices are expected to return to more sustainable levels, export volumes are forecast to continue to grow, reflecting modest growth in resources exports, increased metals mining capacity coming online and a competitive A$ exchange rate supporting ongoing growth in services exports.'[2]

The *Find your annual land valuation* online search displays annual valuation information from the valuation roll, residential market tables and mapping products into one easy-to-use online search accessible on desktop and mobile devices. The search tool also displays the movement in the residential median values of major residential localities and local government area as a whole.

Queensland Globe continues to provide landowners with access to more detailed valuation information. Our online resources, Queensland Globe and rural sales map can be viewed at **www.qld.gov.au/landvaluation** and can help you better understand your land valuation and local property market.

With many Queensland landowners now electing to receive their notices electronically, I encourage all landowners to have their future valuation notices and other valuation information sent to them by email by visiting **www.qld.gov.au/landvaluation** and changing their contact details.

I hope you find this year's property market movement report informative.

Neil Bray
Valuer-General
State Valuation Service

1 Queensland Budget 2018–19: Mid year fiscal and economic review, Queensland Government, p8
2 ibid. p9

Introduction

Two methodologies are used to undertake statutory land valuations in Queensland—site value and unimproved value.

Site value is used to value all non-rural land. It is the amount for which non-rural land could be expected to sell for, at the date of valuation, without any structural improvements on the land (e.g. houses, buildings or fences). Site value includes site improvements made to the land such as earthworks (e.g. levelling, filling, or drainage works). Excavations and drainage associated with a building are not included in site value.

Unimproved value is used to value rural land. It is the amount for which rural land could be expected to sell for, at the date of valuation, without physical improvements such as houses, fences, dams, levelling or earthworks. If your land has been valued on an unimproved basis, it is either zoned rural (or equivalent) or designated rural for statutory valuation purposes.

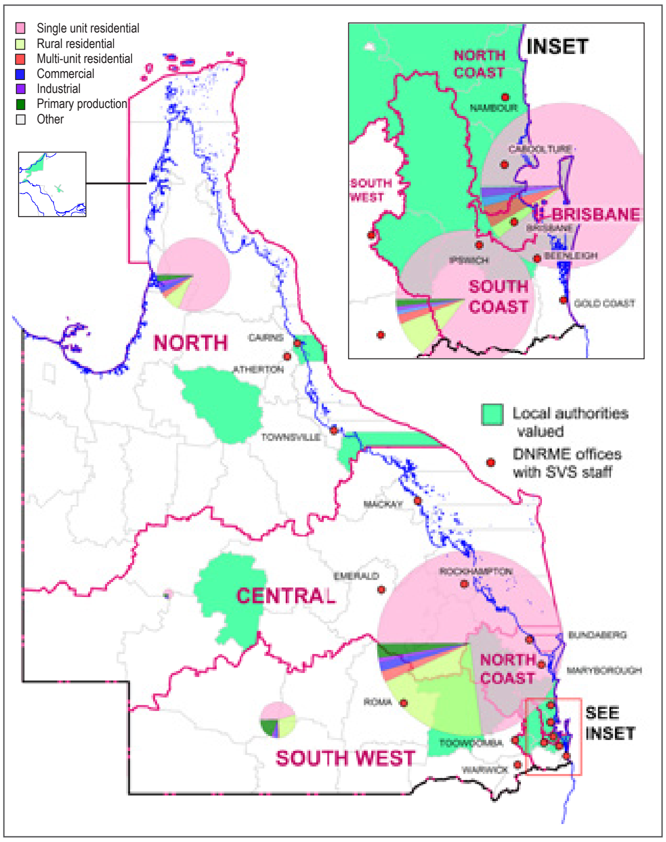


Figure 2: Property land use by region, 2019

Property market movement

The volume of daily lodgements recorded with the Registrar of Titles decreased over the first half of the 2018–19 financial year with an average of 2747 daily lodgements — down six per cent from the previous financial year.

Property value changes, both up and down, can be attributed to a number of factors:

- supply and demand within the market place
- consumer confidence
- availability of finance
- local, national and global economic factors
- the effects of extreme weather events.

Table 1 (page 12) shows the new median value and percentage movement for residential and rural residential land in the local government area since the previous annual valuation. Table 2 (page 13) shows new total value and percentage movement in total value for each land use category since the last annual valuation was issued.

Figure 3 (page 11) shows the overall percentage movement in total value since the previous valuation for each local government area and the whole state.

The overall percentage movements in land values for the 2019 annual valuation are summarised below:

- Sixteen local government areas recorded an overall increase of between 4.9 per cent (South Burnett) and 42.5 per cent (Etheridge).
- Of the sixteen local government areas that increased, nine increased by 0–10 per cent, five increased by 10–20 per cent and two recorded increases of more than 20 per cent.
- Two local government areas recorded an overall decrease in value between 2.9 per cent (Burdekin) and 14.8 per cent (Longreach).

Overall market trends

An increase in urban land values has generally occurred in the Greater Brisbane and South-East Queensland regions, as well as in Gympie and Cairns regions. In contrast, some regional Queensland areas experienced generally static to falling land values, in particular those communities whose economies are closely linked to declining construction activity in the coal seam gas sector, such as the Western Downs regional council.

The market is still being influenced by:

- economic uncertainty and weaker employment growth in some regional centres
- ongoing drought
- decline in housing approval and construction numbers
- tightening of lending by domestic banks leading to reduced availability of finance

However, these drivers are offset by:

- growth in household consumption
- improved conditions for coal
- continued growth in international tourism and education due to the lower Australian dollar
- low borrowing costs and improving rental yields
- increase in population via migration from interstate and overseas
- improvement in business investment.

The mining and gas industries continue to influence the property market in regional areas, as the coal seam gas sector moves from an exploration and construction phase to a production phase, while the mining industry is impacted by volatile resource prices. The reduced activity construction within the coal seam gas sector is still impacting on centres including Chinchilla and Miles within the Western Downs region.

Continued optimism generally surrounded rural property markets this year, even though the majority of the state remained drought declared. Increased confidence within rural markets has led to moderate increases across the state with some minor to moderate increases recorded in most areas of South East Queensland. This market confidence has generally been driven by the continued effects of strong commodity prices within the beef and sheep industries and continued low interest rates.

Despite a drop in the sugar price, and the strengthening of the US to Australian dollar exchange rate, the demand for sugar cane land is still evident, with the market generally supporting static to slightly increased land values.

Brisbane

Land values in the Brisbane City Council area have increased by 6.8 per cent overall since the last valuation issued in 2017. The industrial market has been the strongest performer with buoyant market conditions since the last annual valuation. Strong demand for industrial sites, together with limited supply, has resulted in increasing site values. Overall, the total industrial land value across the City increased by 17.5 per cent. There have been some significant increases in established industrial localities such as Eagle Farm and Rocklea.

Residential land values have risen in the majority of suburbs across Brisbane with most reflecting minor increases of between five and 15 per cent. Commercial lands have remained static overall, with some commercial mixed-use properties in the City fringe showing minor decreases. The rural residential land market has increased slightly.

The residential sector is the largest market sector in Brisbane with approximately 304,000 valuations. Typically, there are variations to market movements in the residential sector across the City. The median residential value has seen a minor increase of 7.1 per cent, and the overall median value has increased from $425,000 to $455,000.

Brisbane CBD. (Photo courtesy of Shutterstock)

The median value of 37 residential suburbs have remained unchanged; 126 suburbs increased by up to 15 per cent, and 16 suburbs increased by greater than 15 per cent.

Inner City suburbs with the largest increases in median value included Auchenflower, Woolloongabba, Milton and Paddington. The new median value for residential land in Paddington has risen to $740,000. Other significant movers included Carseldine, Boondall and Rocklea due to continuing competition from purchasers in entry-level markets. The western suburbs of Sinnamon Park, Jindalee and Kenmore also saw some moderate increases with median values now ranging from $350,000 at Jindalee to $485,000 at Kenmore.

Since the last valuations issued in 2017, Brisbane's central business district (CBD) has seen a shift in focus from residential development to commercial office space. The demand for office space has seen decreasing vacancy rates in the quality commercial sector. There has been strong activity in the improved commercial market. Commercial development sites are also creating interest in the market place. Site values in the prime commercial precincts have seen some moderate increases.

The mixed use and commercial properties in and around the City fringe have felt the impact of a softening of the high-density residential market in these localities and the relocation of commercial tenants into the CBD. Consequently, there has been some minor to moderate decreases in site values in suburbs such as Spring Hill, Fortitude Valley, South Brisbane and Kangaroo Point. The suburban commercial sector has largely remained static, the exception being for some significant upward movement in large format retail sites in suburbs such as Macgregor and Virginia.

The multi-unit sector has remained mostly static with an overall slight increase of less than one per cent to total land value. In contrast, the site values of high-density suburban hubs of Chermside and Mount Gravatt have seen minor decreases.

Rural residential properties on the fringe of urban areas throughout the City have seen minor increases.

Woody Point on the Redcliffe Peninsula, Moreton Bay (Photo courtesy of Shutterstock)

Greater Brisbane

The Greater Brisbane region encompasses the ring of local government areas surrounding Brisbane City, including Redland and Logan cities in the south, Ipswich City in the west and Moreton Bay Regional Council in the north. All of these local government areas were included in the 2019 annual valuation program.

Redland City Council area was last valued in 2016. Since then, the market has improved with higher land values in most sectors leading to a minor increase in overall value. Changes to residential land values were variable with movement ranging from between no change, generally for land on the Moreton Bay islands, to some moderate increases such as in Alexandra Hills. Growth in demand for large rural sites resulted in significant increases to large rural living and farming values. The demand for unit development has resulted in a minor overall increase to multi-unit lands. Commercial land saw a minor increase and industrial land saw a slight increase in overall value, depending on location and site specific features.

Logan City land has experienced a minor increase overall since last being valued in 2017. Since then the market has continued to improve with demand for more affordable land driving the residential land market with stronger increases recorded in suburbs such as Logan Central, Woodridge and Kingston. Larger home sites also increased in value with the stronger markets around Jimboomba. Demand for residential unit development sites has resulted in a slight overall increase in multi-unit land values in Logan. Commercial and industrial land values also saw a minor increase overall depending on location and site specific features. Increased demand for service station sites has resulted in some significant increases in their land value across the city.

Ipswich City Council area was last valued in 2017. Residential land value saw a minor overall increase with some of the larger increases recorded in the suburbs of Ripley and South Ripley. Larger homesites also saw a minor increase overall, with more moderate increases recorded in the eastern locations of Karalee and Camira. Demand for new development land was strong, with development land value in the Ripley area, in particular, seeing some significant increases depending on the ripeness for development and natural features of the land. Commercial land values saw a minor increase overall. Demand for medical services in the Ipswich CBD saw a significant shift and increase in land values in the medical precinct. Increases in farming values were generally minor, with some more moderate increases recorded around Rosewood.

Across Moreton Bay Regional Council, land values have generally increased since the last valuation in 2017, with most activity centred on the residential market given its close proximity to Brisbane City and frontage to Pumicestone Passage and Moreton Bay. Residential lands in southern areas adjoining Brisbane City are showing minor increases in land value, while Caboolture and the Redcliffe Peninsula have shown minor to moderate increases overall. The small hinterland towns such as Woodford and Dayboro have generally increased with minor to moderate changes overall.

Multi-unit land values have increased across Moreton Bay region, with Caboolture, Redcliffe Peninsula, Bribie Island and southern localities adjoining Brisbane showing slight to minor increases reflecting improved demand. Industrial and commercial activity has improved across the region, with land values showing minor increases overall.

Rural residential land values are generally increasing in Moreton Bay with minor to moderate increases around Caboolture and in the southern areas adjacent to Brisbane.

Farming lands around Caboolture have had a minor increase overall with more moderate increases to southern areas closer to Brisbane.

South East Queensland

South East Queensland encompasses the valley areas west of Greater Brisbane, coastal areas north to Noosa and local government areas to the south of Greater Brisbane to the New South Wales border.

Within this region the local government areas of Sunshine Coast, Noosa, Lockyer Valley and Somerset were valued in 2019.

Sunshine Beach, Noosa Shire Council. (Photo courtesy of Shutterstock)

Sunshine Coast and Noosa local government areas were last valued in 2018 and generally most market sectors and localities have increased in value since that time.

The Sunshine Coast region has experienced further minor growth in residential land values since 2018 driven by a number of factors including the significant infrastructure construction, strong tourism activity and continued demand for coastal living. Demand typically centres on mid-priced coastal property, as well as the smaller towns along the North Coast railway line such as Nambour and Palmwoods that provide an affordable option for buyers. Prestige property values have also improved with minor increases recorded in beachfront lands, as well as for canal front properties in Noosa and Pelican Waters.

Commercial and industrial land values have remained generally static with some minor increases across the Sunshine Coast region depending upon location. Multi-unit lands have had a minor increase overall with changes generally mirroring the residential sector.

Rural residential and farming values have improved with minor increases recorded across the Sunshine Coast and Noosa.

Overall, property across all market sectors in the Plainland area and at the foot of the Toowoomba Range were the stronger performing markets since the 2016 valuation of Lockyer Valley Regional Council. Increases in rural residential land value at Hatton Vale, Plainland, Kensington Downs and Glenore Grove in the east, and at Preston and Withcott in the west were generally moderate. Commercial land in these areas have also increased moderately. Residential and commercial land in the town areas was stable, with the exception of Laidley and Grantham where land values have experienced some slight to minor reductions. Demand for agricultural land to grow produce supplying national retailers was strong resulting in a moderate increase in value. The demand for grazing land was more subdued with generally minor increases.

The market has improved in the Somerset Regional Council area since the 2017 valuation resulting in a minor overall value increase. The market for rural residential homesites has remained buoyant resulting in an overall increase in value. Demand for residential land has continued, with minor value increases in Fernvale and Toogoolawah, while Esk experienced a moderate reduction due to oversupply. Values in other towns were generally stable.

Agricultural land increased in value with good quality land receiving higher increases in value. Grazing land values also increased with smaller scale grazing properties increasing by greater amounts.

Darling Downs

The Darling Downs is a farming region on the western slopes of the Great Dividing Range in southern Queensland. Sitting to the west of the Greater South East, the Darling Downs is an area generally applied to the Southern Downs, Western Downs, Toowoomba and Goondiwindi regional council local government areas.

Within the Darling Downs region Western Downs Regional Council was valued in 2019.

The town of Dalby is the major urban centre, and serves as the region's primary hub for commerce, government, retail and financial services.

The exploration and development of significant coal seam gas reserves in the surrounding Surat Energy Basin had a significant positive impact on urban property markets within Western Downs. However, this industry now continues to transition to the production phase, and as a consequence activity has slowed and property markets have become subdued.

Urban property markets in the centres of Chinchilla and Miles have reduced significantly as a result of the coal seam gas industry transition. These impacts have resulted in moderate reductions in all sectors within the town of Dalby.

The town of Wandoan also previously saw significant increases in value based on a proposed coal mine development nearby. The shelving of this project has resulted in very limited interest in this market.

Rural land values have risen significantly, following increases in the 2017 annual valuation. These increases are a result of the continued strengthening of beef commodity prices and low interest rates. Better quality, well situated and more sought after lands have reflected larger increases in property values.

Sales reveal moderate increases in the good quality Brigalow and Belah, agricultural Kupun and Tuckerang scrub lands near Dalby, box forest and open black soil plain of Haystack and Jimbour, the mixed farming properties around Chinchilla and Miles, and the good quality Brigalow and Belah scrub lands at Condamine. Sales of good quality mixed scrub and forest grazing markets in the Wandoan district have revealed significant increases in value.

The Tara rural market experienced significant reductions over a number of years due to impact of the Global Financial Crisis. The market has now rebounded with significant market movements, consistent with similar movements in the neighbouring local government areas of Goondiwindi and Maranoa. The rural homesite market within Western Downs Regional Council is generally stable throughout the local government area, except for reductions in the towns of Miles and Chinchilla.

Dalby, Western Downs Regional Council. (Photo courtesy of D Hockey)

Wide Bay–Burnett

Wide Bay–Burnett encompasses the areas from Gympie, north to Bundaberg, and west to Kingaroy and Monto. Within the region, Gympie, South Burnett and North Burnett regional councils were valued in 2019.

Gympie Regional Council was last valued in 2017 and since that time the region has seen minor growth in residential and rural living sites. Most large urban centres including Gympie, Southside, Tin Can Bay and Cooloola Cove have increased in value, while smaller villages have varied with no change in Goomeri to a minor increase recorded in Gunalda and Kilkivan. Other land use sectors including commercial and industrial have generally remained unchanged reflecting local economic conditions. Rural living sites are a significant land use in the local government area and values have generally increased in most areas reflecting the demand for hinterland properties.

South Burnett Regional Council was last valued in 2016 and since that time market conditions have varied with decreases in land values in most urban centres, while rural living sites have varied from minor increases to minor reductions in value. Kingaroy, Murgon, Wondai and Nanango have experienced minor to moderate falls in residential values reflecting the local economic conditions. Other land uses such as commercial and industrial generally mirror the residential areas with minor reductions in value overall.

North Burnett Regional Council was last valued in 2017 and since that time urban land values have fallen in Monto and Mount Perry, while other urban centres and most rural living areas have generally remained unchanged. Larger centres such as Gayndah, Biggenden, Mundubbera and Eidsvold are unchanged, however some smaller centres such as Kalpowar have increased. Other land uses such as commercial and industrial have generally mirrored the residential areas with reductions in Monto and Mount Perry.

Grazing and cropping are significant land uses in the Wide Bay–Burnett region. Farming land values have increased across the region, with generally moderate to significant increases evident reflecting the increased demand for both smaller and larger farming properties.

Central Queensland

Central Queensland encompasses Rockhampton, Gladstone and Mackay and extends south to Miriam Vale, north to Bowen and areas west to the Queensland–Northern Territory border.

Within the Central Queensland region, Longreach Regional Council was valued in 2019.

Previously valued in 2014, the Longreach region has endured a prolonged drought with significantly below average rainfall for over five years. The ongoing drought has had a significant impact on the town of Longreach, the main service centre for the region. The area has experienced a population decline resulting in reduced demand for residential property and increased vacancy rates. This has resulted in significant reductions to all urban land values in Longreach and Ilfracombe. The smaller town of Isisford has generally held its values, albeit at much lower levels.

Longreach is a growing tourist destination, and throughout the cooler winter months, tourism is a driver in the local economy. Tourism alone however has not been sufficient to maintain the town's economy, with the impact of drought reducing the buying power and spending of graziers serviced by the town.

The rural sector has been significantly impacted by the drought conditions, however sales of rural properties have continued showing a solid to increasing market. Rural commodities, in particular wool, beef and mutton have been strong, and this is considered to be driving the rural property market. Rural lands have seen a slight increase overall.

As part of the 2019 annual valuation, a full review of rural valuations in the Longreach region has been undertaken to improve uniformity between valuations. This market based review has resulted in varied changes to valuations being issued.

View of Kingaroy from Coolabunia Hill lookout, South Burnett Regional Council. (Photo courtesy of Tourism and Events Queensland)

North Queensland

North Queensland encompasses the Burdekin in the south, and extends north to Cape York and west to the Queensland-Northern Territory border.

These local government areas were valued in the 2019 annual valuation:

- Burdekin Shire Council
- Cairns Regional Council
- Etheridge Shire Council
- Weipa Town Authority

The Burdekin Shire is centred on the main urban communities of Ayr and Home Hill. The local economy is to a great extent, reliant on the health of the agricultural sector, particularly sugar cane.

Job creation has softened in recent years and, coupled with a net population loss, has resulted in a reduced demand for urban lands. Market rents have also softened, as has demand for new construction. Good quality stock that is well located is holding its level of value, however there has been a reduction in values for the majority of urban lands including for residential, commercial and multi-unit properties.

Within the town of Ayr, values for residential lands have experienced minor reductions. While there has been little change in the base level for the upper end of the residential market, there has been a noticeable fall in the lower value areas.

Increased vacancies within the commercial sector have resulted in minor reductions in the values of lands within the Queen Street precinct and the adjacent commercial lands. Values for land within the Ayr Industrial Estate have increased slightly.

With a lack of demand, vendors have had to meet the market in Home Hill resulting in some moderate reductions in value across all sectors.

The levels of value for the lands located in isolated townships have also seen slight to moderate reductions.

Cairns, North Queensland (Photo courtesy of Tourism and Events Queensland)

The demand for rural residential lands has also had a minor decrease overall, with the exception of those lands within commuting distance to Townsville, where the level of most values have held.

The Burdekin agricultural market is dominated by grazing and sugar cane production. Continued strong beef commodity prices have driven market demand for well located, productive lands for beef cattle. Pastoral lands towards the Leichhardt Range have experienced some minor increases in value, while coastal grazing lands have experienced more moderate increases.

The volume of sugar cane farm transactions is consistent with historical trends despite the outlook for commodity prices and the uncertainty created by the Sugar Industry Code of Conduct. In 2016 and 2018 over 30 sales transacted and there was a spike in excess of 50 sales in 2017. The sales demonstrated a minor uplift in values across the board.

Cairns is the tourism hub of North Queensland. Since the last annual valuation in 2016, Cairns has experienced a steady increase in international and domestic tourism, which has resulted in higher hotel occupancies and greater hotel yields. Cairns Airport has reported in the 12 months to June 2018, 5.3 million passengers came through the airport up from 5.2 million in the previous year. The increased demand for tourist accommodation has been the catalyst for a number of significant hotel ventures.

Recent infrastructure projects including the Cairns Aquarium and the Cairns Performing Arts Centre have also contributed to an uplift within the construction industry in the region. Flow on effects have included greater employment opportunities and increased demand for residential lands.

Moderate increases in value have been experienced throughout the Cairns CBD, with slight increases for commercial lands in the fringe and strip arterials of Sheridan Street and Mulgrave Road.

Residential land has experienced a slight to moderate increase in value over the past three years, with well-located land in suburbs closer to Cairns CBD experiencing higher value growth. Vacant land stock has been all but exhausted closer to the city, with development predominantly confined to the southern and western corridors.

Demand for industrial land has been slow with the exception of well-located properties. Land values have generally remained stable with some slight increases.

Primary production lands in the Cairns region generally extend from the Barron River delta in the north and south to Eubenangee Swamp. Sugar cane is the predominant industry, centred on the Mulgrave Mill in Gordonvale. Industry rationalisation and increasing economies of scale have continued to be drivers within the market. Significant increases in value have been experienced in the Gordonvale and Aloomba localities, with more moderate increases occurring to the south of the region.

Located in the southern Gulf of Carpentaria, with Georgetown as its administrative centre, Etheridge Shire encompasses the settlements of Mount Surprise, Forsayth and Einasleigh.

Increases in value have also been experienced in residential land in Georgetown, Forsayth, Einasleigh and Mount Surprise showing minor to significant increases reflecting the most recent sales evidence in these townships.

Pastoral properties within Etheridge Shire are tightly held and there had been limited sales in the area until the recent sales of 'Abingdon Downs' and 'Maitland', which transacted in the last quarter of 2018. These sales, together with the historical evidence, have supported a significant increase in the current level of values.

Levels of value generally reduced by 30 per cent when the last valuation was undertaken in 2014 from the peak in 2008. Recent sale evidence now support values similar to those seen in 2008 with some values now higher due to changing market dynamics at both the top and bottom end of the market.

The Gilbert River agricultural precinct, whilst representing a small number of properties, has also experienced minor increases in value.

Located on the north western side of the Cape York Peninsula, the town of Weipa is the centre for bauxite mining in the region. Rio Tinto operates two continuous mining operations at East Weipa and Andoom with its new Amrun bauxite project sitting 40 kilometres to the south of the town.

Coming online late 2018, with full production anticipated by the end of 2019, construction for the Amrun project has been completed allowing Weipa's property market to settle into a normal pattern. Demand for land has now normalised resulting in moderate value increases for residential and industrial land, and a minor increase overall for commercial land. Multi-unit land in Weipa has experienced a slight increase to the total level of value.

Rural lands near Wivenhoe Dam, Somerset Regional Council.

Rural

Continued optimism generally surrounded rural property markets this year, even though the majority of the state remained drought declared. This market confidence has generally been driven by the continued effects of strengthened commodity prices within the beef and sheep industries, low interest rates, and the US to Australian dollar exchange rate.

Rural land values have continued to grow on the back of landowner expectations; conditions in agriculture have improved, and continue to do so. Potential purchasers take a long term view of the current drought situation with regard to acquisition, but still remain cautious. Queensland has not seen a reasonable season for some time, and many primary producers are still waiting for rains to start before re-stocking after the prolonged drought conditions.

Figures 4 and 5 on pages 14 and 15 illustrate the extent of the drought throughout Queensland around the date of valuation 1 October 2018.

The Eastern Young Cattle Indicator reflects the current continued dry situation.

- 1 October 2014: 365 cents/kg/cwt (carcase weight)
- 4 October 2016: 719 cents/kg/cwt
- 3 October 2017: 547.84 cents/kg/cwt
- 2 October 2018: 481 cents/kg/cwt
- 28 February 2019: 434 cents/kg/cwt[3].

This trend has been impacted by current weather conditions, and has impacted on rebuilding efforts. Demand for high quality Australian beef remains strong.

The effect of continued strengthening of beef commodity prices is particularly evidenced within the better quality property and well situated markets of Western Downs.

High commodity prices for wool continues. In 2017 the price was at 1822 cents/kg and currently it is 1931 cents/kg[4].

Generally, the bulk of market purchases are by existing family businesses acquiring additional property, using scale to deliver farming operation efficiencies.

Increased rural values are generally occurring throughout all local authorities being valued across Queensland, with sales across the Western Downs and Etheridge local government areas showing significant increases.

Generally, moderate increases have occurred within the rural areas of Lockyer Valley, North Burnett, South Burnett, Gympie and Cairns regional councils.

Minor to slight increases have generally occurred in Ipswich City, Burdekin and Noosa shires, and in the Sunshine Coast, Moreton Bay and Longreach regional areas.

3 Source: Meat and Livestock Australia
4 Source: Australian Wool Exchange

A review of rural valuations within Longreach and Moreton Bay regional council areas was also undertaken to improve the consistency of land valuations across different rural locations. This has resulted in varied market based changes to valuations being issued.

Rural land purchased by resource companies for the purpose of mining or other extractive industry are not used to determine statutory land values of rural land. This market activity has now slowed due to the state of the resource sector, and respective markets are now being influenced by rural landowners.

Within the sugar industry, growers' income is determined by the terms of a cane supply agreement with a mill which reflects the tonnage supplied to the mill, the sugar content (CCS) of the cane and the final price the raw sugar achieves on the world market. The decline in the Australian dollar has somewhat softened the impact of falling futures prices, however producers cannot control the fundamental forces of global supply and demand.

The demand-supply for sugar on a global level, has transitioned from a deficit in 2016 to a situation of oversupply. As a result, the available pool price has softened from an average of $515/tonne in 2016 to around $420/tonne in 2017. With sugar prices generally moving between 11–14 cents/lb US during 2018, global sugar prices remained under $400/tonne during the 2018 domestic milling seasons.[5]

In 2018, Queensland experienced a strong growing season with the dry and cool conditions creating near record CCS for most milling areas, albeit with a lower tonnage. In spite of that, property transactions continued to occur across the board, at levels demonstrating a minor increase from the existing values.

Mustering cattle at sunset, Longreach region. (Photo courtesy of Tourism and Events Queensland)

5 Source: Canegrowers Annual Report 2017/18

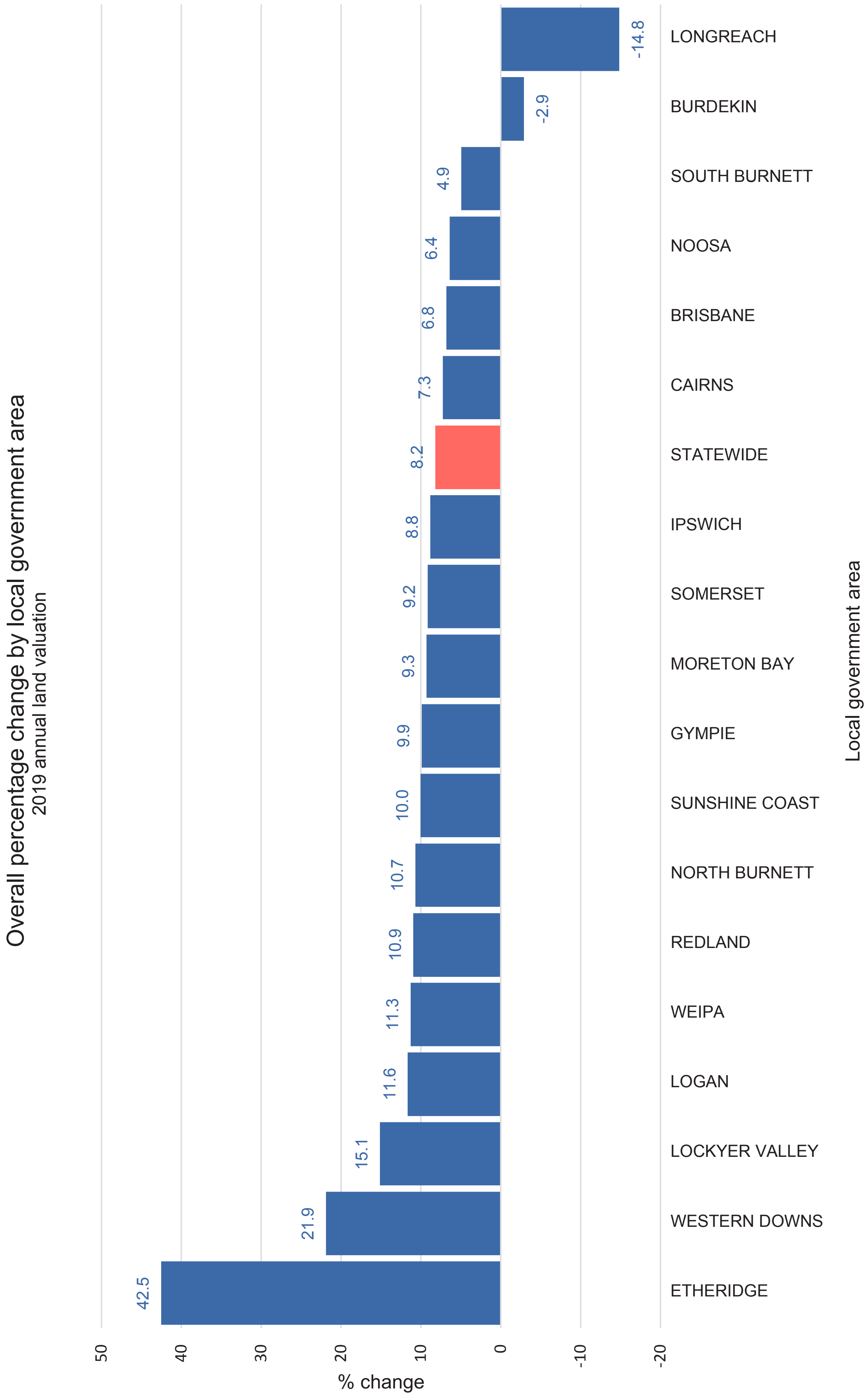


Figure 3: Overall percentage movement in total value since the previous annual valuation for the whole state and all local government areas valued in the 2019 annual valuation

Table 1: New median value and percentage movement in median value for residential and rural residential land since the previous annual valuation in local government areas valued in the 2019 annual valuation

Local government area	Residential		Rural residential	
	New median value ($)	Median value change (%)	New median value ($)	Median value change (%)
Brisbane	455 000	7.1	670 000	4.7
Burdekin	75 000	-8.5	105 000	-8.7
Cairns	190 000	7.0	300 000	5.3
Etheridge	15 000	25.0	25 000	38.9
Gympie	94 000	6.8	139 000	10.3
Ipswich	167 500	8.1	265 000	8.2
Lockyer Valley	102 500	6.8	141 000	19.5
Logan	235 000	9.3	320 000	8.5
Longreach	38 500	-45.0	38 000	-44.9
Moreton Bay	255 000	10.9	340 000	7.9
Noosa	290 000	7.4	212 500	4.9
North Burnett	29 000	-24.7	56 000	-1.8
Redland	300 000	9.1	535 000	13.8
Somerset	87 000	-2.3	161 700	7.8
South Burnett	46 000	-14.8	70 000	-9.1
Sunshine Coast	275 000	11.1	305 000	10.9
Weipa	182 000	15.6		
Western Downs	25 500	-35.4	54 000	-1.8

Table 2: New total value and percentage movement in total value for commercial, industrial, multi-unit and primary production land since the previous annual valuation in local government areas valued in the 2019 annual valuation

Local government area	Multi-unit		Commercial		Industrial		Primary production	
	New total value ($)	Total value change (%)	New total value ($)	Total value change (%)	New total value ($)	Total value change (%)	New total value ($)	Total value change (%)
Brisbane	25 036 628 700	0.9	19 965 019 200	2.7	12 596 508 500	17.4	74 588 500	0.0
Burdekin	15 169 500	-8.3	53 911 800	-9.9	45 028 375	-3.5	423 769 900	10.2
Cairns	976 178 000	7.3	1 222 138 000	7.2	696 555 300	4.8	202 808 100	25.1
Etheridge			1 621 700	28.1	403 500	29.6	144 807 040	43.5
Gympie	36 455 000	7.0	163 011 700	1.3	45 663 300	0.5	589 397 300	19.8
Ipswich	365 434 000	3.2	1 120 588 500	7.5	1 030 768 300	4.4	212 194 100	5.8
Lockyer Valley	17 632 500	3.0	131 024 000	15.5	57 908 500	8.1	457 874 100	17.2
Logan	1 031 029 700	4.2	1 777 578 500	9.0	1 237 687 500	10.5	132 325 000	5.0
Longreach	667 500	-45.0	11 172 600	-45.0	4 190 900	-44.8	239 502 600	1.3
Moreton Bay	2 186 686 000	9.1	1 707 524 300	10.5	1 456 499 600	7.4	400 803 000	12.3
Noosa	1 461 178 000	2.8	234 982 000	2.2	145 643 500	10.3	64 686 500	5.0
North Burnett	710 500	-4.8	14 763 500	-10.2	7 482 600	-10.5	671 857 200	17.0
Redland	842 138 000	8.7	747 778 000	13.1	240 261 000	2.4	117 182 900	62.2
Somerset	4 368 000	0.0	46 180 000	4.1	16 249 000	0.7	763 059 900	14.3
South Burnett	17 839 700	-0.4	62 678 700	-2.0	34 526 000	-1.5	686 983 700	29.0
Sunshine Coast	3 654 759 500	7.0	1 776 313 400	2.5	860 042 000	2.5	395 300 300	5.1
Weipa	45 482 500	0.4	22 125 000	9.2	29 556 500	15.0		
Western Downs	19 305 100	-24.5	96 187 700	-21.7	75 213 637	-25.7	2 773 422 000	42.0

QUEENSLAND DROUGHT SITUATION

Full and part shire drought declaration status and Individually Droughted Properties updated on
8 October 2018

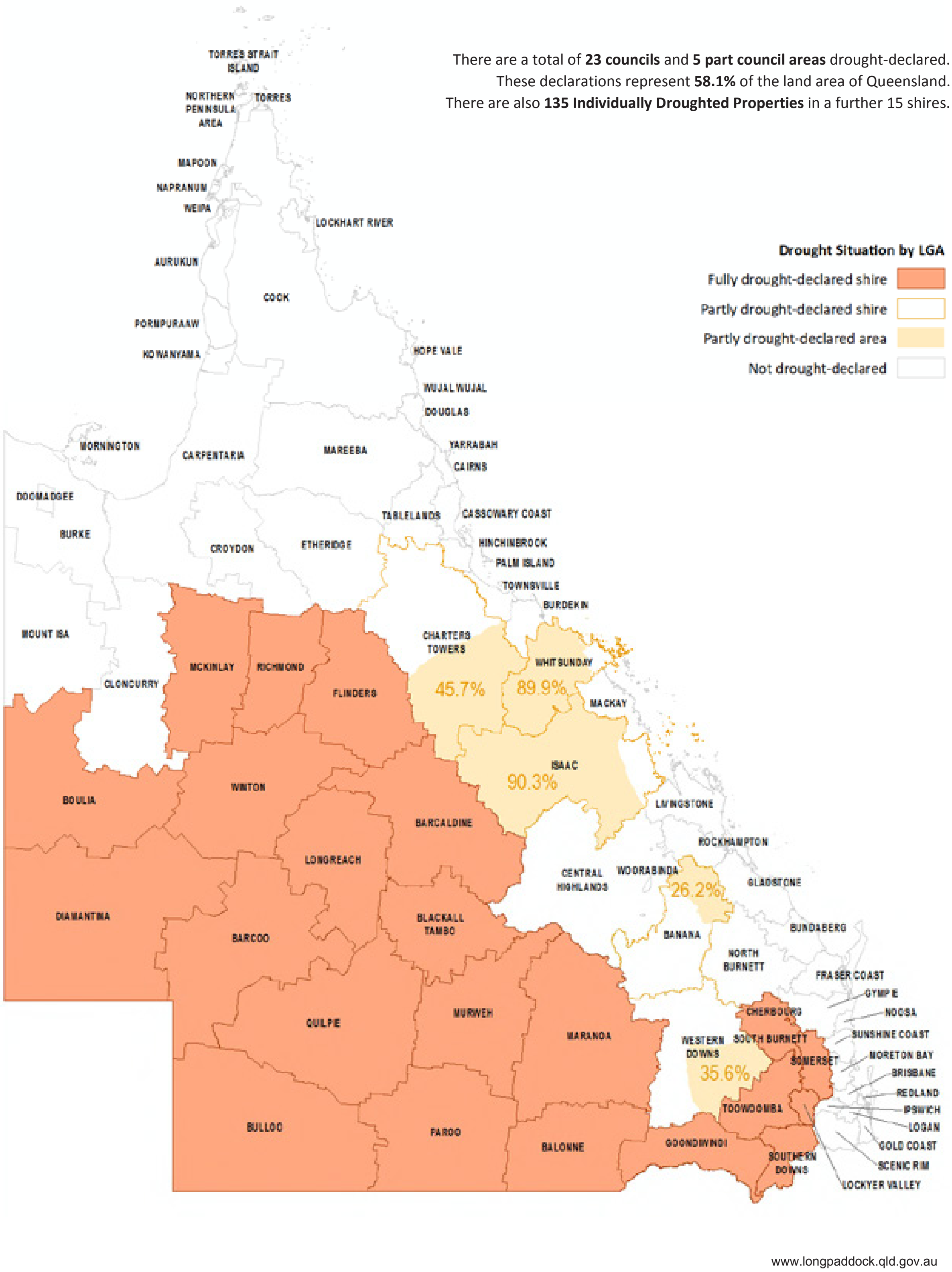
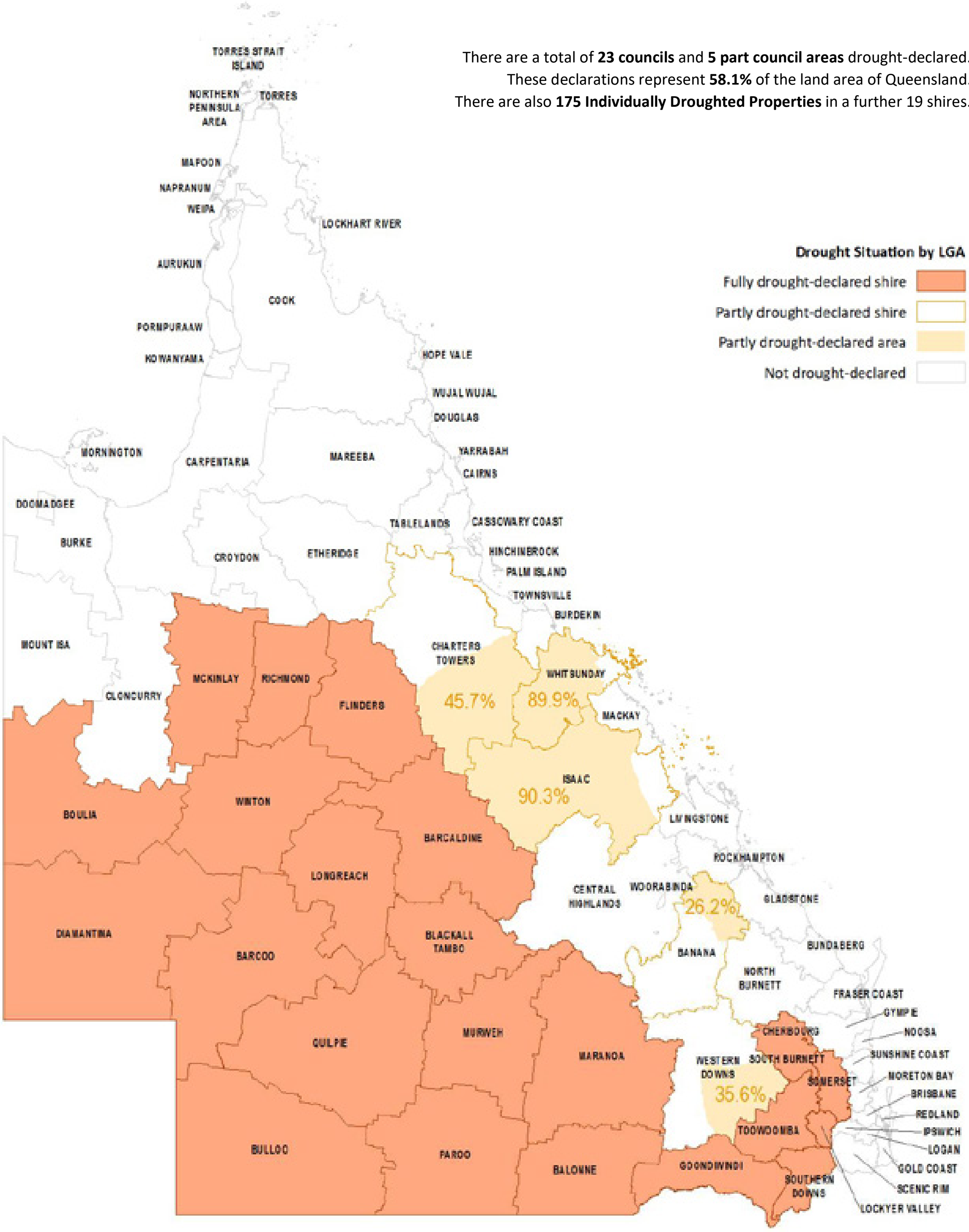


Figure 4: Queensland drought situation as at 8 October 2018
Source: www.longpaddock.qld.gov.au

QUEENSLAND DROUGHT SITUATION

Full and part shire drought declaration status and Individually Droughted Properties updated on
1 January 2019

There are a total of **23 councils** and **5 part council areas** drought-declared.
These declarations represent **58.1%** of the land area of Queensland.
There are also **175 Individually Droughted Properties** in a further 19 shires.



www.longpaddock.qld.gov.au

Figure 5: Queensland drought situation as at 1 January 2019
Source: www.longpaddock.qld.gov.au

qld.gov.au/**landvaluation**