

Valuer-General's 2020 Property Market Movement Report



Cover photos – clockwise from top left

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

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

Railroad track passing through field with sugar cane on left and macadamia trees on the right, Bundaberg. (Photo courtesy of Shutterstock)

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

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Valuer-General's foreword

I am pleased to release this year's property market movement report, ahead of the issue of the 2020 annual statutory land valuations on Wednesday, 4 March 2020.

Following a state wide market survey and consultation with local government and industry groups, 21 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 21 local government areas (Figure 1) receiving new valuations this year are: Banana, Brisbane, Bundaberg, Burke, Cassowary Coast, Cloncurry, Flinders, Fraser Coast, Gold Coast, Goondiwindi, Hinchinbrook, Livingstone, Mackay, McKinlay, Mount Isa, Richmond, Rockhampton, Scenic Rim, Torres, Townsville and Winton.

These local government areas represent approximately 825,000 properties or 48 per cent of Queensland's valuation roll.

The new valuations will take effect on 30 June 2020 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 2020 annual valuation program for Queensland by a team of regionally-based valuers from 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.

Overall, the Queensland housing market remains sluggish, with sales volumes easing, although house prices are proving resilient.¹

Consistently high numbers of residents relocating from the southern states to Queensland will see the local population rapidly increase, pushing down supply and in turn, driving prices upwards.²

Looking at other economic indicators, Queensland Treasury advise 'construction activity in Queensland continues to be supported by ongoing growth in domestic dwelling renovation activity.'³

Residential property prices have stabilised, following falls over the year to June 2019, underpinned by robust population growth and lower interest rates. Nationally, new housing approvals are around 40% lower than their late-2017 highs. Consequently, housing construction across the country is forecast to remain subdued for the next 18 to 24 months.⁴

Continued caution by households has also resulted in the outlook for dwelling investment in 2019–20 being softer than at budget. However, with apartment approvals appearing to have bottomed out, dwelling investment is expected to return to growth in 2020–21.⁵

The *Find your annual land valuation* online search displays annual valuation information from the valuation roll, residential market information and mapping products in an easy-to-use online search. The search tool also displays the movement in the residential median values of major residential localities and the local government area as a whole. Queensland Globe continues to provide landowners with access to more detailed valuation information.

Our online resources including a rural sales map and the Queensland Globe can be viewed at www.qld.gov.au/landvaluation, and can help you better understand your land valuation and local property market.

With over 406,000 Queensland landowners already subscribed to receive their valuation notice electronically, I encourage all landowners to have their future valuation notice 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, 2 Queensland Market Monitor September 2019, Issue 43, Real Estate Institute of Queensland, p4

3, 4, 5 Queensland Budget 2019–20: Mid year fiscal and economic review, Queensland Government, p6 and 9

2020 Annual Valuation Program

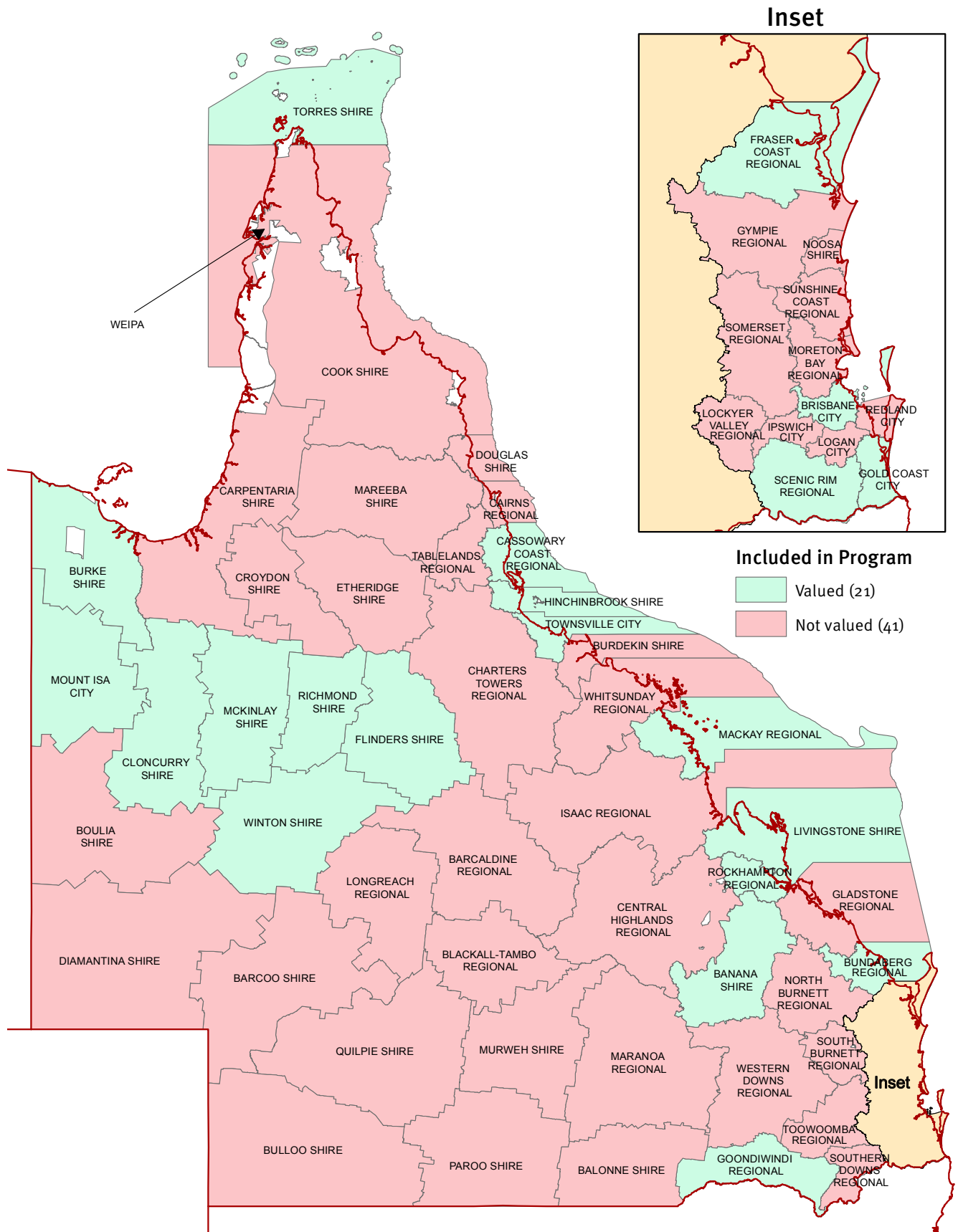


Figure 1: Local government areas and the 2020 annual valuation program

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.

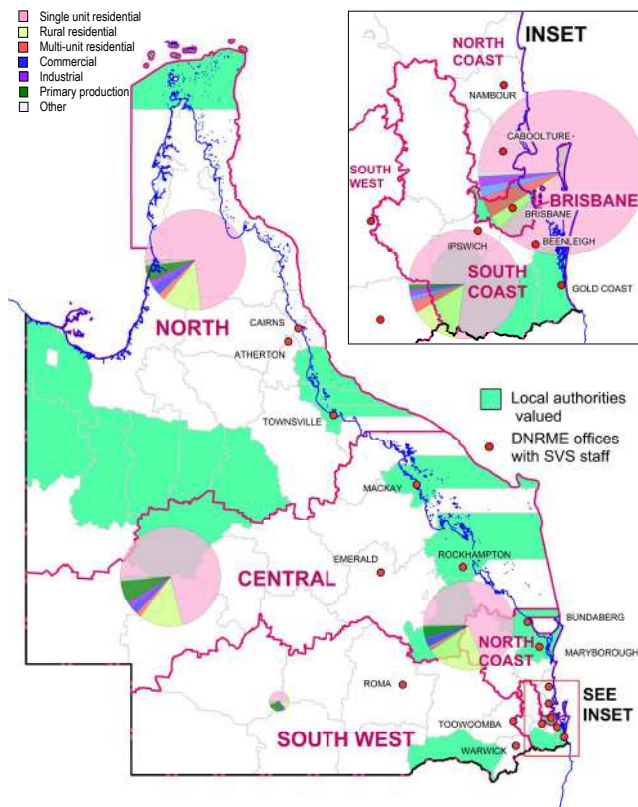


Figure 2: Property land use by region, 2020

Property market movement

The volume of daily lodgements recorded with the Registrar of Titles decreased over the first half of the 2019–20 financial year with an average of 2673 daily lodgements—down 2 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 included in the revaluation program, as well as the whole state.

The overall percentage movements in land values for the 2020 annual valuation are summarised below:

- Fifteen local government areas recorded overall increases between 0.2 per cent (Townsville) and 52.1 per cent (Winton).
- Of the 15 areas that increased, eight increased by 0–10 per cent, one increased by 10–20 per cent and six recorded increases of more than 20 per cent.

Six local government areas recorded an overall decrease in value of between 2.3 per cent (Cassowary Coast) and 44 per cent (Mount Isa).

Overall market trends

Generally the property markets in the larger urban centres in South East Queensland and coastal towns in regional Queensland have remained static or shown minor value changes reflecting local economic conditions. Those regional centres whose economies are closely linked to the resource sector such as Mount Isa, Moura and Biloela have seen significant reductions in land value from the previous valuations.

The property market in late 2019 was influenced by:

- Weakness in the global economy and a slowdown in domestic economic growth
- Continuing drought and impact on crop production
- Continuing caution in new dwelling investment
- Subdued household spending

However, these drivers were offset by:

- Government investment in infrastructure
- Growth in domestic dwelling renovation activity
- Stable demand for Queensland commodities and services
- Strong domestic and international tourism at the time of valuation
- Continuing low borrowing costs
- Increase in labour force participation
- Strengthening business investment
- Solid population growth

In contrast to the subdued conditions in a number of urban areas, the rural property market continued to improve with moderate to significant increases in most areas throughout Queensland.

Although the majority of the state remained drought declared, the market improvement was driven by the continued effects of strong commodity prices such as those within the beef industry and the low interest

rate environment. Another positive driver in the rural market included the further development of horticultural industries such as small crops and tree crops in the Wide Bay region.

Brisbane

The residential market is the most significant land use with approximately 305,000 valuations in the suburbs of Brisbane. The residential median land value increased slightly from \$455,000 to \$460,000.

The median values of 115 suburbs did not change. There were minor increases to several inner northern suburbs including Kalinga and Woolloowin. A number of Brisbane's outer southern suburbs reflected minor to moderate increases due to their affordability and increased competition. The new median value for Durack is \$280,000.

There were seven suburbs that showed slight to minor decreases. The Moreton Island townships of Bulwar, Cowan Cowan and Koorlingal showed minor decreases.

The land values of the low to medium density multi-unit residential markets across Brisbane have remained static. The land values of high-density sites, located in the City fringe have seen minor decreases as demand for the larger redevelopment sites has softened due to the existing supply of units.

The total land value for rural residential land has increased slightly. The median land value remains at \$660,000.

The demand for industrial land in Brisbane continues to outstrip supply. This is particularly evident of land with good access to major road networks in the prime transport and logistics market. This demand, as well as the enhancements to infrastructure in the Pinkenba area, has resulted in some significant increases to sites over two hectares in size in this locality.

Segments of the Brisbane commercial market have been active in 2019. For example, childcare, medical and large format retail sectors have created their own localised demand. However, the overall market has remained static.



Brisbane CBD. (Photo courtesy of Shutterstock)

The significant infrastructure commitment by all levels of governments continues to impact the Brisbane CBD and the office market fundamentals. There has been a steady decline in total vacancy rates since January 2018, consistent growth in tenant demand and positive net absorption. There is currently rental growth in both prime and secondary markets, but the incentives offered remain relatively high. Investment activity market remains strong and yields have continued to tighten. The site values across the CBD have largely remained static or decreased slightly since the last valuation in 2019.

Gold Coast

Land values on the Gold Coast have risen slightly since the 2018 valuation. The uplift is the result of a slight overall increase in residential land values, and a moderate increase in industrial land values.

Residential land values in central coastal and higher-valued residential areas such as Mermaid Waters were static with some slight increases. The stronger areas were the middle range suburbs such as Pacific Pines and Helensvale that had the highest increase in overall residential land value. Southern beach areas such as Coolangatta and Tugun have also performed well with minor overall increases in these localities.

The demand for larger and rural-residential land resulted in an overall minor increase in value. Land values in the southern valleys were generally stronger than in northern hinterland locations such as Wongawallan.

Reduced demand for development sites has resulted in a decline in the Surfers Paradise residential unit market, but overall multi-unit land value increased slightly. Values in southern oceanfront locations experienced minor increases, but a strong demand for development sites has resulted in a significant increase in multi-unit land values in Burleigh Heads.

Commercial land value increased by a minor amount overall, with only a slight increase recorded in the Southport core commercial area.



*Aerial panorama of houses on the Gold Coast
(Photo courtesy of Shutterstock)*

Growth in industrial land value was strongest in coastal locations such as Mermaid Waters, Miami and Burleigh Heads where values increased significantly. Yatala land values increased by a lesser, but still moderate amount.

Farming land values increased significantly across the Gold Coast local government area as a result of a market based review.

South East Queensland

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

The Scenic Rim Regional Council was valued as part of the 2020 annual valuation.

The demand for land in the Scenic Rim region has been steady resulting in a minor increase in land values since the 2018 valuation. The range of demand has resulted in static to slight increases in land values in the eastern half of the area, and slight to significant increases in the western half. Residential land values range from a static Beaudesert market, minor decrease to moderate increase in Tamborine Mountain, and minor to moderate increases in Boonah.

Rural homesites across the area reflected the broader variable change with a generally static to slightly increasing market on the eastern side, and minor to moderate increases in the western half. Farming land values experienced a similar locational market movement along with stronger growth in value in properties less than 40 hectares. Commercial land values in Boonah and Canungra increased by minor to moderate amounts, while values generally remained static in Beaudesert and Tamborine Mountain. The industrial market was mostly static with some minor to moderate increases in Boonah and Kalbar. Multi-unit land values in the region have also effectively remained static.

Wide Bay–Burnett

Wide Bay–Burnett encompasses the service centres of Gympie, Maryborough, Hervey Bay and Bundaberg, west to the southern communities of Kingaroy and north to Monto.

These local government areas were valued in the 2020 annual valuation:

- Fraser Coast Regional Council
- Bundaberg Regional Council

Fraser Coast

Fraser Coast Regional Council was last valued in 2018 and since that time the region has seen a minor growth in the total statutory value of the local government area. The overall change was driven by minor increases in parts of the residential and rural living sectors, and a significant increase in farming land values. Residential areas within the major urban centre of Hervey Bay, as well as a number of coastal localities including Poona, Dundowran, Toogoom and Burrum Heads saw some increases in value, while in Maryborough and in the smaller hinterland villages' values generally remained static. 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 Fraser Coast region and values have increased in most areas around the major centres and also to the west of region.

Bundaberg

Bundaberg Regional Council was last valued in 2017, and has seen minor growth in the total statutory value since the last valuation in the region. The overall change was largely driven by minor increases in some parts of the urban sector, as well as significant increases in farming land values. The residential areas within the major urban centre of Bundaberg, as well as in smaller hinterland villages such as Childers and Gin Gin have not changed, while some coastal areas have had varying impacts. Largely, commercial and industrial values are unchanged, however there have been moderate increases in the Bundaberg Industrial Estate and the Kensington Park area. Rural residential living sites are a significant land use in the local government area, however most areas have seen either no change or only minor increases.

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



Central area of Bundaberg. (Photo courtesy of Shutterstock)

Darling Downs

Darling Downs encompasses the regional centre of Toowoomba, areas south to the Granite Belt and New South Wales border, and west to Maranoa.

Goondiwindi Regional Council was valued as part of the 2020 annual valuation.

Overall, land values in the Goondiwindi region have increased by a moderate amount since the last revaluation in 2018. Residential values are generally static, except for a moderate increase in the town of Yelarbon, and moderate reductions within the towns of Inglewood and Texas.

A market based review of commercial and industrial land valuations within the town of Goondiwindi was undertaken to improve consistency and relativity. This review has resulted in varied slight to minor changes to valuations being issued.

Rural land sales have shown significant increases in value throughout the larger mixed brigalow farming and irrigated floodplains in the locality of Goondiwindi, and to the west of the region within the North Talwood locality. Rural sales in the balance of the Goondiwindi Regional Council to the east, associated with smaller irrigation and mixed farms to large traprock lands, remained generally static.

Central Queensland

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

These local government areas were valued in the 2020 annual valuation:

- Banana Shire Council
- Mackay Regional Council
- Livingstone Shire Council
- Rockhampton Regional Council

Movement in the property markets across Central Queensland varied and changes for the individual local governments included in the 2020 annual revaluation program are summarised below.

Banana

Banana Shire was last valued in 2018 and has seen a moderate increase in the total statutory value of the local government area. The overall change was significantly influenced by the moderate increases in primary production values, consistent with state wide trends. Residential values within many of the smaller townships remained static, while the larger townships, including Biloela and Moura, decreased moderately to significantly in value. Commercial, industrial and rural residential land uses decreased in value, in line with the residential segment, although generally reductions were smaller.

Capricorn Coast

The Capricorn Coast includes two local government areas, Livingstone Shire and Rockhampton Regional Councils. Both local governments were last valued in 2017.

The statutory values in Livingstone Shire have declined overall slightly since the last valuation. This change was influenced by the residential, multi-unit residential and rural residential sectors where values fell slightly. Although, against this change, residential values in the local government's main centre, Yeppoon, as well as Pacific Heights and Barlows Hill have increased slightly. Other land uses, including commercial and industrial generally had minor reductions in value, reflecting local economic conditions.

Rockhampton Regional Council has seen a minor overall decline in the total statutory values since the last valuation. The overall change was influenced by the minor value decreases in the residential, multi-unit residential and rural residential sectors. Similar to Livingstone Shire, value changes varied depending on locality. For example, the values for Gracemere residential and riverfront multi-unit residential property saw moderate to significant increases, while the localities of Bajool and Stanwell had significant falls. The commercial market experienced a slight overall reduction, similar to the residential market change, while industrial values had a larger decline in values.

Mackay

Mackay Regional Council was last valued in 2017 and since that time the region has seen minor to significant growth across most sectors. Most large residential suburbs, including West Mackay, North Mackay, Andergrove and Beaconsfield have increased in value while some localities, including Sarina and Laguna Quays fell significantly. Other land uses, such as industrial and commercial increased in value. Mackay CBD and the broader commercial sector experienced minor to moderate increases in value while industrial lands have had a significant total increases with

a resurgence in the resources sector driving demand for land suitable for heavy equipment maintenance.

Grazing and cropping form a major component of the economy and land use sector in the Central Queensland region. Throughout the region, primary production lands increased in value due to improving commodity prices and low borrowing costs. The moderate to significant increases are consistent with similar movements experienced throughout the state.

North Queensland

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

These local government areas were valued in the 2020 annual valuation:

- Cassowary Coast Regional Council
- Hinchinbrook Shire Council
- Torres Shire Council
- Townsville City Council

Cassowary Coast

The Cassowary Coast Regional Council comprises the service towns of Innisfail in the north, Tully in the south, with the Island Coast area centred on Mission Beach to the east. The principal economic drivers in the region are agriculture, sugar cane and banana crops, with tourism also being a contributor on the Island Coast.

Within the town of Innisfail, the supply of properties listed on the market continues to outweigh demand for housing. This has placed downward pressure on values and vendors have had to meet the market. Moderate reductions in land values have generally been experienced across Innisfail, extending to the nearby village communities of Flying Fish Point, Coquette Point, Wangan, South Johnstone and Mourilyan.



Mission Beach, Cassowary Coast Region. (Photo courtesy of Shutterstock)

Minor to moderate reductions in value were also evident in the southern towns of Tully, Tully Heads and Cardwell including Hinchinbrook Harbour. The small southern villages of El Arish and Silkwood, have generally experienced no change to value.

The Island Coast market contrasts with the trend of other townships. An improving market is evident with slight to minor increases in land value in Kurrimine Beach, Bingil Bay, Wongaling Beach and South Mission Beach. There is still a supply of vacant land stock available in Mission Beach where values have remained stable.

The sugar price has improved in recent times, and with the Australian dollar trading around 67 US cents, potential farm profitability has increased. Moderate increases have generally been applied to arable lands throughout the Cassowary Coast region with significant increases implemented for those smaller farming units and also larger farming entities in line with market evidence.

The strong demand for beef and continued high commodity prices has placed upward pressure on demand for fattening units. Similar to the arable sector, minor to moderate increases have generally been applied to grazing properties across the shire.

Hinchinbrook

Hinchinbrook Shire is centred on the sugar cane community of Ingham and associated villages north of Townsville. The last annual valuation undertaken for Hinchinbrook Shire was in 2018, and since then sales transaction volumes have been generally steady or slightly down across most market sectors.

There is a clear lack of demand for vacant sales, due partly to a reduced population base and also the value represented by the existing housing stock. Residential land values in Ingham have generally experienced declining values with minor to significant decreases depending on location and the potential for flooding on the land. An oversupply of vacant stock in adjoining townships such as Forrest Beach has also placed downward pressure on land values in Ingham. With decreasing demand, vendors have had to meet the market, resulting in moderate reductions in value across all sectors, with more flood-prone lands experiencing a significant change.

This trend is also occurring in the commercial and industrial markets.

The lack of demand for land in Forrest Beach has resulted in minor to moderate reductions of values in similar coastal communities such as Taylors Beach. Other villages within the shire including Macknade and Trebonne have generally experienced minor to moderate reductions in land values due to flood impact. Minor increases in land value have been experienced in the localities of Mount Fox and Abergowrie, albeit from low valuation bases.

Similar to residential lands, there has been limited demand for rural residential properties throughout the local government area, however changes in value have been evident in certain localities as a result of potential flood impact.

The sugar price has improved in recent times and with the Australian dollar trading around the 67 US cents range, potential farm profitability has increased. These fundamentals have not transferred through to the Hinchinbrook primary property market with sales generally reflecting a maintenance of existing unimproved values.

Torres

Torres Shire is located within the Torres Strait, and centred on communities on the main islands of Thursday Island, Prince of Wales Island and Horn Island. The last statutory valuation undertaken in Torres was in 2015.

The presence of core state and federal government services continue to underpin the region. The service and administrative hub for the region is located on Thursday Island, with the transport hub located on nearby Horn Island. These two hubs provide services not only for Torres Shire, but also the nearby catchments of Torres Strait Island Regional Council and the Northern Peninsula Area Regional Council.

Stable economic conditions have given rise to a stable property market which lacks major fluctuations. Slight to minor increases in land value have been experienced over the five year period, including the suburbs of Rose Hill, Tamwoy, and Alpin located on Thursday Island, as well as the community of Wasaga on Horn Island, and the beachside communities located on Prince of Wales Island. The supply of vacant land on the main island is limited and costs to construct continue to be high. There has been significant building development over the past decade on Thursday and Horn Islands, with a number of building projects currently under construction.



Meandering rivers and mangroves in front of Hinchinbrook Island, Queensland. (Photo courtesy of Shutterstock)

The outer islands and mainland have generally remained stable, with minor increases in value observed overall since the last statutory valuation.

Townsville

It has been three years since the last valuation in Townsville City. During this time, an unprecedented and devastating flood event occurred in February 2019. Using available spatial information, approximately 12,000 land parcels were identified as having been impacted. Subsequently, the market reaction to the 2019 flood event has been mixed, with the market undergoing a period of adjustment.

The areas most impacted by the flooding have experienced limited sales activity as rebuilding continues. The impact on value is yet to consolidate, however a softening of land values is expected, especially in older established areas.

Demand for well-located flood free land, particularly in the inner city has driven the land market upward where minor increases have been experienced. Western and Northern suburbs that are flood free have generally experienced either a slight increase in land value, or remained static.

Moderate to significant increases in land value have been experienced on Magnetic Island. 'The Island' was exposed to significant mortgagee in possession sales prior to the previous valuation, and values were reduced to a lower level. These localities have now recovered and increases have been experienced.

The core industrial precincts in Townsville are Garbutt, Mount St John, Mount Louisa and Bohle, situated approximately six to eight kilometres south-west of the CBD. These precincts are well sought after, being in close proximity to major transport routes, public transport and local shopping. Other major concentrations include the Port of Townsville, and areas to the south within Stuart and Roseneath.

There has been sufficient sales activity within Townsville's industrial market to demonstrate little change to existing site values established in October 2016. Although there



*Townsville City from Mt Stewart Lookout, Queensland.
(Photo courtesy of Shutterstock)*

has been an improvement in Queensland's resource sector in recent months, this positivity is yet to translate into the industrial property market.

The commercial and retail market in the Townsville CBD have experienced challenging market conditions and in general terms, land values within Townsville's commercial and retail markets have remained stable.

Demand for multi-unit land has been limited with trends similar to those experienced in the residential sector. Overall, multi-unit land values have generally remained unchanged.

The more recognised arable areas of Townsville City are generally located in the north eastern part of the region, namely Rollingstone and Mutarnee; and to the south in Majors Creek and Woodstock. A small number of sales have occurred over the current valuation period demonstrating no change to the existing levels of value.

The grazing component of the City is predominantly located to the south towards Majors Creek, Woodstock and Reid River, however smaller pockets of grazing lands are located to the west, south-east and northwest. Sales within this sector support little change to the existing levels of value.

North West Queensland

For the purpose of this report, North West Queensland comprises the Gulf communities of Burketown to the north, south to the North West Highlands, and south east to the Northern Downs. The key service centres of Mount Isa, Cloncurry, Julia Creek, Richmond, Hughenden, Winton and Burketown are located within this region.

These local government areas were valued in the 2020 annual valuation:

- Burke Shire Council
- Cloncurry Shire Council
- Flinders Shire Council
- McKinlay Shire Council
- Mount Isa City Council
- Richmond Shire Council
- Winton Shire Council

Located on the north western extremity of Queensland on the Gulf Plains, Burketown is the principal town of Burke Shire and its administrative and service centre. The last statutory valuation undertaken in Burke was in 2014.

Burketown's property market is small with few transactions occurring each year. There is no active market in the town and sales are limited and inconsistent. The most recent evidence however, supports a reduction in the sale prices of residential allotments, and moderate decreases in land value have occurred across all sectors within Burketown.

Cloncurry is the principal town of Cloncurry Shire and is the administrative and service centre for the district. The major focus of the town is the provision of support services for the mining and pastoral industries, and has historically had a strong railway support presence. The last annual valuation undertaken in Cloncurry was in 2016.

With a small population, Cloncurry's market is sensitive to supply and demand pressures. An oversupply of housing released onto the market through an asset disposal program has placed downward pressure on sale prices, as vendors meet the market expectations. Added to that is the high cost of construction, which limits the 'buy-build' model and demand for vacant land.

As a result, the Cloncurry market has experienced a significant reduction in land values across the majority of urban sectors, with the exception of the industrial market, which has proven more resilient. Minor reductions to industrial land values have occurred.

Hughenden is the principal town and administrative centre for Flinders Shire. It is located on the eastern extremity of the Northern Downs, the western extremity of the Einasleigh Uplands, and the upper reaches of the Gulf river systems. The last annual valuation undertaken in Flinders was in 2014.

The Hughenden property market is small, with few transactions occurring each year. Historically, there has been a large stock of vacant serviced residential allotments within the town, which has generally kept a cap on sale prices and values within this sector. Reduced demand in recent years for residential land has resulted in moderate decreases in residential land values in Hughenden.

Land supply in most other urban sectors is more balanced with the demand and minor increases have been identified in the industrial and rural residential properties, whilst valuations of the commercial lands have remained static.

Julia Creek is the principal town of McKinlay Shire Council and is the council's administrative and service centre. It is located on the north western parts of the Northern Downs and abuts the upper reaches of the Gulf river systems. The last statutory valuation undertaken in McKinlay local government area was in 2014.

Julia Creek's property market is small with few transactions occurring each year. There has been a limited number of vacant land transitions occurring over the last six years.



Cawnpore Lookout outside of Winton (Photo courtesy of Department of Natural Resources, Mines and Energy)

6 Source: Meat and Livestock Australia, www.mla.com.au

7 Source: Sheep Central, www.sheepcentral.com

Slight reductions in urban land values have occurred across all sectors within Julia Creek, albeit from a low base.

Mount Isa City Council is located in North West Queensland on the Barkly Highway approximately 890 kilometres west of Townsville and 200 kilometres east of the Northern Territory Border. The principal urban settlements are Mount Isa and Camooweal. The city is known for its iconic silver-lead-zinc mining operation at the centre of the North West Mineral Province. The last statutory valuation undertaken in Mount Isa was in 2016.

During 2015, several mine closures or restructures had a negative impact on Mount Isa's labour force. This created an oversupply of available housing stock, and with it a fall in rental returns and sale prices. Sales volumes also started to retract. The property landscape started to experience distressed sale transactions which accounted for around 30 per cent of all housing transactions. The median house price over this period has declined, however has stabilised recently; sales volumes however, are still low.

High construction costs have meant there is little demand for vacant land sales, to undertake a 'buy and build' proposition. It is cheaper to buy an existing product or renovate an existing product. Purchasers have been selective with parcels located in social housing suburbs, where vendors have had to meet the market and lower their expectations. The relaxation of yields has also placed downward pressure in the investment market.

As a result, significant reductions in residential land values have been experienced in the majority of Mount Isa's suburbs. This downward trend is less evident in the industrial markets, where reductions are still evident, albeit minor to moderate. The rural residential market has also experienced a minor reduction in land value.

The other town in the local government area is Camooweal. This market is not aligned to the mining sector, so has not been affected to the same extent as Mount Isa. A moderate reduction in value has occurred, however from a low base.

Richmond is the principal town in the Richmond Shire and is its administrative and service centre. It is located in the centre of the Northern Downs and abuts the upper reaches of the Gulf river systems. The last statutory valuation undertaken in Richmond was in 2014.

The Richmond property market is a small market, with few transactions occurring each year. There has been an absence of vacant land transactions over the last six years. Significant increases in land value have occurred across all sectors within Richmond, albeit from a low base.

Winton is the administrative and service centre of Winton Shire and is located in Western Queensland on Landsborough highway approximately 177 kilometres northwest of Longreach. The last statutory valuation undertaken in Winton was in 2014.

Winton's urban property market is small with few transactions occurring each year. There has been a dearth of vacant land transactions occurring over the last six years and, as such, all urban values in Winton Shire have remained static.

Primary production lands in the North West are dominated by beef cattle breeding and growing enterprises.

Gulf country grazing properties are considered value for money and demand exists from both family enterprises looking to expand, and/or seeking grass and fodder, and corporate investors who see these properties as agribusiness investments and an asset class for corporate institutional investors.

Drought in most of Queensland has resulted in continued destocking, which has previously impacted on sale yard prices for plainer lines of cattle. The North West Highlands and Barkly Tablelands area experienced a reasonable wet season and is one of the areas in Western Queensland that is not drought declared. Pastoral lands within this area are closely held and there has been a scarcity of sales in the area. In spite of this, sales outside the area have been used to demonstrate a level of value. These sales, together with the historical evidence, support a moderate increase in the new levels of land value.

The fundamentals of the cattle industry are positive, with low exchange rates, low interest rates and a solid demand for domestic and export beef products. Demand is increasing for low cost breeding country to facilitate herd build up and turnoff options for adult cattle. When compared to prices paid in other parts of the State, the Northern Downs, and Desert Uplands are being increasingly seen as an attractive proposition

The Northern Downs has experienced about seven years of severe drought and remains drought declared. Despite the drought conditions, properties have continued to sell over that period, although volumes are down. Those property sales have demonstrated there has been no deterioration in the property market. Sales activity has continued to grow with market values trending upwards.

The Northern Downs was affected by the unprecedented flooding event which occurred in February 2019. The flood event resulted in significant property damage. Limited effective rainfall since has resulted in a poor pasture response in many areas. A secondary rain system occurred later in March 2019 and was mainly confined to the range country in the west and south-west.

Since the flood, property sales in the Northern Downs market have continued to occur. The fundamentals of industry are positive, with a low exchange rate; low interest rate and a solid demand for domestic and export beef products. Demand exists for low cost breeding country to facilitate herd build up, and demand exists for turnoff options for adult cattle. When compared to prices paid in other parts of the State, the Northern Downs are considered a good option.

Producers are repositioning themselves to take advantage of these opportunities. As a result, moderate increases have occurred in those Northern Downs lands which had not been impacted by flooding. Where abnormal flooding did occur and depending on the severity, it's recognised that no change to the land values has occurred on lands with major disabilities.

As part of the 2020 statutory valuation, a full review of rural valuations in Winton Shire was undertaken to improve

uniformity between valuations. This market based review has resulted in varied changes to valuations being issued.

Rural

Continued optimism generally surrounded Queensland's 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, and low interest rates.

Rural land values have continued to grow on the back of landowner expectations. Generally, the bulk of market purchases are by existing family businesses acquiring additional property, using scale to deliver farming operation efficiencies.

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 most primary producers are still waiting for rains to start before re-stocking after the prolonged drought conditions.

The Eastern Young Cattle Indicator reflects the current continued drought 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
- 31 January 2020: 525 cents/kg/cwt⁶

High commodity prices for wool continues. In 2017, the price was at 1822 cents/kg and currently it is 1609 cents/kg.⁷

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.



Photo courtesy of Shutterstock

⁶ Meat & Livestock Australia, <https://www.mla.com.au>

⁷ Sheep Central, <https://www.sheepcentral.com>

Overall percentage change by local government area 2020 annual land valuation

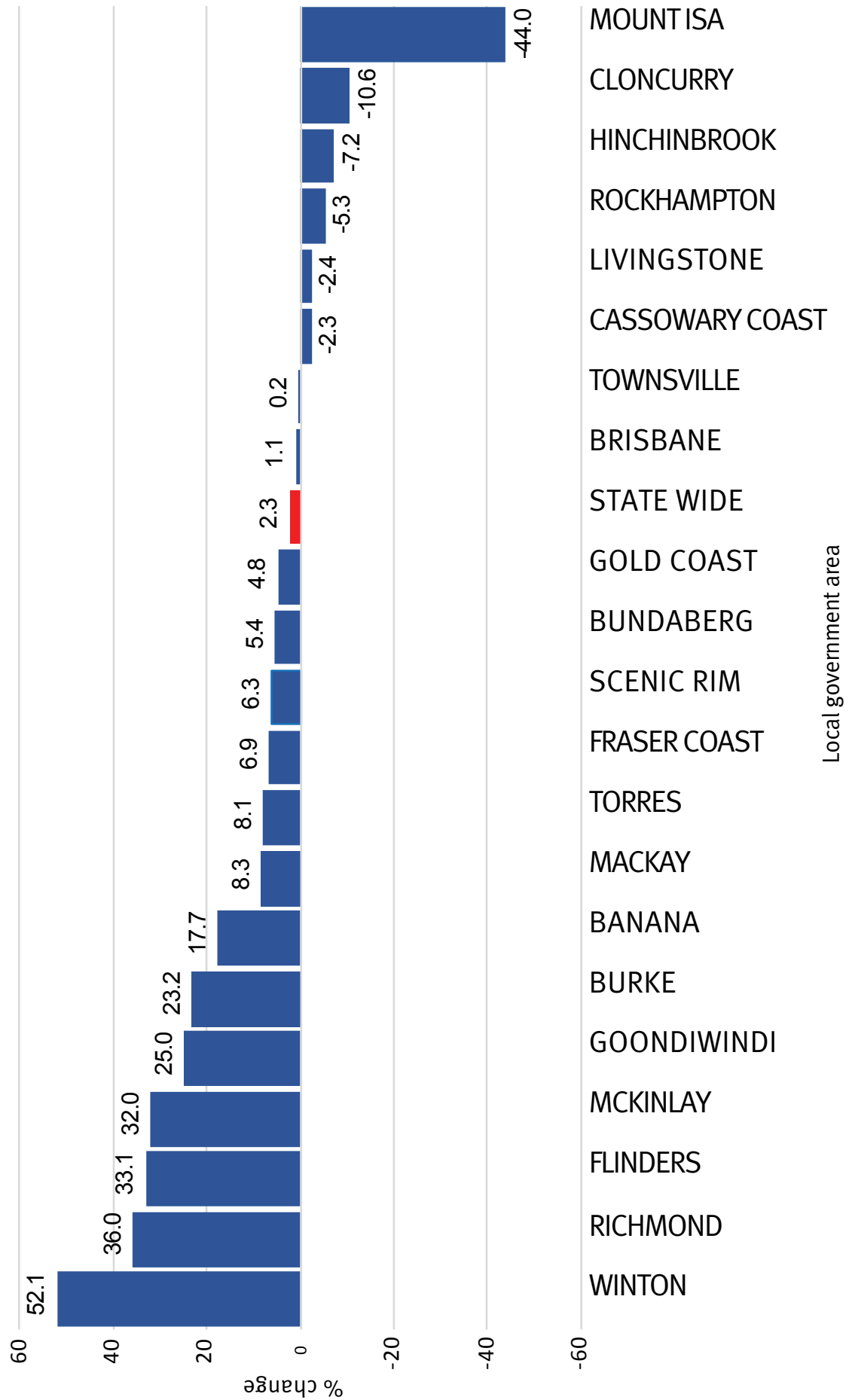


Figure 3: Overall percentage movement in total value since the previous annual valuation for the whole state and all local government areas valued in the 2020 annual valuation

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 2020 annual valuation

Local government area	Residential		Rural Residential	
	New median value (\$)	Median value change (%)	New median value (\$)	Median value change (%)
Banana	51,000	-20.3	64,000	-13.5
Brisbane	460,000	1.1	660,000	0.0
Bundaberg	117,000	0.9	104,000	0.0
Burke	29,000	-37.0	18,000	0.0
Cassowary Coast	62,000	-8.8	102,000	-9.7
Cloncurry	25,000	-58.3	70,000	-36.4
Flinders	8,500	-26.1	20,000	0.0
Fraser Coast	136,000	5.4	124,000	6.0
Gold Coast	355,000	2.9	420,000	7.7
Goondiwindi	75,000	0.0	126,000	-0.4
Hinchinbrook	46,000	-17.9	98,000	3.2
Livingstone	128,000	-0.8	162,500	-5.8
Mackay	150,000	5.6	152,500	-3.2
McKinlay	9,000	0.0	41,500	-23.2
Mount Isa	42,500	-54.8	207,500	-18.6
Richmond	11,600	54.7	40,000	95.1
Rockhampton	99,000	-5.7	130,000	-7.1
Scenic Rim	170,000	1.5	250,000	5.3
Torres	210,000	10.5	152,500	3.4
Townsville	144,000	1.1	187,500	-1.3
Winton	15,000	0.0	50,000	0.0

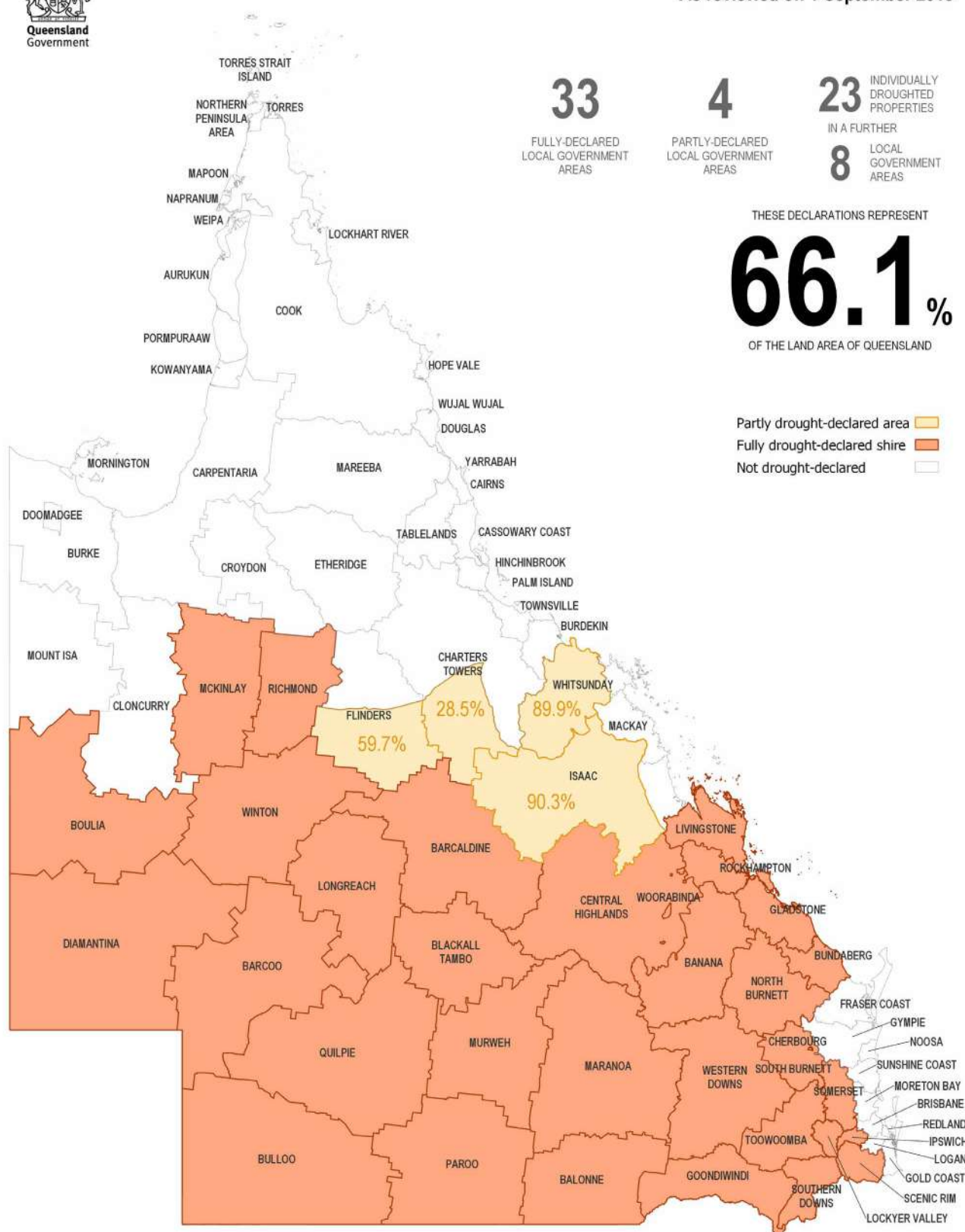
Table 2: New total value and percentage movement in total value for commercial, industrial, multi-unit and primary production land since the previous annual valuation in local government areas valued in the 2020 annual valuation

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 (%)
Banana	2,705,500	-19.9	15,631,500	-6.0	34,640,200	-10.3	1,706,089,600	26.3
Brisbane	25,531,591,700	0.8	19,476,329,100	-1.5	12,613,211,500	0.2	74,938,500	1.3
Bundaberg	263,577,500	7.8	438,096,800	2.8	144,736,500	2.2	719,095,600	46.6
Burke	NA	NA	806,000	-34.8	578,000	-20.5	64,808,100	31.5
Cassowary Coast	52,610,500	-5.3	109,379,300	-5.7	57,529,600	-3.4	396,682,900	19.6
Cloncurry	464,500	-46.5	6,418,600	-34.9	23,334,320	-8.1	102,607,700	29.3
Flinders	NA	NA	777,400	-4.3	2,877,400	17.2	339,458,100	35.1
Fraser Coast	289,790,300	4.0	408,144,200	2.3	163,515,300	-2.0	331,439,100	44.3
Gold Coast	17,763,780,500	2.1	4,552,444,600	6.8	4,585,532,500	21.1	246,406,200	100.6
Goondiwindi	2,118,000	0.0	69,188,150	9.5	36,391,400	11.5	1,062,764,200	37.9
Hinchinbrook	6,561,500	-14.1	32,920,000	-11.8	17,148,700	-0.7	312,342,900	0.1
Livingstone	77,639,500	-5.9	70,927,300	-8.6	48,656,000	-9.9	265,417,400	10.3
Mackay	271,970,500	10.0	615,477,500	14.7	600,850,710	47.9	479,392,280	24.9
McKinlay	NA	NA	501,200	-9.0	1,835,000	27.0	240,370,200	32.9
Mount Isa	28,973,500	-41.5	45,183,900	-46.0	65,293,900	-13.3	50,125,400	31.8
Richmond	NA	NA	619,300	10.2	774,500	40.8	190,145,600	35.9
Rockhampton	133,881,200	-6.5	430,100,500	-4.3	184,944,570	-18.9	290,698,400	10.0
Scenic Rim	49,435,500	2.0	175,456,500	4.3	81,720,800	4.4	1,218,161,820	11.0
Torres	33,633,000	9.5	32,420,500	13.3	12,211,000	9.3	1,115,000	5.2
Townsville	748,636,100	-0.3	1,060,251,000	1.2	905,754,142	-1.5	80,868,500	0.0
Winton	79,500	0.0	1,814,750	4.0	1,027,250	0.0	287,308,600	55.3



QUEENSLAND DROUGHT SITUATION

As reviewed on 1 September 2019



The Long Paddock

www.longpaddock.qld.gov.au

Information contained in this publication is provided as general advice only. For application to specific circumstances, professional advice should be sought. The Department of Agriculture and Fisheries, Queensland, has taken all reasonable steps to ensure the information in this publication is accurate at the time of publication. Readers should ensure that they make appropriate inquiries to determine whether new information is available on the particular subject matter.

Figure 4: Queensland drought situation as at 1 September 2019

Source: www.longpaddock.qld.gov.au

The background is a solid teal color. In the top left corner, there is a pattern of small, light teal dots arranged in a grid. To the right of this, there are several overlapping circles. One circle is a lighter shade of teal and contains a pattern of wavy lines. Another circle is a darker shade of teal and contains a pattern of vertical lines. A third circle is a medium shade of teal and contains a pattern of horizontal lines. The text 'qld.gov.au/landvaluation' is centered in the lower half of the image.

qld.gov.au/landvaluation