Valuer-General’s 2013 Property Market Movement Report
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Valuer-General’s foreword

I am pleased to present this year’s property market movement report ahead of the release of the 2013 annual statutory land valuations on Wednesday 20 March 2013. This year, following a market survey for all local government areas and consultation with local government and industry groups, 27 local governments have been valued in accordance with the Land Valuation Act 2010.

A market survey report for a local government area details the sales of land in the area since the last valuation was made and the probable impact of the sales on the value of land in an area, if an annual land valuation were to be made. In addition, valuers also consider the types of issues that impact on the value of the land such as the state of the economy, the effects of the mining boom, commodity prices and population growth.

The 27 local government areas receiving annual new valuations this year are Banana, Brisbane, Cairns, Cassowary Coast, Central Highlands, Cloncurry, Fraser Coast, Gladstone, Gold Coast, Gympie, Hinchinbrook, Ipswich, Isaac, Lockyer Valley, Logan, Mackay, Maranoa, Moreton Bay, Mount Isa, Redland, Rockhampton, Scenic Rim, Somerset, Sunshine Coast, Townsville, and Western Downs.

The new valuations will take effect on 30 June 2013 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 2013 Annual Valuation program for Queensland by a team of regionally based registered valuers in the State Valuation Service (SVS), Department of Natural Resources and Mines.

Since the last valuation, I have continued to focus on business improvement initiatives in the SVS. This year, landowners who do not agree with their new valuation and can provide sufficient information to demonstrate that their statutory valuation is incorrect, are able to lodge objections online at www.dnrm.qld.gov.au.

Those landowners without internet access can still lodge their objections on hard copy forms. In addition, I have updated our website and enhanced the residential market tables for major residential localities so that they are easier to access through an interactive map based approach. The valuation listing – a searchable list of Queensland’s statutory 2013 annual valuations is again available online and in hard copy locations at certain locations. This information assists landowners to understand how their new valuation compares with other valuations.

This year’s overall percentage movements in land valuations in the 27 rateable local government areas revalued are summarised below:

- eight local government areas recorded an overall increase in value
- two local government areas (Cloncurry and Mount Isa) recorded an overall increase in value of between 20 and 25 per cent. Of the remaining six local government areas that increased, five recorded an increase in value of up to 5 per cent (one increased by 7.3 per cent)
- nineteen local government areas recorded an overall decrease in value
- the largest overall decrease in value was 11.2 per cent for the Gympie Local Government Area
- six local government areas recorded an overall decrease of between five and 10 per cent
- twelve local government areas recorded an overall decrease of up to 5 per cent.

Due to the variation in land value movements within each local government area, this report focuses on median land values to accurately reflect how values have changed. Median values were also determined for the 2012 valuation – enabling a median comparison between this year’s and last year’s valuations to be made.

Table 1 presents the 2013 median values and the percentage movement in the median value for each land use category since the last annual valuation was issued in March 2012. The key conclusion that can be drawn from Table 1 is that the property market in Queensland is generally subdued in most sectors with the exception being those areas influenced by the resources sector including the mining, gas, energy and mineral processing industries.

Outside of the resource sector investment, the property market remains subdued and is influenced by slower global growth and fiscal consolidation, weaker labour market conditions and consumer caution. The latest Building Approvals data from the Australian Bureau of Statistics states that the total number of dwelling units approved in Queensland rose 1.2 per cent in January 2013 after falling for five months. The trend estimate for the number of private sector houses rose 0.3 per cent in January after falling for ten months. There has also been a continued moderation in population growth in Queensland and the forecast trend is that growth will continue to be slow. These combined factors have led to the slowing of vacant residential land sales and have influenced the general softening of residential land values in Queensland.

Generally, commercial and industrial land valuations have remained unchanged from last year, with the exception of those areas affected by the expansion in the resources sector or those local economies reliant on tourism.

The decline in tourism growth has affected land valuations in tourism-dependent markets such as Cape Tribulation, Mission Beach, the Whitsundays and the Gold Coast. This is due in part to the strong Australian dollar, and the deteriorating economic conditions in the northern hemisphere.

Rural land values are generally steady across Queensland with softening of some markets in certain locations.

Neil Bray
Valuer-General
State Valuation Service
Local Government Areas Valued in 2013

Figure 1: 2013 Annual Valuation – local governments valued
Introduction

There are two methodologies 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, fences). Site value includes site improvements made to the land such as earthworks (e.g. levelling, filling, or drainage works). Excavations associated with a building are not included in site value.

Unimproved value is used to value rural land. It is the amount that rural land could be expected to sell for, at the date of valuation, without physical improvements such as houses, fences, dams, levelling and 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 1 shows a breakdown of the total number of valuations, of the different land use categories within each region as a percentage of the total.

Property market movement

Generally, the Queensland property market has been subdued over the past 12 months and the volume of property lodgements recorded with the Registrar of Titles has been consistent to that experienced in 2011, which were the lowest level for a decade.

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

- supply and demand
- consumer confidence
- availability of finance
- local and global economic factors
- the effects of extreme weather events.

Market movement between valuations

Of the 27 local governments valued this year:

- eight local government areas recorded an overall increase in value
- two local government areas (Cloncurry and Mount Isa) recorded an overall increase in value of between 20 and 25 per cent. Of the remaining six local government areas that increased, five recorded an increase in value of up to 5 per cent (one increased by 7.3 per cent)
- nineteen local government areas recorded an overall decrease in value
- the largest overall decrease in value was 11.2 per cent for the Gympie Local Government Area
- six local government areas recorded an overall decrease of between five and 10 per cent
- twelve local government areas recorded an overall decrease of up to 5 per cent.

Overall market trends

The large reductions in land values for the multi-unit residential, commercial and industrial markets which had been evident in 2011 have slowed in 2012 with a stabilisation of values being experienced over the past 12 months. The market is still being driven by:

- prevailing economic uncertainty
- tight credit conditions
- a slowdown in mining infrastructure expenditure and construction activity
- a high Australian dollar.

However, these drivers are offset by:

- a tightening rental market
- an undersupply of vacant land stock, and
- an increase in tourism outlook, particularly in tropical north Queensland.
The mining and gas industries continue to influence the property market. The boom period, where there was a rapid escalation of property value in Central and South Western Queensland, has contracted with values stabilising. Metalliferous (hard rock) mining and exploration continue to underpin the strong growth in North West Queensland.

This year’s annual valuation statistics show variations in land values over a twelve month period since the 2012 valuation. Table 1, on page 11, shows the previous (2012) median value, the new (2013) median value and the percentage change in median value for each land use category within each of the 27 local government areas that have been valued this year. Land use categories include residential, multi-unit residential, commercial, industrial, rural residential and primary production.

Brisbane has experienced minimal overall change in residential land values. In general, higher end properties recorded reductions in value, while the more affordable land, predominately in the outer suburbs continued to increase in value. The flood impact allowances that were made to residential properties in 2011 have been maintained in the 2013 valuation.

Residential values in the greater south east of Queensland have experienced very minor changes in value, with the Gold Coast experiencing a slight softening within the residential market.

Major provincial cities along the Queensland coast, such as Cairns and Townsville, have experienced a stabilisation in the value of residential land since the 2012 annual valuation. However, provincial towns reliant on mining activity in rural markets resulting in softening land values.

The value of multi-unit residential land in Brisbane remained steady with minor changes overall. The commercial and industrial markets in Brisbane have recorded minor variations to land values.

Other local government areas surrounding Brisbane including the Gold Coast, Logan, Moreton Bay, Ipswich and Redland have also shown little variation in a flat market in the commercial and industrial sectors. The exception is the Gold Coast where values continue to decrease.

The resources boom is continuing to influence the market, with hard rock mining, particularly in the North West, leading to general increases in value across all urban sectors in the towns of Mount Isa and Cloncurry. Communities within the coal basins have experienced a softening in capital expenditure which has translated to a slowdown in the demand for property.

Generally, across Queensland there is limited sales activity in rural markets resulting in softening land values within the grazing, horticultural, small crop and dry land farming industries. The volume of grazing sales in western local government areas has been slowing since 2008. Commodity prices, including beef, mutton, grain crops and sugar have softened in recent times.

Sales transactions including premiums paid by mining companies for future resource development have not been used to determine statutory unimproved values.

Brisbane

The movement in Brisbane residential land values has been mixed since the last annual valuation was issued in 2012. Of the 182 suburbs in Brisbane, 22 suburbs increased in value by up to 11 per cent. Thirty-nine suburbs reduced in value with the majority of these being under 8 per cent and the remainder recorded no change in value.

The flood impact allowances of 10–25 per cent that were made to the land values of approximately 15,000 flood-affected residential properties in Brisbane in 2011, have been maintained in the 2013 valuation. Sales within these areas since the last valuation have supported the application of the flood allowances. Adjustments will be made to these land values in future years in line with market evidence.

Brisbane residential land values have recorded an overall decrease of less than 1 per cent. Twenty two suburbs including Bracken Ridge, Acacia Ridge, Ferny Grove and Kenmore increased in value with median increases of less than $30,000.

The higher valued inner northern suburbs of Brisbane including Ascot, Hendra, Clayfield, Hamilton, and Wilston reduced in median value by 3-10 per cent while the southwest inner suburbs of St Lucia, Toowong and Auchenflower decreased by 1.7.5 per cent. The decreases in median value ranged from $20,000 to $70,000.

Thirteen suburbs showed an increase of less than 6 per cent.

In general, higher end properties recorded reductions in value while the more affordable land, predominantly in the outer suburbs, continued to increase in value.

Twenty-eight suburbs, including many inner residential suburbs of Brisbane reduced in value by less than 6 per cent.

Multi-unit residential land values in Brisbane have remained steady with minor changes overall from the previous valuation in 2012.

The Brisbane CBD commercial office and retail markets have remained steady since valuation in 2012. Indications are that investor confidence is returning to this market but sales activity is limited. Some increases have been evidenced in areas such as South Brisbane, Fortitude Valley and Newstead where opportunities to transition some land from an industrial classification to commercial or medium density residential use is available to developers.
Sales activity for suburban commercial and industrial land was limited in 2012. There were insufficient sales transactions to support any overall movement in value; therefore, land values for these sectors remain unchanged since the last valuation issued in 2012.

Brisbane values overall across all sectors showed a modest decrease of less than 1 per cent since the last valuation issued in 2012.

Greater Brisbane

The greater Brisbane area includes the local government areas of Redland, Logan, Ipswich and Moreton Bay, which surround the Brisbane City local government area.

A very small movement in value of less than one per cent overall occurred in the Redland City. The decrease in value was due to reductions in Stradbroke Island and the bay islands land values and the few remaining lands valued as a farming business, that decreased by an average of approximately 10 per cent. Other locations and land types generally did not change.

Residential land values in the City of Logan on average showed no change in value. Land values in the newer parts of Underwood resulted in an average minor increase of approximately 10 per cent. Conversely, residential and rural home site lots in the southern areas resulted in moderate decreases of 10 to 20 per cent. The median residential land value remained at $178,500. Commercial, industrial and multi-unit residential land values showed no overall movement in value, with minor decreases in Beenleigh and some Loganholme commercial properties. The few remaining lands valued as a farming business showed an average reduction of approximately 10 per cent.

In general the Moreton Bay Regional Council residential market is largely static with housing demand still focussed on the sub $400,000 market. The median house price and land value of around $375,000 and $197,500 respectively, has generally remained unchanged since the last valuation in 2012. Across Moreton Bay Regional Council area land value movements vary from no change to small reductions of less than 10 per cent on the mainland, while parts of Bribie Island and the Redcliffe Peninsula have seen moderate falls over 10 per cent.

The continuing economic uncertainty has seen subdued retail and commercial activity with land values in commercial lands ranging from no change in value to reductions of up to 10 per cent in the main areas. Multi-unit residential and commercial lands along the Redcliffe Esplanade have fallen by around 20 per cent reflecting the lack of demand for development sites.

Industrial land values have generally fared better than commercial areas with values holding firm to small decreases of 5 per cent on average since the last valuation in 2012.

Rural residential values have generally mirrored other residential areas with land values remaining the same or showing small reductions of up to 10 per cent since the last valuation in 2012. Farming land values have fallen by around 10 per cent.

Ipswich City Council land values as a whole experienced a minor reduction of approximately 2 per cent. The reduction was the result of a fall in the value of land in some residential and rural areas of the city. The median residential land value in the city reduced from $139,000 to $137,000. Lands valued as a business of farming showed an average reduction of 4 per cent. Commercial, industrial and multi-unit residential land values showed some variations. However, there was no overall change in value across these market segments.

Gold Coast

The overall value of Gold Coast land fell by approximately 4 per cent since the 2012 valuation. Residential land values generally moved within a range of no change to decreases of approximately 14 per cent in value at Coolangatta, where the median residential land value is now $305,000; no overall change was made in some hinterland areas such as Pacific Pines where the median residential land value remains at $197,500. Commercial, industrial and multi-unit residential land values fell by 4.5, 6 and 8.5 per cent respectively, with Surfers Paradise values reducing by approximately 9 per cent overall.

South East Queensland

For the purposes of this report, the South East region encompasses the valley areas to the west of the Greater Brisbane area, north to Fraser Coast and Gympie regional council areas.

The valley’s regional council areas of Scenic Rim, Lockyer Valley and Somerset all resulted in minor overall reductions in value.

Land values in the Scenic Rim Regional Council area decreased overall by 5.7 per cent. There were similar reductions to residential, rural living, commercial, industrial and farming land values across the Region. Residential lands in townships such as Boonah in the western part generally held their value while Mount Tambourine and Kooralbyn values decreased by an average of 10 per cent. Values in the major town centre of Beaudesert generally decreased by 5 per cent. Overall the median residential land value fell from $162,500 to $152,500.
Lockyer Valley Regional Council land values fell by 6 per cent overall as a result of a general softening in the market. The median Gatton residential land value fell from $102,000 to $97,000. Farming lands across the region were generally reduced by 5 to 10 per cent.

The overall reduction in value in the Somerset Regional Council area was 7.6 per cent. Northern towns and village values such as Linville and Moore experienced greater falls in value of up to 25 per cent. Farming lands throughout the area generally decreased by 5 to 10 per cent with some greater reductions of up to 20 per cent applied to the larger and more remote properties in the northern part. Residential lands in the towns throughout the district generally decreased by 10 to 15 per cent. Median values for residential land in the township of Esk remain stable at $98,000.

Recent extreme weather events saw significant flooding in the Gympie and Fraser Coast areas with the urban centres of Gympie and Maryborough widely affected. Those areas where historical flooding was already recorded, the statutory valuations will already reflect those occurrences. However, the impact of any new flooding was also considered in the review of valuations. Where permanent damage has occurred land owners are encouraged to contact the department and provide details of the damage along with supporting information such as photographs and diagrams.

Affordability continues to be a major factor in this region with residential housing activity still centred on the affordable housing market – being sub $350,000 in the Fraser Coast – Gympie region and sub $500,000 in Sunshine Coast. Vacant land activity is subdued with building approvals remaining below historic averages mainly due to the appeal of established homes at reasonable price levels.

The Sunshine Coast has seen a small decline of around 2 per cent in residential values since 2012 with the median land value reducing to $205,000. Residential land values have fallen 10 per cent in Noosa while other coastal localities from Coolum to Caloundra range from no change to small reductions of 5 to 10 per cent. Nambour and the small railway towns from Cooran to Beerwah have generally fallen from 5 to 10 per cent.

The Gympie Regional Council area has experienced a moderate fall in land values with the median residential value falling by around 12 per cent to $90,000. Farming lands across the region were generally reduced by 5 to 10 per cent common across most towns and villages. Similarly in the Fraser Coast regional council the city of Maryborough, smaller coastal towns and hinterland villages have fallen by around 5 to 15 per cent. Within Hervey Bay the higher valued lands along the Esplanade have fallen by around 10 per cent while the balance of the urban area is generally unchanged. Overall the median residential land value in Fraser Coast has only fallen by 2 per cent to $116,000.

Rural home site impacts mirror the changes in the urban areas with values falling by up to 10 per cent in Gympie and Fraser Coast, whilst the Sunshine Coast varies from no change up to 10 per cent reduction.

Multi-unit land values in most areas have fallen with very little demand for new development sites. Median unit prices have fallen in the major centres which have continued to place pressure on developers looking to commence new projects. Impacts on land value range from small reductions of 5 to 15 per cent in the Sunshine Coast to moderate decreases of 10 to 25 per cent on the Fraser Coast.

Retail and other commercial activity has been slow across the region reflecting the overall economic uncertainty. This lower activity has led to land values falling in a number of areas with reductions of up to 5 to 15 per cent in the Sunshine Coast. Fraser Coast commercial lands have fallen by 10 to 20 per cent while Gympie has fallen by up to 20 to 25 per cent. Industrial lands have also fallen by up to 5 per cent in the Sunshine Coast, up to 10 per cent in the Fraser Coast and around 20 per cent in Gympie council area.

Farming activities such as cattle, cane, small crops and tree crops are significant enterprises throughout the region. Whilst 2012 saw relatively stable commodity prices, rising costs and extreme weather events have placed pressure on a number of land owners. Rural land values in the Fraser Coast and the Sunshine Coast have generally remained steady in the region with subdued market activity in most areas supporting existing levels. Sales evidence in the Gympie region indicates moderate falls of around 10 per cent in western areas with larger reductions of up to 20 per cent in the former Cooloola area centred on the Mary Valley and eastern parts of the council area.

South West Queensland

For the purposes of this report, the south-west region encompasses Toowoomba and the areas to the west and south-west of Toowoomba to the Queensland border.

The following local governments have been valued in the 2013 annual valuation:

- Maranoa
- Western Downs

Land values have generally increased in the last twelve months within the urban areas of Maranoa and Western Downs Regional Councils due to the expansion within the Surat Energy Basin and associated energy projects.

Within the major residential centres of Western Downs Regional Council, residential land values have continued to increase with the exception of the town of Dalby. Large increases have occurred within the towns of Chinchilla, Wandoan, Miles and Condamine and a moderate increase within the town of Tara. The two small towns of Drillham and Dulacca have also had large increases with median residential values increasing respectively, $6,900 to $20,500 and $10,800 to $27,000. Chinchilla median values have increased from $130,000 to $180,000 and Miles, $109,000 to $147,000.

The large increase in Wandoon is a result of the proposed resource activities and the shortage of available residential land. Median values have increased from $130,000 to $195,000.
The Dalby residential market is stable with no growth in values due to the adequate supply of available land for development.

There have been large increases in commercial and industrial values within the town of Wandoan. Chinchilla has seen moderate increases in industrial land values and no change within the commercial market. Within Miles large increases have also occurred in the commercial market and moderate increases in industrial land values. No change has occurred within these market sectors in Dalby.

Rural residential properties around Chinchilla have also shown large increases. Those lands suitable for residential development and rural residential properties around Chinchilla have also shown large increases.

Residential lands within the towns of Roma and Surat have experienced variable changes, ranging from large increases to no change. Median residential land values within the town of Roma has increased from $127,000 to $150,000. The flooded areas within the town of Roma have not changed in value.

Sales within the town of Yuleba have shown large increases and moderate increases have occurred in Wallumbilla. The town of Mitchell has shown a moderate increase, returning to level of values prior to the 2012 flood.

Commercial values have generally remained unchanged within the town of Roma, except for varying moderate increases and decreases within fringe areas of the CBD. Industrial lands have moderately increased in value for non-highway properties in the western area of the town of Roma.

Rural land values are generally static, except for properties within the Tara district, where sales have shown a moderate decrease.

Sales of rural land purchased by resource companies for the purposes of mining or other extractive industry are not used to determine statutory land values of rural land.

Central Queensland

For the purposes of this report, the central region encompasses Rockhampton and extends south to Miriam Vale, north to Bowen and west to the Queensland border.

The following local government areas have been considered in the 2013 Annual Valuation:

- Rockhampton Regional Council
- Gladstone Regional Council
- Banana Shire Council
- Mackay Regional Council
- Whitsunday Regional Council
- Isaac Regional Council
- Central Highlands Regional Council.

The Central Queensland property market overall can be described as firm with some areas still strengthening. Values generally have only shown minor changes or remained static. The exceptions are Gladstone and surrounds; the mining towns; and some areas reliant on tourism.

Market movements in Central Queensland’s residential valuations since the last valuation continue to be influenced by three main factors. They are the influence of the resources boom; the low activity of tourism in the region; and the tightening of the financial industry lending practices.

The major influence is the resource boom currently occurring in Central Queensland. Upward movement in residential valuations can be directly related to the level of expansion of mining infrastructure. Generally, any exposure has resulted in increases to residential land valuations, although the amount of movement has depended on the type and amount of exposure that has occurred since the last revaluation.

The greatest exposure has been in Gladstone Regional Council with small to moderate increases throughout its urban centres. Other increases have occurred in several of the regions coal mining towns, which include Collinsville, Clermont, Nebo, Capella, Tieri, Emerald and Glenden.

Residential values generally in the Central Queensland coal mining towns have remained strong through recent years. However the recent decline in the price of thermal coal has resulted in weakening mining activity; mines have closed and many have rationalised; and there has been reduced expansion and reduction to staff levels. As yet there is no sales evidence to demonstrate that this industry change has filtered through to the vacant residential market. However major softening in the residential rental market has already occurred and it is considered a matter of time before sale evidence will demonstrate a softening in the vacant residential land market.
The second influencing factor is the region’s reliance on the tourism industry. Tourist numbers have dropped significantly due to the deteriorating economic conditions in the northern hemisphere and the strong Australian dollar. This has led to a softening of high end residential land values in towns reliant on tourism, in localities such as Airlie Beach in the last several years. These markets are still depressed. However, many are now thought to have reached the bottom of this market cycle. Evidence of this can be taken from the strengthening of urban land markets in and around the holiday township of Agnes Waters.

The third factor relates to the tightening of credit markets and the shortage of money available for development projects. This factor has had more of an impact on the multi-unit and land subdivision markets. In these markets there has been low demand and the volume of market evidence has been very limited. However, where mining development has been an influence, this situation has been reversed and in some cases like Emerald there have been some increases in land values.

For markets with high tourism influence such as Airlie Beach development land has remained at levels that are associated more with rural homesteads.

As with multi-unit land, commercial and industrial land values generally have not changed. The exceptions have been the land uses and markets with strong mining support and the town of Agnes Waters. In towns such as Clermont, Moranbah and Gladstone, increases for such land uses have been moderate to large.

Rural markets throughout Central Queensland generally either remained static or softened. Sales evidence as a whole has been very limited.

The grazing market has been under the pressure of tightening finances, uncertainty in commodity markets, ongoing flood remediation and generally good bodies of feed reducing the need to purchase additional properties for grass. These factors have caused an overall weakening in the market and a number of varied small reductions in values throughout the region have occurred.

The region’s agricultural markets have generally remained static and therefore values remain unaltered. The stationary nature of values in these land uses can be attributed to a number of factors including: a number of consecutive good growing seasons in the grain industry; relatively high commodity prices in the sugar cane industry; and very limited market evidence throughout.

North Queensland

For the purposes of this report, the North Queensland region encompasses Townsville, south to the Burdekin, north to the tip of Cape York and west to the Queensland border and includes the city of Mount Isa.

The following local government areas have been considered in the 2013 Annual Valuation.

- Cairns Regional Council
- Townsville City Council
- Cassowary Coast Regional Council
- Hinchinbrook Shire Council
- Mount Isa City Council, and
- Cloncurry Shire Council.

The Cairns property market appears to have generally stabilised, after 5 years of falling values. The key industries of tourism and construction are still negatively impacted by the strong Australian dollar. However, increasing tourism numbers associated with the growing Chinese sector have raised confidence.

The residential and rural home site market within the Cairns locality has generally experienced very little change in value over the last 12 month period. Low rental vacancy rates have led to greater market turnover and a stabilisation of the established residential market. The push from the bottom and softening from the top has led to a compression of the value range within the housing market.

Residential land values within Port Douglas locality have generally stabilised following the declines of previous years. However, values have fallen in some other areas where the supply of land is still greater than demand. Values have been reduced at Wonga Beach and there were some market corrections north of the Daintree River.

Land values in the Babinda locality have reduced slightly due a lack of demand.

Distressed sales have been prevalent in the commercial, industrial and multi-unit market sectors. However, properties which are well located and have secured tenancies in place are still holding their levels of value. Land values in all three sectors have levelled out within the Cairns region over the last 12 month period. The Port Douglas locality has also experienced a levelling in the market for these land use categories. In other areas however, low visitor numbers and difficult trading conditions has continued to affect the viability of some commercial property. Values in the Cape Tribulation area have been reduced to reflect this.

For the Townsville City Council area, most market sectors have remained unchanged from the previous valuation in 2012, which can be attributed to the region’s strong and diverse economic base.
For the majority of residential land within the greater Townsville area, there has been little to no change in land values. However there has been a softening of values in the northern beach communities and on Magnetic Island.

The Townsville industrial market remains stable with little change in values. Following reductions in 2012, commercial land values overall have remained unchanged within the CBD and corridors.

The effect of Tropical Cyclone Yasi is still being felt in the Cassowary Coast local government area, particularly in the corridor from Bingil Bay south to Port Hinchinbrook including the communities of Mission Beach and Cardwell. The key drivers in these local economies are tourism related, which has been unable to ‘bounce back’ since the cyclone.

Values in the towns of Innisfail and Tully, as well as the small communities that surround them, have generally remained stable.

The Mission Beach area is still experiencing a softening in demand which is reflected in reductions in value. Further south at Cardwell and Port Hinchinbrook, the same phenomena is occurring.

The Herbert River localities within Hinchinbrook Shire have experienced subdued property markets over the past 12 months.

Residential land values in Ingham have seen very little change and whilst Ingham which experiences regular flooding, the known flood areas have been identified and allowances are already included in the land value.

The beachfront townships within the Herbert delta, such as Forrest Beach, Lucinda, and Taylors Beach, have experienced a slight reduction in values over the last 12 month period.

The Mt Isa urban market has benefited from the mining industry over the last couple of years. Demand for developed properties is strong and vacant land is constrained by supply. Residential land values overall have increased moderately since the last valuation in 2012. Moderate increases in value have also been experienced in the industrial sector which has been performing well.

The trend experienced in Mount Isa has also extended to the township of Cloncurry. Significant increases in value have been experienced across all sectors with the Cloncurry community.

Pastoral lands with the Mount Isa-Cloncurry localities generally comprise spinifex ranges and plains, together with areas of Mitchell grass downs. Values for the land types have generally remained stable over the last year.

North Queensland coastal farming is dominated by sugar cane production. Levels of value for cane lands have generally held firm over the last 12 months in the Herbert River, and Mulgrave Milling areas. There has been a slight softening of values in the Tully, Innisfail and Babinda Mill areas.

### Rural

Generally, across Queensland there is limited sales activity in rural markets resulting in a general softening of land values within the grazing, horticultural, small crop and dry land farming industries.

The combined effects of the deteriorating economic conditions in the northern hemisphere, interest rates, changes in bank lending policies, the persistent high Australian dollar and the overseas livestock trade ban have made potential purchasers cautious.

It is expected that this trend will continue until there is a sense of optimism in the broader economic market place. As a result, very few properties are being actively marketed and properties which are less productive are proving difficult to sell.

Limited sales have shown small to moderate reductions have occurred in the last twelve months in the locations of Cassowary Coast, Gympie, Central Queensland, Tara and South East Queensland.

In the western pastoral zone, the market peaked around 2008 and has since fallen back to around 2005–06 value levels. The market continues to be subdued, with very few sales transactions. Some areas have not recorded any sales since 2008.

There continues to be a small number of recent sales in the south west region in the Mulga and Warrego flood plain (salad bowl) markets. These properties are being sold more easily due to the overall smaller amount of capital required to purchase them. These sales are supporting no change to existing unimproved value levels.

Sales of 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.

The horticultural and small crop industries within the Lockyer Valley have generally recorded small reductions in value of up to 10 per cent in general. Better quality lands located in the Mary Valley and eastern parts of Gympie regional council have fallen by 10 to 20 per cent since 2012.

Where revaluations are occurring, reviews have been undertaken to determine the impact of recent severe weather events on statutory land valuations. A detailed review of valuations for flood-affected local government areas not being valued this year will be undertaken for the 2014 valuation program.

![Agricultural landscape](image-url)
Central Queensland’s agricultural markets have generally remained static and values unaltered. The stationary nature of values in these land uses can be put down to a number of factors including: a number of consecutive good growing seasons in the grain industry; relatively high commodity prices in the sugar cane industry; and very limited market evidence throughout.

Sugar cane and small crops land values within the Mackay and Whitsunday local government areas have not changed due to insufficient sales evidence to support any change in value.

The rural land market in north Queensland has continued to be stable. Both the sugar cane industry and the banana industry are still rebuilding following the damage caused by Tropical Cyclone Yasi.

Even though global sugar prices are still strong, the Australian dollar, poor harvests for consecutive seasons and the inability for some sugar cane growers to meet forward selling contracts has affected incomes.

The prospects of a good 2013 harvest and a continuation of strong commodities prices are drivers for renewed confidence within the sugar cane industry.
<table>
<thead>
<tr>
<th>Local Authority</th>
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<th>Median New</th>
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Table 1: New median value and percentage movement in median value since previous annual valuation issued in 2012, for whole local government area.