



Gross Rental Value Valuation Policy 3.103

Land – The Unit of Valuation, Gross Rental Value

Background

The *Valuation of Land Act 1978* requires that a Gross Rental Value be determined for land and entered into a valuation roll. The unit of valuation is determined according to the following policy.

Legislative Authority

Valuation of Land Act 1978 - Sections 4, 24, 26

Policy

Section 4 of the Valuation of Land Act defines land for the purpose of determining Gross Rental Value, taking into account two factors:

1. Rental value relates to an area actually or hypothetically available for occupation (land); and
2. Gross Rental Values are determined for the purpose of levying rates or charges on the owner of land (rateable land).

Gross Rental Values are to be determined on the basis of actual occupation or, where there is no actual occupation, on the most probable occupation.

No Gross Rental Value shall be entered in a valuation roll for less than a lot unless that portion **only** is determined as rateable land by a rating authority.

For Land in Common Ownership

Where there is more than one occupation within a single ownership, individual values are to be determined for each separate occupancy. The separate values are aggregated and entered into the valuation roll as a single composite value.

Where an actual and contiguous occupation extends across more than one lot, a single value shall be determined in relation to that occupation. Examples of contiguous land uses include:

- Open storage used in conjunction with an industrial building.
- Improvements erected across lot boundaries.
- Residential garden, pool, tennis courts etc used in conjunction with a house.



For Land in Differing Ownership

Where a single occupation extends across more than one ownership, the single value is to be apportioned to the separate ownerships and the apportioned values entered as separate values into the valuation roll.

The policy applies to all land regardless of the form of interest in land. For example, fee simple, leasehold or licence including any combination of these.

An occupation may extend across a reserve but not across other separately occupied land.

Strata Titles Act 1985 Section 63 requires that a separate value is determined for each strata lot. Where there is more than one occupancy within a strata lot the occupancies are to be individually valued and the separate values aggregated. Where a single occupation extends across more than one strata lot the single value is to be apportioned to the individual strata lots regardless of ownership.

In this policy a lot has the same meaning as defined under the *Planning and Development Act 2005* and additionally means land for which a separate Certificate of Title exists or could exist on application to the Commissioner of Titles.

Date Policy Came into Force

30 August 2000

Date of Most Recent Review

31 January 2006

Authorising Officer

A handwritten signature in black ink, appearing to read 'G Fenner'.

G Fenner, Valuer General