



Gross Rental Value Valuation Policy 3.113 Rating Rebate – Residence

Background

This office periodically receives requests to provide a separate Gross Rental Value for a residence where that residence is part of a non-strata multi-residential development or is located on a property also used for non-residential purposes. These requests relate to the granting of rate relief under the *Rates and Charges (Rebates and Deferments) Act 1992*.

Legislative Authority

Valuation of Land Act 1978 Section 24(1)(b)

Policy

On request from a rating authority, an apportioned Gross Rental Value will be provided for the purposes of a residential rebate calculation.

Valued on rental basis:

Where the existing value is based on rent, then the apportioned value shall reflect the residential component as it relates to the whole Gross Rental Value.

Valued on assessed value basis (% of capital):

Where the residence is on land additionally used for non-residential purposes and the Gross Rental Value is based on assessed value (5% of the capital value) then the apportionment of the assessed value will be calculated as per the following –

1. If the capital value is based on market value:

The apportionment will be based on the proportion that the residential portion contributes to the total value. If this contribution is nil or negligible, the minimum Gross Rental Value of \$20 should apply. Where the market value is entirely based on the underlying land value or where part (b) of the definition of Gross Rental Value applies (minimum 5% of site value) the apportionment should be determined using the approach described below for the Unimproved Value component of a capital value based on summation.

2. If the capital value is a summation of Unimproved Value and depreciated replacement cost:

The Unimproved Value relevant to the residential curtilage will be the proportion of the total property's Unimproved Value that the area of the curtilage bears to the area of the total property. The value of the residential improvements will be based on their contribution to the depreciated replacement of the entire improvements.



Date Policy Came into Force

24 April 2002

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