



## Unimproved Values – Rural Valuation Policy 4.311

### Rural Unimproved Value Adjustments for Uncleared Land

#### Policy

#### (A) Soil and Land Conservation Act 1945

##### 1. General Principles:

Clearing restrictions may result in a reduction to the value of land containing uncleared vegetation. The adjustment to the rating and taxing valuation value of qualifying land will depend on the restriction and vegetation details - i.e. a consolidated block of vegetation representing perhaps 10% of the total property area may receive an adjustment, whereas scattered shade/shelter belts, which comprise in aggregate a similar or even greater area, may not be reduced in value at all.

The effect on the market value of properties with areas of uncleared vegetation may be less in metropolitan fringe and hobby farm areas compared with broad area cropping and grazing districts.

##### 2. Details:

###### ***Two Level Adjustment Process:***

Adjustments to Unimproved Values will be considered at two levels.

(Level I) - Uncleared Vegetation not subject to a registered or formal Soil and Land Conservation Act agreement, but where clearing is unlikely to be permitted and a reduction in market value can be demonstrated.

(Level II) - Remnant Vegetation which is subject to a formal and/or registered clearing restriction, and where a reduction in market value can be demonstrated.

**Note:** Level (II) will normally receive a larger reduction than Level (I).

###### ***Examples of qualifying Land include:***

###### **a) Land subject to an “Agreement to Reserve” (must be fenced off):**

- where an adjustment is justified – the land will be valued on the basis of unproductive land



**b) Land subject to a “Conservation Covenant” or “Soil Conservation Notice”:**

- market unimproved value, taking restrictions and the nature of the remnant vegetation into account
- where an adjustment is justified, the land will be valued on the basis of unproductive land

**c) Small Properties Unviable as Agricultural Businesses:**

If subject to a Soil and Land Conservation Act Agreement or Conservation Notice, a nominal allowance will be made for the registration of the restriction on the Certificate of Title. Any additional allowance must be in accordance with property sales evidence used to determine market unimproved values for this type of land.

**d) Remnant Vegetation on Poor Land:**

Where the affected land already comprises significant areas of low or non productive land such as salt affected or rocky terrain, the reservation may have little effect on market value. In the assessment of Unimproved Value for rating and taxing purposes, Valuation Services already makes appropriate allowance for these low productivity lands. The overall value must reflect the market unimproved value.

**3. Implementation:**

This policy came into effect on 1 July 1998. The values are to be adjusted as the affected properties are brought to the attention of Valuation Services. Values are to be amended from 30 June following, unless otherwise approved by the appropriate Regional Valuer or Manager.

**Date Policy Came into Force**

1 July 1998

**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