

Revaluation 2017

Basic Principles Committee

Practice Note 3 Valuation of Land

1.0 Introduction

This Practice Note applies to the valuation of land which is not exempt from the Valuation Roll in accordance with statute.

Where an entry should be made on the Valuation Roll the subjects covered by this Practice Note include land used for a non-domestic purpose, land awaiting development, brownfield land and undeveloped land including a greenfield site.

2.0 Subjects excluded

Land with a structure (for example, a building) or land which is used for purposes which are covered by other Practice Notes, for example, storage yards, car parking or for a sporting use.

3.0 Basis of Valuation

Land is valued by application of the Comparative Principle using valuation rates derived from local rental evidence. Where local evidence is not available the Contractors Principle may be adopted.

4.0 Analysis

Appropriate analysis should be undertaken in accordance with the relevant SAA Basic Principles Committee Practice Note.

5.0 Measurement

The total area of the land should be calculated in square metres.

6.0 Valuation

The valuation of land should be undertaken by the application of a rate(s) per square metre decapitalised where appropriate.

7.0 Adjustments to Value

The valuation rate per square metre will reflect location and may take account of any site specific circumstances.

Additions and deductions are based on local rental evidence and should only be applied where evidence indicates a material effect on the value. The following are a few examples where additions/deductions may be made if they are not reflected in the valuation rate per square metre:

- Surfacing;
- Lighting;
- Fencing;
- Plant and Machinery (see below);
- Restricted access;
- Impacted by severe gradients;
- Subject to excessive flooding;
- Encumbered by a heritage in a ruinous state;
- Quantum.

8.0 Plant and Machinery

Rateable items of plant and machinery not covered by rental rates will be valued by application of the Contractor's Basis of valuation with reference to guidance and replacement costs contained in the SAA/VOA Rating Cost Guide. Examples include CCTV cameras and monitors, and sustainable drainage systems.

Care should be exercised to ensure that the value attributable to plant items valued on a cost basis and included in the comparative valuation of a subject is not out of proportion to the realistic total value of the lands and heritages.