

# Valuer General's Policy

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## Valuation of land occupied by licensed premises

**What** This policy guides valuers on the factors to consider when valuing land occupied by licensed premises for rating and taxing purposes.

**How** Under this policy, valuers assess the value of the land only, without including the value of structures or other improvements on that land.  
The value of applying for, gaining or having a current liquor license is not included in the land value.

**Why** This policy will ensure that the Valuer General's valuations of land occupied by licensed premises are:

- consistent and accurate
- transparent
- in line with the *Valuation of Land Act 1916* (Valuation of Land Act).

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# 1 Policy

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## 1.1 Assumptions and considerations

### Valuation assumptions

The value of applying for, gaining or having a current liquor license is not included in land values.

#### highest and best use

You must value land subject to a license in the same manner as other commercial land, under section 6A of the Valuation of Land Act.

#### licensed premise

#### environmental planning instrument

When you value land used for licensed premises the highest and best use will be based on the highest and best use allowed under the relevant environmental planning instruments. Activities that are generally associated with liquor licences such as clubs and pubs can still be considered as long as no value is attached to the actual licence.

### Heritage restrictions

There are occasions where licensed premises are affected by heritage restrictions under a Local Environment Plan or sections 123-125 of the *Heritage Act 1977*. In this case you must consider that the land can only be used for the purpose that it is currently being used. The valuation must still exclude the value of the liquor licence.

To value a property subject to a heritage restriction, refer to the policy for the valuation of heritage properties.

## 2 References

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### 2.1 Definitions

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<b>environmental planning instrument</b>	A legal document that regulates land use and development under state environmental planning policies and local environmental plans.
<b>highest and best use</b>	Valuation concept that refers to the possible use of a property that would give the highest market value. The use must be lawful, physically possible and financially feasible.
<b>licence</b>	A licence authorises the licensee to sell or supply liquor in accordance with the <i>Liquor Act 2007</i> and the conditions of the licence.
<b>licensed premises</b>	Licensed premises are defined in the <i>Liquor Act 2007</i> as the premises to which a licence relates. Premises includes: <ul style="list-style-type: none"> <li>• a building or structure, or</li> <li>• land or a place (whether built on or not), or</li> <li>• a vehicle, vessel or aircraft.</li> </ul>

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### 2.2 Laws and policies

<b>Governing NSW law</b>	<i>Valuation of Land Act 1916</i> (Valuation of Land Act) Section 6A
<b>Related Valuer General policy</b>	None

## 3 Context

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### 3.1 Role of the Valuer General

#### **The Valuer General for NSW**

In NSW, the *Valuation of Land Act 1916* establishes the Valuer General as the independent statutory authority responsible for ensuring the integrity of land valuations in NSW.

Valuation Services, Property NSW manages the valuation system on behalf of the Valuer General, outsourcing the majority of valuation services to private valuation firms.

The Valuer General is committed to an open and transparent valuation process that is easy for landholders to understand.

#### **The licensing of premises**

The licensing of premises to serve alcohol in NSW is governed by the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*.

## Copyright

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Any enquiries relating to the policy may be addressed to the Office of the Valuer General at [feedback@ovg.nsw.gov.au](mailto:feedback@ovg.nsw.gov.au)

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## Disclaimer

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The Office of the Valuer General has prepared this policy, but users should obtain independent advice when making any decisions drawing on this policy.

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## Document control

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### Approval

Name and position	Signature and date
Simon Gilkes, Valuer General	 05/05/2017

### Version

Number	Status	Date	Prepared by	Comments
0.2	Final	05/05/2017	OVG	Administrative update
0.1	Final	02/08/2016	OVG	Stakeholder consultation and review undertaken. No changes required
0.1	Final	20/11/2014	OVG	First release

### Next review

Date	Comments
May 2018	May be reviewed sooner following release or as needed