

Land Valuations in NSW

The NSW Valuer General values land in New South Wales (NSW) on behalf of the State Government. This results in approximately 2.4 million Land Values being made annually. These valuations are used by local councils and the NSW State Government to levy rates and taxes.

How often is your land valued?

All privately owned or occupied land is valued on an annual basis. To keep valuations consistent they are all made as at 1 July each year. You can access the latest valuation prepared on your property by visiting your nearest Lands office. We are also about to launch an online Land Value search facility on our website at www.lands.nsw.gov.au.

Local councils receive land valuations every 2-4 years from the Valuer General. These valuations are one factor used by councils to determine a landowners rating liability. The Office of State Revenue receives land valuations annually to establish land tax liability.

How is your land valued?

The valuations made by the Valuer General are called Land Values. They are the value of the land only and do not include the value of improvements to the property, such as a home. A Land Value does not, therefore, generally reflect the full price that could be obtained for the sale of the property.

Independent, professionally qualified valuation contractors carry out the valuations for the Valuer General. The valuers have substantial experience and knowledge of the property market in their allocated contract area.

Most Land Values are made using the "component method" of valuation. In this process properties that are similar, or are likely to change in value in a similar way, are placed together in groups called components.

Within each component at least one representative property called a benchmark is chosen. Benchmark properties are valued individually each year to measure how much the value of the land has changed.

Before undertaking benchmark valuations, valuers will inspect and analyse a large number of sales in a locality to gain an in depth understanding of what is happening in the real estate market. This information and the valuers experience, knowledge and expertise are then used to value the benchmark properties.

Each new benchmark value is then compared to the value of the benchmark from the previous year. This change in value for the benchmark property is then applied to all properties within the component.

The most direct evidence for assessing land value is to compare the property being valued with the sale price of comparable vacant land sold around the time of the valuation date.

Where there are limited sales of comparable vacant land, the valuer will look at sales of improved properties and make allowances for the added value of the buildings and structures.

When comparing property sales to the land being valued, the valuer will take into consideration factors such as land size, land zoning, nearby development, views and outlook, topography, public amenities, the effect of traffic and constraints on use.

Once they have been completed, all valuations are recorded in a central database called the Register of Land Values. The Valuer General then issues new valuation lists to councils for those local government areas (LGAs) that are to receive new valuations for council rating. Notices of Valuation are issued to ratepayers in those areas.

Approximately one third of councils in NSW receive new valuations each year.

What is happening this year?

The Valuer General will shortly be issuing new council valuation lists and Notices of Valuation as at 1 July 2004 for approximately 640,000 properties in 46 LGAs throughout NSW. If your property is not in one of these LGAs, you will soon be able to obtain your updated land value in the form of a Land Value search from the Department of Lands website at www.lands.nsw.gov.au.

The Valuer General will also provide the Office of State Revenue (OSR) with valuations, as at 1 July 2004, so that land tax liability can be established. OSR will issue land tax assessments during January 2005.

Importantly, rate and tax payers have the opportunity to query their valuation details. If you have any concerns regarding your valuation, the Department of Lands provides an information service on the toll free number found on your Notice of Valuation and with information included with your land tax assessment. Should you wish to formally object to the valuation, the Notice or assessment will tell you how to go about this.

What has the Valuer General done to ensure the accuracy of your valuation?

Valuation firms preparing values for the Valuer General are extensively scrutinized through an independent open tender and rigorous evaluation process before they are accepted to undertake the work.

All valuations are prepared under a standardised set of procedures to ensure that valuations are prepared in a consistent manner. Additionally, all valuations are subjected to an audit process including a number of internationally recognised statistical checks before they are approved and released to the public.

Land Values for all properties are checked to ensure that the values fall within the acceptable market range shown by the sales evidence. Where considered necessary, individual values are amended by the contract valuer.

What has the Valuer General done to improve the valuation system?

The valuation system is continuously being monitored and improved. The Valuer General has implemented a number of improvements over the past 12 months to ensure valuations are more accurate, cost effective and easy to understand.

The Valuer General wants to ensure communication with rate and tax payers is open and transparent. More information is being provided to rate and tax payers on the valuation process and the property market.

The following improvements have been or are being implemented:

- More information being made available on how your valuation was determined.
- Plain English communication for ease of understanding.
- Better access to valuation data and information.

You will shortly be able to access a wider variety of information on our website at www.lands.nsw.gov.au.

Feedback

The Valuer General encourages rate and tax payers to provide suggestions for further improvements to the valuation system. If you have a suggestion, please let the Office of the Valuer General know by contacting:

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