

Valuing rural land



Valuer General

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www.valuergeneral.nsw.gov.au

Rural land is land zoned for rural use or where rural activities are permitted.

How is rural land valued?

Land values in NSW are determined under the *Valuation of Land Act 1916*. Land value is the market value of your land only.

Property sales are the most important factor considered when determining land values.

Mass valuation

Rural land is valued like most other land in NSW, using a mass valuation approach.

This is where properties are valued in groups called components. The properties in a component have similar attributes and are expected to experience similar changes in market value.

Valuing a representative property

A representative property in each component is individually valued as at 1 July each year to determine how much the land value has changed from the previous year. This change is then applied to all properties in the component to determine their new land values.

To value representative properties, valuers compare sales evidence with the land they are valuing. Valuers consider all factors that influence the land's value such as:

- land classification
- soil type
- land size
- access
- location
- highest permitted use
- productivity of the land
- property market conditions as at 1 July in the year of valuation
- value as a lifestyle block.

Land classifications

Land classifications are common land classes based on general use such as cropping, grazing, irrigation and horticulture. They are further defined by consideration of physical features of the land such as soil, topography or timber.

Example

A property has 200 hectares of open grazing land and 100 hectares of steep timbered land.

By analysing sales a value per hectare is determined.

- \$3,000 per hectare for open grazing land
- \$500 per hectare for steep timbered land

To determine the land value:

| | | |
|-------------------------|-------------------------|------------------|
| Open grazing | 200 ha @ \$3,000 per ha | = \$600,000 |
| Steep timbered | 100 ha @ \$500 per ha | = \$50,000 |
| Total land value | | \$650,000 |

Properties may contain different land classes. When valuing these properties, a rate for each land class will generally be determined and applied.

Sales Analysis

Valuers analyse sales of both vacant land and improved properties to value land.

During this process:

- the sale price is adjusted to remove the added value of improvements, goods and chattels and unusual terms and conditions
- the sale price is adjusted to reflect the property market at 1 July in the valuing year
- a unit of measure such as rate per hectare is determined for each land classification.

Find your land value

- On your Notice of Valuation
- Visit www.valuergeneral.nsw.gov.au to:
 - use our land value search facility
 - access land values across NSW through the NSW Globe
- Call us on **1800 110 038**

Improvements not included in the value

Examples of improvements, goods and chattels that are removed from the sale price of rural land to determine land value include:

- stock, crops, plant and equipment
- buildings and structures such as homes, sheds and storage facilities
- plantations
- fencing and stockyards
- dam earthworks, contour banks or other works of irrigation or conservation
- pasture improvements
- the value of water
- plant and equipment for irrigation, stock and domestic water supply.

Land improvements included in the value

Land improvements, such as clearing timber or scrub, removing stone, draining, filling and retaining walls are included in the land value.

Irrigation properties

When determining land values, valuers do not include:

- the value of the water access licence
- works of irrigation such as dams and levelling
- irrigation plant and equipment
- the water associated with any water right.

However approvals for water use and water supply works reflect the ability of the land to be irrigated and are considered when determining the land value.

Why is my land valued?

Land values are used by local councils for rating and the Office of State Revenue (OSR) for managing land tax.

Rating

When councils receive new land values for rating, the Valuer General provides landholders with a Notice of Valuation.

Land tax

OSR use land values to determine taxable land value for registered, liable landholders. Land values are recorded on the land tax assessment.

Land may be exempt from land tax if the dominant use of the land is primary production.

Can I have my land value reviewed?

You must lodge an objection to have the land value or property information on your Notice of Valuation or land tax assessment reviewed.

You have 60 days to lodge an objection.

Our review kit helps you lodge an objection. It contains an information booklet, objection form and a valuation sales report.

The sales from the valuation sales report may be used to support your objection. If there has been limited or no sales of similar properties in your area you may need to consider sales of similar properties in other areas or sales that have been transacted in a different valuing year. However, changes to the market from those years will need to be taken into account.

Call us on **1800 110 038** or visit us at www.valuergeneral.nsw.gov.au to find out more about the review process or request a review kit.

For more information

Detailed information on valuing land can be found in the Valuer General's policies:

[Valuation of rural land](#)

[Valuation of Crown lease restricted land](#)

[Valuation of land in the Western Division](#)

For a copy of these policies, contact us or visit www.valuergeneral.nsw.gov.au/publications/policies.

Contact us

We are here to help.

☎ 1800 110 038
8.30am - 5.00pm Mon - Fri

✉ Valuation Services
Property NSW
PO Box 745
BATHURST NSW 2795

@ valuationenquiry@valuergeneral.nsw.gov.au

Do you need an interpreter?

Please call TIS National on 131 450 and ask them to call Valuation Services on 1800 110 038.



131 450

