

Valuer General

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Valuation of land occupied by licensed premises

Guidance Note

February 2024



Acknowledgement of Country

The office of the Valuer General and Valuation NSW acknowledges that we stand on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past and present through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally, and economically.

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More information

Enquiries relating to this guidance note should be addressed to the office of the Valuer General via email to valuergeneral@dpie.nsw.gov.au.

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Introduction

1.1 Purpose

This document is intended to provide guidance to valuers on the factors to consider when valuing land occupied by licensed premises for rating and taxing purposes.

This guidance note 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* (the Act).

1.2 Background

In NSW, the Act establishes the Valuer General as the independent statutory officer responsible for ensuring the integrity of land valuations in NSW.

Valuation NSW carry out functions on behalf of the Valuer General under formal delegations. Some valuation services may also be contracted out to private valuation firms. All valuation services are subject to a rigorous quality assurance process prior to issue to landholders.

1.2.1 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.

Recommended Approach

1.3 Assumptions and considerations

1.3.1 Valuation assumptions

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

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

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.

1.3.2 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 Valuer General guidance note Valuation of heritage restricted land.

References

Definitions

Term	Meaning
Environmental planning instrument	A legal document that regulates land use and development under state environmental planning policies and local environmental plans.
Highest and best use	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.
Licence	A licence authorises the licensee to sell or supply liquor in accordance with the Liquor Act 2007 and the conditions of the licence.
Licensed premises	<p>Licensed premises are defined in the Liquor Act 2007 as the premises to which a licence relates. Premises includes:</p> <ul style="list-style-type: none">• a building or structure, or• land or a place (whether built on or not), or• a vehicle, vessel or aircraft.

Related documents and legislation

- [Valuation of Land Act 1916](#) – Section 6A
- [Liquor Act 2007](#)
- [Gaming and Liquor Administration Act 2007](#)