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 licence 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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1.1 Assumptions and considerations

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 Valuation of Land 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.

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 policy Valuation of heritage restricted land.
2 References

2.1 Definitions

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
Licensed premises are defined in the *Liquor Act 2007* as the premises to which a licence relates. Premises includes:
- a building or structure, or
- land or a place (whether built on or not), or
- a vehicle, vessel or aircraft.

2.2 Laws and policies

**Governing NSW law**
*Valuation of Land Act 1916* (Valuation of Land Act)
section 6A

**Related Valuer General policy**
None
3  Context

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 appointment 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 maintaining 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*. 
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Title: Valuation of land occupied by licensed premises
ISSN: 2203-9600
Office of the Valuer General

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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

## Approval

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<td>05/05/2017</td>
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## Version

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<td>03/06/2019</td>
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<td>Administrative update</td>
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<tr>
<td>0.2</td>
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<td>05/05/2017</td>
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<tr>
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<td>OVG</td>
<td>Stakeholder consultation and review undertaken. No changes required</td>
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<tr>
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<td>20/11/2014</td>
<td>Michael Parker</td>
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## Next review

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