

Notional Values

Concessional Property Values for Residential

Office of the
Valuer-General

What is a Notional Value?

The *Valuation of Land Act 1971* (the Act) allows the Valuer-General to determine Notional Valuations for site value and capital value in certain cases where the criteria for their determination has been met.

Notional Values are best described as concessional values that have regard to the actual use of the land, rather than the more valuable best potential use of the land that would otherwise be considered in determining the site value or capital value.

As a consequence a Notional Value will be less than the Market Value of the land.

There are two types of Notional Values, one for residential and the other for primary production.

Eligibility

Before the Valuer-General can determine Residential Notional Values for any land, five criteria need to be satisfied as follows:

1. The required ownership needs to be present
2. The owner of the land must be a natural person (i.e. cannot be in a company name)
3. The land must be the owner's principal place of residence
4. The land is not used for any commercial or industrial purpose
5. The value has to be enhanced by circumstances prescribed under the Act

For the purposes of the Act the required ownership is one where the owner:

- Has an estate of fee simple in the land; or
- Holds the land by virtue of a Crown lease, or an agreement to purchase from the Crown; or
- Is an occupier of the land by virtue of their shareholding in a relevant body corporate under section 22A of the Act

In relation to the fifth criteria the value of the land must, in the opinion of the Valuer-General, be enhanced by one or more of the following circumstances:

- An existing division of the land; or
- A potential for division of the land; or
- A potential use of the land other than for residential purposes

Commercial or Industrial Purpose

The fourth criteria requires the land cannot be used for any commercial or industrial purposes, where any such commercial or industrial purposes is present it does not need to be the predominant use of the land.

A home activity¹ undertaken on the land is not considered to be a commercial or industrial purpose.

How is a Residential Notional Value Determined?

Residential Notional Values are determined by disregarding the enhanced value brought about by existing, or the potential for, subdivision of the land.

It will also disregard any enhanced value associated with a potential alternative use for the land other than for residential purposes.

Other than those matters that must be disregarded the approach for determining Residential Notional Values is no different to determining ordinary site values and capital values. The valuer will have regard to such things as location, planning controls, the size of the land, nature of the improvements and suitable market evidence.

Further Information

For further information please refer to the Valuer-General's Policy – VGP 2019 10 Notional Values, available at www.valuergeneral.sa.gov.au

Queries can be made by e-mail to dti.ovgenquiries@sa.gov.au

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The Process

Upon receipt of the application, the Valuer-General will seek assistance from a suitable qualified valuer to determine if all the criteria are present for a Residential Notional Value to be determined.

The process may include an inspection of the land, further consultation with the owner and requests for additional supporting material if required.

The person making the request for Residential Notional Values will be advised of the outcome in writing. If Notional Valuations are determined the correspondence will outline what the Notional Site Value and Notional Capital Value will be, and for which year they will come into effect. The letter will also outline the owner's obligation to inform the Valuer-General of changes in circumstances that may effect the eligibility for notional values to be applied.

How do I apply?

If you believe that you may be entitled to a Residential Notional Value for your land, you can request one by:

1. Completing the Residential Notional Value application form.



Forms are available at
www.valuergeneral.sa.gov.au

2. Send the completed form to the Office of the Valuer-General.



- In person at Ground Floor, 101 Grenfell Street, Adelaide
- By post GPO Box 1354 Adelaide, SA 5001
- Via email to OVGobjections@sa.gov.au

¹ A home activity means a use of the land by a person resident on the land:

(a) that does not detrimentally affect the amenity of the locality or any part of the locality; and

(b) that does not require or involve any of the following:

- assistance by more than 1 person who is not a resident in the dwelling;
- use (whether temporarily or permanently) of a floor area exceeding 30 square metres;
- the imposition on the services provided by a public utility organisation of any demand or load greater than that which is ordinarily imposed by other users of the services in the locality;
- the display of goods in a window or about the dwelling or its curtilage; and
- the use of a vehicle exceeding 3 tonne tare in weight.

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