

Notional Values

Concessional Property Valuations for Primary Production

What is a Notional Value?

The *Valuation of Land Act 1971* provides for Notional Values. Notional Values are concessional values based on the actual use of the land in certain circumstances and not the highest and best use of the land. It is a statutory value less than the market value of the property.

Notional Values can be applied to properties used for business of primary production to encourage the retention of primary production land where there is pressure to alter the use away from primary production.

The effect of Notional Values is that any potential enhancements to value not associated with the primary production use of the land are disregarded when the value of the property is assessed, eg. primary production land with potential for residential subdivision.

Who is Eligible to apply?

Section 22A of the *Valuation of Land Act 1971* addresses the eligibility criteria for landowners where a Notional Value may be determined.

The owner of the land is entitled to the benefit of Notional Values where the land is genuinely used for the “business of Primary Production” and where the value of the land is enhanced by:

- an existing division of the land; or
- a potential for division of the land; or
- a potential for use otherwise than for “the business of Primary Production”.

How do I apply?

A property owner who considers he or she are entitled to the benefit of a Notional Value must apply in writing to the Valuer-General. The owner will need to establish through filling out the Notional Value application form.

The application needs to:

- State that the said land is used for the business of primary production (an ABN would be helpful evidence).
- Identify the activities being carried out on the land, stating whether the enterprise as a whole falls into the definition of ‘intensive’ or ‘non-intensive’.

“Non-intensive” is defined as dryland cropping, grazing and forestry. All other uses are “intensive”.

The purpose of this will ensure that the notional value is effectively determined on an actual use basis only.

How is a Notional Value determined?

Upon receipt of the application the Valuer-General will consider, and a valuer will determine, whether the value of the property is enhanced beyond the value attributed to primary production. This will include an inspection where necessary to check the existing use(s) and may require further consultation with the owner.

Once eligibility is established, a Notional Value will be determined on the basis of actual primary production use. Where a property is used for several primary production activities, the value will be determined by using value levels appropriate to each activity.

Where eligibility is not established, the property owner will be advised in writing with the reason stated. If the property owner is not satisfied with the decision, he or she can appeal by contacting the Office of the Valuer-General and providing more details in support of their case.

Advice of eligibility?

A letter of advice will be sent to the owner advising of both the substantive and Notional Values of the property. This letter will include all rights and obligations as a consequence of receiving a Notional Value. Should your property no longer be used for the business of primary production you must notify the Office of the Valuer-General within 28 days. [Penalties for non-compliance may apply].

Where can I get a Primary Production Notional Application form?

Forms are available at:

www.dpti.sa.gov.au/land/ovg or

www.sa.gov.au/propertyvaluations

Contact Us

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