

3.110 Assessed Gross Rental Value – Residential Purposes Only

Purpose/Objectives

Under section 4 of the *Valuation of Land Act 1978* (VLA), gross rental value of land is the gross annual rental that the land might reasonably be expected to receive if let on a tenancy from year to year upon condition that the landlord were liable for all rates, taxes, insurance, other charges and outgoings necessary to maintain the value of the land.

Where a rent cannot be reasonably determined, the assessed value is such percentage of the capital value of the land, prescribed in the *Valuation of Land Regulations 1979* (VLA Regulations).

Key Principles

- The following applies in determining if land is used for residential purposes only:
 - a) Land that includes a residential use and also includes other land that has no apparent or actual use, is considered as being used for residential purposes only.
 - b) Land that includes a residential use and also includes additional uses or mixed uses, regardless of the degree or dominance of the residential use, is not considered as being used for residential purposes only.
 - c) Land that is designated for residential use and is also vacant, is not considered as being used for residential purposes only.
- If land is deemed to be used for residential purposes only, the assessed value is 3% of the capital value of the land as stipulated in Regulation 3(2) of the *VLA Regulations*.

Useful Links

[Valuation of Land Act 1978](#)

[Valuation of Land Regulations 1979](#)

Evaluation & Review

Custodian: Policy & Regulation, Valuation Services

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