

Valuation Information Guide 3.110 Assessed Gross Rental Value (Residential Purpose Only)

Background

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.

Supporting Information

- [Valuation of Land Act 1978](#) – Section 4
- [Valuation of Land Regulations 1979](#) – Regulation 3(2)

Approval

Owner: Regulation & Research, Valuation Services

Update approved: 30 April 2025

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