



Land Valuation

under the provisions of
Acquisition of Land Act 1967 (Qld)



Valuation Fundamentals

Highest & Best Use

The valuation of land should proceed based on its highest and best use?

Adelaide Clinic Holdings Pty Ltd v Minister for Water Resources, 6 Jacobs J said -

"for the highest and best use means exactly what it says – the most advantageous use of the subject land having regard to planning and all other relevant factors affecting its present and future potential.

The first task of the valuer is to determine what that use is and then to value the land on that basis. It is not appropriate to determine the highest and best use by reference only to value."



Valuation Fundamentals

Market Value

Spencer v The Commonwealth

"the all important fact on that day is the opinion regarding the fair price of the land, which a hypothetical prudent purchaser would entertain, if he desired to purchase it for the most advantageous purpose for which it was adapted. The plaintiff is to be compensated; therefore he is to receive the money equivalent to the loss he has sustained by deprivation of his land, and that loss, apart from special damage not here claimed, cannot exceed what such a prudent purchaser would be prepared to give him. To arrive at the value of the land at that date, we have as I can conceive, to suppose it sold then, not by means of a forced sale but by voluntary bargaining between the plaintiff and a purchaser, willing to trade, but neither so anxious to do so that he would overlook any ordinary business consideration. We must further suppose both to be perfectly acquainted with the land and cognizant of all circumstances which might affect its value, either advantageously or prejudicially, including its situation, character, quality, proximity to conveniences or inconveniences, its surrounding features, the then present demand for land, and the likelihood as then appearing to persons best capable of forming an opinion, of a rise or fall for what reason soever in the amount which one would otherwise be willing to fix as the value of the property."



Valuation

Methodology

Direct Comparison Approach

Bingham v Cumberland County Council (1954) 20 LGR (NSW)

“the valuer will also have to draw upon his general knowledge and experience, including perhaps, experience in other situations which although lacking in complete comparability, may yet provide the experienced valuer with guidance and suggestions as to the general approach which may be made and as to considerations which may become relevant.”



Heads of Claim

Section 20 – Assessment of Compensation

Acquisition of Land Act 1969 (Qld)

- Loss of Land Taken
- Severance and Injurious Affection
- Enhancement
- Disturbance





Compensation Methodology

Before & After Approach

The 'before and after' method of valuation is used extensively in situations where compensation is to be assessed following the acquisition of part of a site by a statutory authority.

Wells J in De Ieso v Commissioner of Highways (1981) said

"the method is to value the original land before acquisition and the remaining land after acquisition, and to subtract the latter from the former"



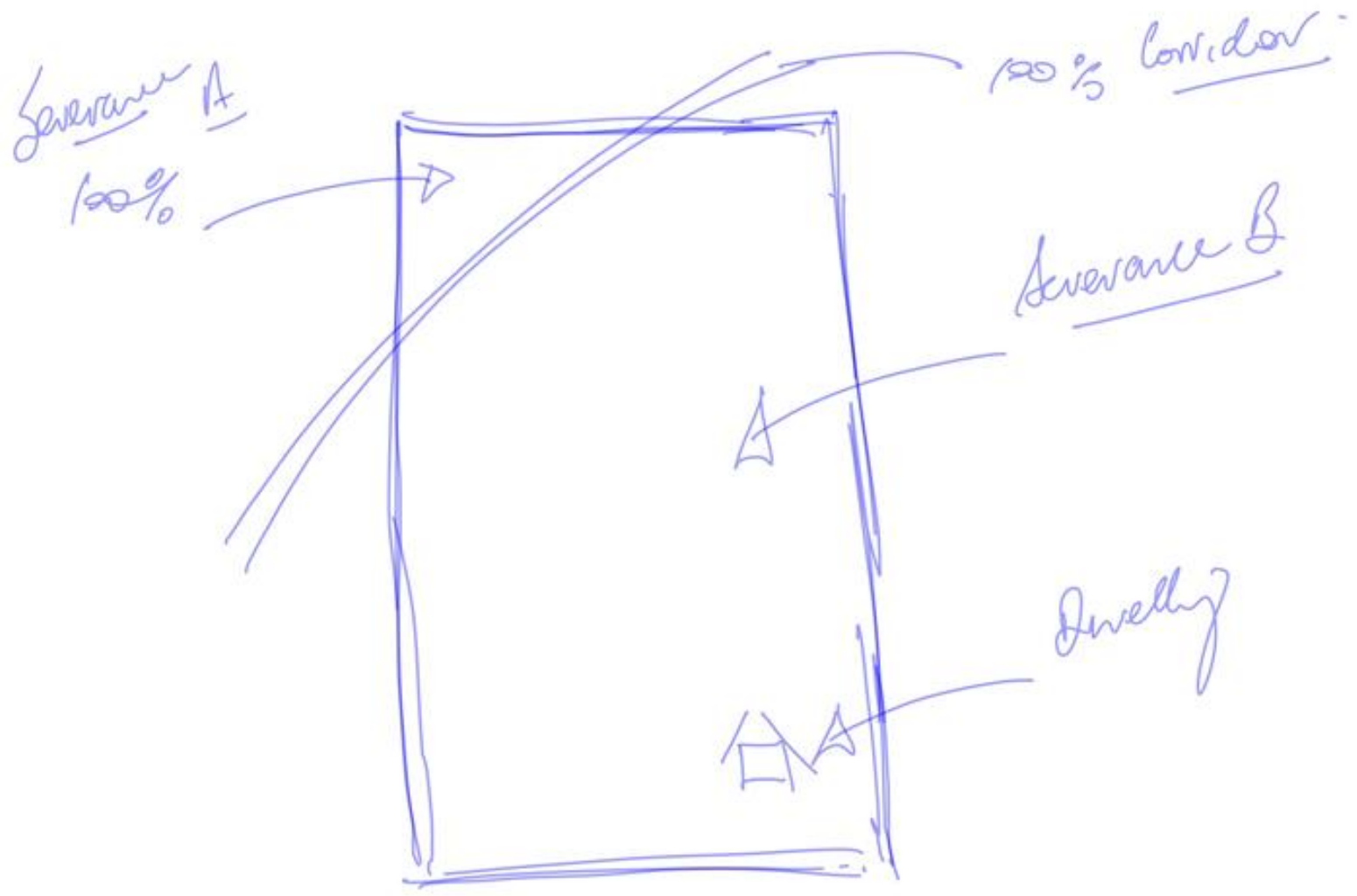
Compensation Methodology

Piecemeal Approach

The piecemeal method of valuation seeks to summate the individual components which comprise the total compensation amount.

Pain J in *Caruso v Sydney Water Corporation (No 2)* concluded:

"it therefore follows that the issue raised in Constantino whereby the zoning of the residual land in the after scenario did not reflect any increase or decrease in the public purpose but was related to another unrelated purpose also applies here. I therefore agree with the Applicants counsel that a piecemeal approach is the appropriate methodology to apply in this case, as the Applicants calculations do."





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