

Unimproved land value information

The purchase price is based on the unimproved land value.

Unimproved land value means the *sale value of freehold land as if no improvements of any description had ever been carried out.*

The valuer must envisage the land not only without any improvements but as if the improvements never had existed.

Although the individual section will be assessed without any improvements (in its original state), it is assessed within its existing location/neighbourhood at the date of valuation.

Valuers must make the following additional assumptions:

- the land has never been leased.
- no improvements ever made to the land.
- the section has access to existing services (ie roading, sewer and water pipes) to the property boundary.
- assume the highest and best use of the land (within existing District Plan rules).
- ignore any existing use rights (as these are considered improvements to the land).

The unimproved land valued excludes the following:

- Improvements on the land; these are structural improvements including houses, other buildings and fences.
- Any improvements to the land; these are developmental improvements including excavation, access, retaining walls and drainage.
- Existing use rights or resource consents allowing for higher use of land than that provided for in District Plan (ie industrial use of a residential zoned property).
- Any limitation on the use of the property created by improvements on the land (ie protected tree or historic classification).

Please note in valuation terms 'cost' does not equal value. An equivalent situation is when a house is renovated – it may cost \$20,000 for a new kitchen but may only have a small impact on the value of the house.