



# Guideline – Statutory valuation of heritage properties

July 2025

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**Version History**

Version	Date	Comments
1.00	23/07/2025	Guideline – Statutory valuation of heritage properties.

**Approval**

Position	Name	Date
Valuer-General	Laura Dietrich	23/07/2025

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# Introduction

This guideline provides guidance on the statutory valuation of heritage properties, in accordance with the *Land Valuation Act 2010* (LVA).

The Valuer-General's Technical Advisory Panel was established to assist in the development of technical guidance for statutory valuations. Input and advice from industry groups has been welcomed and, where appropriate, incorporated into this document.

Each year, the Valuer-General issues land valuations in local government areas across the state. In accordance with the legislative requirements, the Valuer-General's decision to value Local Government Areas (LGAs) follows consultation with councils, local and industry, stakeholder groups, and consideration of property market survey analysis.

The statutory land valuations data is used for determining state land rentals and is used as an input to rating and land tax considerations by local governments and the Queensland Revenue Office (QRO).

The fundamentals of valuation practice are relatively stable, but the valuation profession and its standards and practices, are evolving to remain contemporary and keep pace with changes in the property market. The challenge of professional practice is to continue to adapt to changes in the property market and operating environment and meet stakeholder expectations.

It is important that landowners and prospective landowners have confidence in statutory valuations. To ensure public confidence in the statutory valuation framework, the following information has been published outlining the approach taken for the valuation of particular property matters.

The LVA is recognised as the primary reference in all statutory land valuation matters. Where any inconsistency or lack of clarity exists in the interpretation of this guideline, the LVA prevails.

This guideline should be viewed as an important link between the legislation, the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development, and the professionals who undertake statutory land valuations. As such, this guideline will be regularly reviewed by the Valuer-General to ensure its contents reflect current practices, procedures and legislation.

Relevant legislation:

[Land Valuation Act 2010](#)

[Queensland Heritage Act 1992](#)

[Aboriginal Cultural Heritage Act 2003](#)

[Brisbane City Plan 2014](#)

## Overview

Queensland's rich heritage is reflected in more than 1700 places of cultural and historical significance across the state.

A place is considered to have heritage significance if it has been passed down through generations and is important to the cultural or natural history of a group, community, state, country or the world. Such places may include houses, schools, churches, shops, bridges and other type of infrastructure. Gardens, areas of exceptional natural beauty and sites where there is biological diversity or special geological features can also be granted heritage status.

The nature and extent of any impact to land values from heritage status depends on whether the property is, or may be listed on a register, and whether any restrictions or requirements are associated with that listing. Properties that have been assessed as having heritage value are usually, but not always, entered in the [Queensland Heritage Register](#). Properties may be listed by the Australian Government on the [Australian Heritage Database and Commonwealth Heritage Places](#). Alternatively, properties by local government as a heritage place or identified in a local planning scheme.

The LVA<sup>1</sup> requires that any heritage restriction designated under a local planning instrument, the Planning Act or Commonwealth Act be considered when determining the value of the land. Allowances are made for any limitation or restriction of use. It is important to note that any heritage matter may come under the authority of more than one level of government and may be governed by multiple pieces of legislation, each with varying levels of responsibility and regulatory control. This includes cultural significance registers and approvals.

Typically, heritage legislation and other controls apply to the whole of the land, not just to any improvements on the site, or how the land is used. Land valuation assessments reflect the unique nature and extent of heritage characteristics for each affected property, along with the impact and implications of relevant heritage protection and development controls.

Heritage listings are made to protect an existing or historic feature or use. Therefore, any land valuation assessment must investigate and consider such listings on a case-by-case basis. Each heritage property has its own unique characteristics and heritage restrictions, which means there are no consistent patterns relating to valuations where heritage matters are a factor. Relevant property sales and historical information relating to heritage properties are considered, including any data and advice gathered through past revaluation and grievance processes, when undertaking valuation assessments.

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<sup>1</sup> Land Valuation Act 2010 (Qld), s. 33

Heritage status can have either a positive or negative impact on the property's site or unimproved value. These factors, along with any realistic potential benefit that may be available through transferable development rights pertaining to that site, must be considered when assessing land value.

## Heritage Register listing

Under the *Queensland Heritage Act 1992* (QH Act), the Queensland Heritage Register must include records of state heritage places and protected areas<sup>2</sup>. A property's title will indicate whether it has been entered in the register.

When land affected by heritage matters is assessed for statutory purposes, consideration is given to the impact and nature of the heritage restriction (including its size and level) and any competing interests under other legislation.

Local governments assess areas of historic significance under the QH Act<sup>3</sup>. This process includes identifying and registering properties which may then be reflected in legislation, planning schemes, and may have specific requirements for landowners when managing the heritage property.

The term 'significance' usually relates to government listings of unique properties based on a range of criteria where a higher use would unlikely be considered due to potential impacts on heritage assets.

Heritage listings may impact development potential in the following circumstances:

- Full restriction: where the listing applies to the protection of buildings and associated improvements.
- Partial restriction: where the listing applies to a natural or structural feature located on the property that may not impact a higher use of the property but may impact full development of the site.
- No restriction: with the listing applying to a structure or features that are consistent with the highest and best use achievable over the property.

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<sup>2</sup> Queensland Heritage Act 1992 (Qld), s. 31

<sup>3</sup> Queensland Heritage Act 1992 (Qld), s. 2

Heritage listed properties may have a lower land value than other similarly zoned properties. The restrictions attached to the listing mean greater constraint applies to the property potential, along with the likelihood of greater costs and time needed to complete any work. Heritage status is not generally something that can be remediated to regain value, in the same way a landowner might remediate if the site was affected by contamination or other physical constraints. A heritage property can also be constrained in terms of modern accessibility, fire safety, or office layouts. As noted above, Queensland Government, Australian Government and local heritage designation differs in the level of constraint the relevant authority has applied to the property.

When considering how a heritage property is used, such assessments of land value are limited to the existing floor areas of the buildings on site, also called gross floor area (GFA). However, exceptions to this can apply if the heritage authority accepts subdivision or further development of the site or property around or over the heritage building.

The market response to heritage-listed properties can vary. In some cases, particularly in regional areas, heritage sales have contributed to the development of a distinct market tier. Well-maintained heritage features may enhance the appeal of a property and be reflected in its land value. However, where a heritage asset is in 'poor' or 'extremely poor' condition and has limited potential for restoration, the asset may constrain the use of the land and affect its value compared to similar, unencumbered sites.

## Heritage valuation methodology

### General principles

The site value, i.e. as if the property were not subject to heritage constraints, is determined first in the assessment of the land valuation for a property affected by heritage status. Relevant adjustments are then made to reflect the impact of the heritage aspects.

Any adjustments made for sites on a heritage register, subject to a heritage citation, or adjoining a heritage-listed site should factor in:

- Limitations on development potential, i.e. highest and best use (HBU).
- Approval costs associated with development on the site (noting that heritage authority approvals are often more detailed and involve additional costs).
- The potential added value of enhancements to preserve historical features and/or increase functionality.

Given that each heritage property has its own unique characteristic and heritage restrictions, it is necessary to analyse relevant sales on a case-by-case basis. Due to the relatively small number of market transactions for heritage affected properties and the many variations, it is difficult to identify any consistent patterns or apply a generic allowance or adjustment.



Relevant market sales evidence and any property-specific details, which may include heritage matters, are analysed when assessing land valuations. Allowances are made for any impacts resulting from a property's heritage classification, with consideration given to anything that would restrict the property achieving its HBU or potential options for its use. Land sales with similar development characteristics to that of the heritage-affected property in question are often considered. Where required, a valuation may also be supported by expert reports — for example, from a heritage consultant or town planner and/or through direct property inspection.

## Highest and best use (HBU)

As mentioned above, heritage listings attached to a property may impact development potential to different extents, including full restrictions, partial restrictions and no restrictions at all. Heritage listings rarely elevate the HBU of the property because heritage status is designated to protect an existing or historic use or feature.

The HBU of the property is determined on a case-by-case basis, with consideration given to the extent, nature and characteristics of the heritage listing. Any criteria and matters of significance contained in the heritage register/list relating to the property are qualified, quantified, reviewed, and assessed to determine whether these factors limit development potential.

Given that the HBU is the use that produces the highest land value, and that under the LVA<sup>4</sup> the existing use for most heritage properties is the HBU, a determination of HBU for a property affected by heritage status does not differ from usual valuation principles.

The impact of heritage classification must be accounted for when valuing heritage properties, including whether that impact would constrain further development. To this end, any heritage status and associated allowances for individual commercial, industrial, and multi-unit properties is recorded within land valuation calculations. Residential properties with heritage status are also recorded accordingly, with relevant comments added for future consideration.

## Heritage lot valuation case studies

### When heritage restrictions apply

Where a property is listed on the Australian, state or local heritage register, consideration must be given to the restrictions. An allowance is recorded to reflect the negative impact of the heritage factor, as seen in the *Nimmo v Department of Natural Resources and Mines* case<sup>5</sup>. The property at Dorchester Street, South Brisbane, was listed on the Queensland and Brisbane City Council heritage registers. When the 2005 appeal was heard in the Land Court, the ruling included a discount of '15% to take account of the heritage issues associated with the land'.

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<sup>4</sup> Land Valuation Act 2010 (Qld), s. 22

<sup>5</sup> *Nimmo v Department of Natural Resources and Mines* | Supreme Court Library Queensland

## When heritage listing has no impact

Where a property is listed on a state or local heritage register, but the heritage aspect does not impact the site's HBU, such as when development can still occur around the heritage asset, then the overall effect is considered. For example, when the mixed-use Southpoint development at South Brisbane was built around the heritage-listed Collins Place building. The 1889 brick building is a focal point in the development, which also includes the Emporium Hotel and Flight Centre.

## Site value assessment: Valuer-General Victoria vs WSTI Properties

How land value is assessed for heritage-affected properties and whether an 'improvement' increases the value of the land was tested during the 2025 High Court case between the Valuer-General Victoria (VGV) and WSTI Properties<sup>6</sup>. This case is about the site value of Melbourne heritage property Landene, a grand residence built in 1897 on a 1000 m<sup>2</sup> parcel of land zoned commercial.

The High Court has referred this matter back to the lower court and, as such, it remains ongoing. While this case examines the Victorian *Valuation of Land Act 1960*, it could have implications for Queensland land valuations in the way heritage status is treated. The Valuer-General will continue to monitor this case.

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<sup>6</sup> Valuer-General Victoria v WSTI Properties 490 SKR Pty Ltd [2025] HCA 23 - BarNet Jade - BarNet Jade

# Glossary

**GFA:** Gross Floor Area

**HBU:** Highest and Best Use

## Definitions

**Chattel:** movable articles of property\*.

**Gross Floor Area:** 'the gross area of all floors in the building measured over the enclosing walls other than the area of a veranda, roofed terrace, patio, garage or carport in or attached to the building'+.

**Highest and best use:** the use that would produce the highest value that is physically possible, legally permissible, and financially feasible.

**Site value:** what the land would be expected to sell for in its current condition, including any work undertaken, or materials used, to improve the physical nature of the land to prepare it for development.

**Transferable development rights:** '... legal or market-based instruments that allow for increased development in places where a community wants more growth in return for reduced development in places where it wants less'^.

**Unimproved value:** the value of the land in its natural, undisturbed condition, without physical improvements such as houses, fences, clearing, levelling, and earthworks.

\* Denotes definition from Macquarie Dictionary

+ Denotes definition from *Building Act 1975* (Qld), sch. 2

^ Denotes definition from Australian Catholic University<sup>7</sup>

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<sup>7</sup> <https://acuresearchbank.acu.edu.au/item/8q913/transfer-development-rights-lessons-for-australia-from-international-models-incentives-and-community-engagement>