Guideline – Statutory Valuation of Volumetric Lots

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DELIVERING FOR QUEENSLAND | Queensland Government

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Version History

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Approval

Position	Name	Date
Valuer-General	Laura Dietrich	26/09/2025

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Introduction

This guideline provides guidance on the statutory valuation of volumetric lots, 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

Land Title Act 1994

Overview

This guideline covers the methodology used when assessing the statutory land value of volumetric lots.

Further development in Queensland's cities and regional centres is highly desired, with high density and mixed-use options considered to ensure space is optimised. Volumetric lot development involves developing the airspace or sub-surface parcels above, below or between other infrastructure or natural features, such as a commercial building, railway line, major road or a waterway.

The LVA states 'the term "land" includes lots that are stratum or volumetric lots'[1]. Additionally, the *Land Title Act 1994* states that land can be subdivided by standard, building and volumetric formats[2]. A standard format lot (SFL) is a conventional land parcel defined with horizontal planes and by reference to marks placed on the ground. A building format lot uses structural elements of a building, for example, the floors, walls or ceiling, for definition. A volumetric format lot is defined using three dimensionally located points to identify the position, shape and dimensions of each bounding surface.

These definitions draw on the expression 'cujus est solum ejus est usque ad coelum et ad inferos': 'to whom belongs the soil, his is also that which is above it to heaven and below it to hell'[3], however the modern interpretation for the purposes of statutory land valuation is that land ownership stops where the landowner cannot make any further use of the airspace and sub-surface space. Land volume above and below the surface is still considered as 'land', although height and depth specifications are not stated.

Volumetric lots are a method of dividing a property's air- and sub-surface space into distinct parcels, for example infrastructure corridors, such as viaducts and overpasses; and mixed-use developments, such as buildings with multiple uses and ownership within the same built structure.

Standard format lots are positioned using linear metres and measured using square metres. Volumetric format lots 'are defined by three-dimensional co-ordinate geometry and are fully defined by bounding surfaces (e.g. a cube). The lots may be above, below or partly above and partly below ground level[4]. Such lots are generally positioned using reduced levels (RLs) to the Australian Height Datum (AHD) and measured in cubic metres. For context, the AHD of Ground Level (GL) will be stated on the plan.

Assessing volumetric lots for statutory land valuation falls under the Valuer-General's power in section 53 of the LVA. This section within the Act states that the Valuer-General can make a separate valuation if part of the land is being used for a different purpose to that of the rest of the lot[5]. Examples of when separation declarations can be used for volumetric valuation are outlined below:

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[1] Land Valuation Act 2010 (Qld), s. 15

[2] Land Title Act 1994 (Qld), s. 49D

[3] https://www.alrc.gov.au/publication/traditional-rights-and-freedoms-encroachments-by-commonwealth-laws-alrc-report-129/18-property-rights/definitions-of-property-3/

[4] Land Title Practice Manual (Qld), p. 21-3

[5] Land Valuation Act 2020 (Qld), s. 53

- To contain part/s of built structures to separate common property owned by bodies corporate with a related building management statement, for example a multi-storey building containing retail shop, commercial office and residential apartment components.
- To define areas within a built structure that have been proposed for a separate and permanent use. For example, the Valley Metro hub, which includes retail shops and office space above the Fortitude Valley train station, or Central train station in Brisbane's CBD, which also includes offices and shops above the station.

Valuation Methodology

It is important to understand the entire development when valuing part of that development as a volumetric lot for the purposes of statutory land valuation. This includes considering the current use of the site and any improvements that have been made to the original site, as well as the relationship of the volumetric lot to the development and the highest and best use (HBU) of the base parcel. Valuing volumetric lots are considered on a case-by-case basis due to the complexities of volumetric lots and, at times, a lack of comparable sales evidence.

Market approach

Sales of comparable volumetric lots that contain no built structures within their boundaries (i.e. an empty volume) provide the best evidence for valuing a volumetric format lot. This is a similar approach to that taken when valuing standard format lots. However volumetric lots, like those described above, rarely exist in an undeveloped state. Generally, when volumetric lots are sold, the improvements have already been constructed, and the sale relates directly to those improvements. This situation limits the number of comparable volumetric lots available to use for sales evidence.

Apportionment valuation method

When there is a lack of comparable sales evidence of volumetric lots, an alternative for statutory valuation purposes is to use an apportionment method. This method uses comparable sales evidence to value the base parcel, then applies a percentage proportion of that value to the volumetric lot. Note, the base parcel can be apportioned between the lot parts by volume footprint area (m^2), gross floor area (GFA), net lettable area (NLA), bedrooms and other units of measurement.

Generally, the value of the volumetric lot or aggregated volumetric lots should not exceed the value of the base parcel. This method focuses on the base parcel's overall use and its potential value and is particularly relevant for zonings with a highly variable level of intensity of use. The volumetric lot and how it will contribute to that site's use and potential is also considered in the statutory land valuation assessment of the base parcel.

Volumetric lots are generally part of a wider development and are apportioned using a methodology that aligns with the base parcel, for example rate per square metre. Rates can be adjusted within apportionment calculations to reflect the characteristics of each volumetric lot. This is particularly applicable when the site's zoning allows for multiple uses and there is varied levels of intensity associated with those uses. Where there are multiple

volumetrics associated with an SFL, any pro rata apportionment should have adjustments for the volumetrics' location in relation to the SFL.

Aggregated volumetric lots usually do not result in a higher value than the base parcel. Accordingly, the total rate applied to the apportioned lots should not exceed the rate applied to the SFL, with consideration given to the overall approved development of the site rather than the individual components of the volumetric lots. However, there is an exception in the case where multiple volumetric lots create an overage potential.

Overages

There are circumstances where evidence shows that associated volumetric lots on the site represent a clear overage of the planning scheme. Such overages can happen through mechanisms such as transferable site area (TSA) or impact assessable approvals in circumstances like the higher use provisions outlined in the LVA[6].

In cases such as this, the sum of the volumetric lots and the associated base parcel may reflect a statutory land value higher than the apportionment approach of the original SFL. An example of this can be seen in the 2000 Land Court case, Body Corporate for Golden Sands Community Title v Chief Executive, Department of Natural Resources, where three-storey and high-rise developments were considered as comparable sales in the statutory valuation of the 17-storey Golden Sands residential high-rise development at Main Beach. The ruling included an adjustment for '…an allowance for the higher non-conforming use, less any risk in the eyes of a prudent purchaser, associated with bringing such a potential redevelopment to fruition'[7].

Volumetric Valuation Examples

Apportionment example

A property is zoned mixed use with a development height of 30 storeys and a ground floor retail requirement. The parcel contains two volumetric lots within the standard format lot. Sales of properties with similar zoning, development potential and characteristics are to be used to value the SFL.

Once the value of the SFL is determined using comparable sales evidence, the value of the subject lot can then be apportioned to the two volumetric lots within the subject property. The residential component has 30 000m² of GFA while the retail component has 10 000m² NLA. The values in this scenario can be apportioned based on the breakup of the GFA and NLA. Alternative measurement methods can also be considered to determine the apportionment, as outlined above.

Macarthur Central Shopping Centre vs Valuer-General[8]

Macarthur Central Shopping Centre appealed the Valuer-General's 2012 statutory valuation of $4.1 million for a volumetric lot in the heritage-listed building Macarthur Chambers in Queen Street, Brisbane. Macarthur Central Shopping Centre is adjacent to Macarthur Chambers. The subject rectangular volumetric lot is leased to the Apple

[6] Land Valuation Act 2010 (Qld), s. 22

[7] https://archive.sclqld.org.au/qjudgment/2000/QLC00-029.pdf

[8] https://www.sclqld.org.au/caselaw/98262

Store and includes the mezzanine, ground floor and basement levels of Macarthur Chambers on a 1032m^2 footprint.

The appeal was dismissed because Macarthur Central failed to demonstrate the Valuer-General's statutory valuation was incorrect. However, the fact that the volumetric nature of the subject lot presented a 'three-dimensional limitation on potential development' is of interest in this example. It was concluded the GFA (gross floor area), with the size derived from the registered lease, should be used when valuing the volumetric lot. The ruling also highlighted the importance of comparable sales and any constraints arising from the building's heritage listing as factors that must be considered when valuing the volumetric lot in Macarthur Chambers.

Glossary

AHD: Australian Height Datum

GFA: Gross floor area

GL: Ground level

HBU: Highest and best use

NLA: Net lettable area

RL: Reduced level

SFL: Standard format lot

Definitions

Airspace: 'the space directly above a building which can be sold for the construction of another building on or over the first'*.

Australian Height Datum: Australia's official national vertical height reference system[9].

Overage: surplus or excess+.

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 site area: an area that 'may be transferred to another site … for the purpose of calculating the extent of development that may be carried out on that site'[10].

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

* Denotes Macquarie Dictionary definition

+ Denotes Merriam-Webster Dictionary definition

[9] https://www.ga.gov.au/scientific-topics/positioning-navigation/positioning-australia/geodesy/datums-projections/australian-height-datum-ahd

[10] https://cityplan.brisbane.qld.gov.au/eplan/rules/0/64/0/2727/0/243