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## Vacant Land Valuations

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### Vacant land – improved land (held for development)

- Vacant land may have had various improvements affecting its value.
- Land values can vary by a change in zoning restrictions or may involve more significant changes, such as land clearing, establishing utilities such as electricity, or sub-dividing.
- Evidence gathered by the Trustees may include obtaining a copy of the market appraisal from a qualified independent valuer, a real estate agent, or online valuation report prior to commencement of a development.
- Where the development is in progress the property would be carried at this value plus work in progress.
- Each year, the trustee must consider the valuation has not become materially inaccurate, including a significant event has not occurred that may materially impact the value of the property since the last valuation date.
  - A significant event for land held for development may include a rezoning from rural to residential or completion of a stage of development.
- If the trustees believe there is no identified change in the market value of the property, their annual minute must document their considerations.
- From FY2023 the trustee must attach the supporting market data as evidence of this assessment.
  - Should the land development not progress timely, then each year, the trustee should provide evidence the valuation has not become materially inaccurate, such as market value per square meter of properties similar in nature to the SMSF held property.
  - Where sales of the sub-division indicate that the value is impaired then this should be considered in determining whether the book value of the property has permanently declined.

The following website is an example of where a trustee is able to obtain comparable sales data:  
<https://www.commercialrealestate.com.au/sold/australia/rural-commercial-farming/>

### Vacant land – unimproved land

- Unimproved land is land that may be completely undeveloped or in the early stages of development. It is vacant land without public utilities, buildings, or driveways.
  - For property with no improvements we require an appraisal from an agent or expert in this area.
  - For other types of unimproved land, a market appraisal from a real estate agent or valuation report from a qualified independent valuer every three years, as a minimum, is required subject to no re-zoning or development.

- The valuation evidence should include basic valuation data. This may include market value per square meter of properties similar in nature to the property held by the SMSF.
- It is recommended to evidence similar properties to mitigate individual factors significantly impacting on value.
- Each year, the trustee must consider the valuation has not become materially inaccurate, including a significant event has not occurred that may materially impact the value of the property since the last valuation date. If the trustees believe there is no identified change in the market value of the property, their annual minute must document their considerations.
- From FY2023 the trustee must attach the supporting market data as evidence of this assessment.

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