

# Valuation Information Guide 10.110 Treatment of Goods and Services Tax

## Purpose

The treatment of Goods and Services Tax (GST) when determining Unimproved Values (UVs) and Gross Rental Values (GRVs).

## Key Principles

**Market Value:** The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

**Market Rent:** The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Where GST is applicable and it forms part of the supply, the market adjusts for this and it is reflected in the market value and market rent.

When analysing sales and rental evidence, a valuer must determine if GST was payable in part or in whole by the purchaser or lessee. If GST was payable, then it forms part of the market value and market rent.

Rating and taxing valuations provided by the Valuer-General are inclusive of GST where applicable.

## Supporting Information

- [Australian Property Institute Definitions](#) – Market Value and Market Rent
- [Valuation of Land Act 1978](#)

## Approval

Owner: Regulation & Research, Valuation Services

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