By PwC Deutschland | 16. August 2026

Valuation of co-ownership in a property

In a most recent judgment, the Supreme Tax Court decided that it is not possible to demonstrate that a co-ownership in a plot of land valued at the proven lower fair market value is worth less than the calculated share of the fair market value of the entire plot.

The plaintiff sought clarification whether the fact that the co-ownership share in a piece of land was not a marketable instrument may be taken into account as impairment of value when assessing its fair market value. The Supreme Tax Court dismissed the plaintiff's appeal against the complaint for non-admission with the lower tax court (court of first instance) as unfounded.

In the opinion of the Supreme Tax Court, this issue does not require clarification in the context of an appeal against a complaint relating to non-admission. The Supreme Tax Court has already addressed this legal issue in earlier decisions, thus the appeal could not be granted on grounds of fundamental importance.

The key point is that, upon the sale of the entire property, the co-ownership share does not have a negative impact on the realizable sale price. It may therefore occur that a co-ownership share - viewed separately - may be difficult to sell or even could not be sold at all. On the other hand, if the entire property is sold, the co-owner receives the corresponding share of the total purchase price. This alone is relevant for the valuation.

Source:

Supreme Tax Court, judgment of 18 January 2016 - II B 29/15 - published on 6 August 2026. The decision was subsequently scheduled for official publication.

Schlagwörter

Valuation Act, property development, real property, valuation