



Public Buildings Committee

Practice Note 23

REVALUATION 2005

VALUATION OF ART GALLERIES, MUSEUMS & SIMILAR

1.0 INTRODUCTION

1.1 Subjects to which applied.

The purpose of this practice note is to provide guidance on the approach which should be adopted in valuing art galleries, museums, art centres and other similar public or private "institutional" properties, which are provided for the purpose of display or other similar quasi-educational purposes.

1.2 Subjects Excluded

Excluded from consideration are those subjects which are wholly or substantially in the nature of shops, offices or other subjects more truly of a commercial character, particularly if situated among other subjects which are physically similar in character (and used for orthodox commercial purposes) e.g. ordinary shops, stores or even warehouses brought into use with little or no adaptation, for display, perhaps with a commercial motive or flavour.

Also excluded are cottages, houses and stately homes, which are of a unique historic character and are open to the public as tourist attractions. (These should be valued in accordance with the appropriate Miscellaneous Committee Practice Note)

2.0 BASIS OF VALUATION

2.1 All subjects dealt with in this practice note will be valued by application of the Contractor's Principle and the basis of costing these subjects will comprise the following 3 basic elements:-

- 1 Building Cost
- 2 External Works Cost
- 3 Site Value

The building and external works costs have been analysed to a £2m contract size and exclude professional fees, they have also been adjusted to the Scottish mean at the valuation date therefore no further adjustment for location factor is required at this stage.

The correct procedure to follow is as is laid out in Basic Principles Practice Note 2 and Public Buildings Practice Note 4.

- 2.2** Museums and Art Galleries occupy buildings of a wide physical diversity but the demands of their collections will indicate the likely quality of the building being considered. As in previous revaluations, the basis of valuation will be those recommendations in other practice notes dealing with such institutional subjects, which most closely resemble in physical character, scale and cost of construction, the subjects being considered.
- 2.3** Subjects which are wholly or mainly capacious and in the nature of halls, should be valued by applying the relevant parts of Public Buildings Committee Practice Note 17 (Valuation of Halls, etc.) Subjects which are purpose built but, on occasion, adapted, prestigious and invariably large, of national or central rather than local significance, will fall into Category 1. Most Victorian museums and art galleries found in large towns will fall into this category, due to the need to provide sufficient viewing space, lighting conditions and secure climate controlled accommodation for the exhibits.
- In the case of modern “state of the art” buildings, where the buildings are of the highest quality, a further quality addition may be merited. If the actual costs for such buildings are available, these will provide assistance. (See Public Buildings Committee Practice Note 17 para. 3.1)
- 2.4** Modern art centres serving towns of modest size tend to be of such character and cost as to fall into hall Categories 1 - 1/2 (i.e. to be of a standard and cost similar to that of local authority community centres). The other end of the spectrum most aptly falls into Category 3, or lower in extreme cases.
- 2.5** Any subjects which are wholly or mainly constructed in small scale compartments, probably with modest ceiling heights, and are similar in character to public offices may be valued by applying the relevant parts of PB Buildings Committee Practice Note 8 (Valuation of Local Authority Offices).
- 2.6** In the case of subjects, where the buildings comprise a variety of types, parts of which are similar to both types of subjects referred to in paragraphs 2.3 - 2.4, each part may be valued on the basis of the respective recommendations. In such circumstances, interpolation of the rates may be appropriate.
- 2.7** An E.R.C for any subject more specialised in character may be derived from actual costs (adjusted to April 2003 tone) or by derivation from any other practice note which may be of assistance.

3.0 BUILDING COST

For easy reference, the table of rates from Public Buildings Practice Note 17 has been reproduced here. The following rates should be used to arrive at the Estimated Replacement Cost of the above buildings.

Category 1	£1100
Category 1/2	£750
Category 2	£575
Category 3	£400
Category 4	£250
Category 5	£150

4.0 AGE and OBSOLESCENCE

4.1 The requirements of such subjects tend to be no more critical than in the case of halls. Age and obsolescence allowances should therefore be applied in accordance with Basic Principles Committee Practice Note 2. However, It should be borne in mind that a lower allowance might be applicable in the case of buildings, which have been significantly refurbished, particularly where the works undertaken have enabled internal re-modelling to improve the functional aspects of the building.

4.2 The range of allowances provided in Public Buildings Committee Practice Note 17 to reflect functional obsolescence are appropriate for application to subjects covered by this practice note.

It should be noted that these allowances will not be aggregated but will be applied in sequence to provide the Adjusted Replacement Cost of a particular building.

5.0 DECAPITALISATION RATE

5.1 All subjects covered by this practice note should be valued at the appropriate statutory decapitalisation rate.

6.0 END ALLOWANCE

6.1 An end allowance to deal with redundancy may be applied but only after having considered the particular circumstances of each property. This type of subject, particularly where situated within a large city or town, should generally receive no allowance. See Public Buildings Committee Practice Note 17 - para. 8.