



## Public Buildings Committee

### Practice Note 8

#### **REVALUATION 2005**

#### **VALUATION OF LOCAL AUTHORITY OFFICES ETC.**

##### **1. INTRODUCTION**

This practice note deals with the valuation of Offices, Council Chambers, Courtrooms etc, occupied by Local Authorities and similar bodies.

##### **2. BASIS OF VALUATION**

2.1 In most cases, these subjects are in commercial locations and should be valued in comparison with commercial properties of similar size and character. Only in situations where no rental evidence is available, or cannot be derived, should the Contractor's Basis of valuation be employed, and the resultant Estimated Replacement Cost rate should then be applied to the gross external area of the subject.

2.2 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 represent a £2m contract size on the "tone date", and exclude professional fees. In addition they have been adjusted to the Scottish mean and no further adjustment is required at this stage.

The correct procedure to adopt is detailed in Basic Principles Committee Practice Note 2 and Public Buildings Committee Practice Note.4.

## 2.3 Elements of Valuation

### 2.3.1 Building Cost

This is derived from the unit cost rate applicable to the description of the building with this cost being adjusted as per the above 2 Practice Notes.

### 2.3.2 External Works Cost

This should be costed as per Public Buildings Committee Practice Note.4.

### 2.3.3 Site Value

Site Value should be based on local evidence with the rate being applied to the total site area.

## 3. RATES TO BE ADOPTED IN CONTRACTORS PRINCIPLE VALUATIONS

Where the Contractors Principle has to be adopted it is recommended that the cost rates shown overleaf be used to calculate the Estimated Replacement Cost (ERC).

Where actual cost information for lands and heritages completed on the “tone” date is available, it should be seriously considered if it is appropriately adjusted. However, it is important that the resultant actual cost rate be compared to the rates recommended overleaf before applying it.

Due to the many variations in design and style of Local Authority offices, it is not possible to provide precise definitions for each of the categories overleaf, and the experience, judgement and opinion of the valuer is required.

Consequently the following descriptions are intended to provide a general guide:-

## DESCRIPTION

## REVAL 2005 RECOMMENDED RATE

### TRADITIONAL BUILD

- |                                                                                                                                                                                                                                                                                                                                           |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>1 Prestigious</b>                                                                                                                                                                                                                                                                                                                      | <b>£1,850</b> |
| - provides a very high standard of office accommodation using expensive, high quality finishes externally and internally. Often sandstone facings or polished granite panels are used externally and hardwood finishes and marble panels internally. The office would be fully fitted to satisfy the demands of modern working practices. |               |
| <b>2 Standard</b>                                                                                                                                                                                                                                                                                                                         | <b>£1,000</b> |
| - provides a good standard of office accommodation satisfying the requirements of most modern working practices, however without the expensive high quality finish and fittings of the Prestigious building.                                                                                                                              |               |
| <b>3 Plain</b>                                                                                                                                                                                                                                                                                                                            | <b>£625</b>   |
| - provides adequate office accommodation though lacking the finish and facilities provided in 1 & 2 above. Often the building has a 'tired' appearance or is lacking in some modern requirements.                                                                                                                                         |               |

### PREFABRICATED

- |                                                                                             |             |
|---------------------------------------------------------------------------------------------|-------------|
| <b>4</b> Good quality Industrialised Timber structures such as Medway, Terrapin and Bambury | <b>£500</b> |
| <b>5</b> Older HORSAs buildings                                                             | <b>£300</b> |

It is envisaged that due to the variation in offices referred to above, interpolation of the above rates may be necessary to arrive at an appropriate building cost.

#### 4. AREAS

The subject covered by this Practice Note will be valued on gross external areas.

#### 5. REDUCTION FACTORS FOR SUBSIDIARY FLOORS

- 5.1 In the case of **multi-storey buildings**, the following general allowances should be made to the whole of the individual building.

1 & 2 storeys .....	Nil
3 storeys.....	5%
4 storeys.....	10%
5 storeys & above .....	15%

Each principal building should be considered separately and the lift provision ignored.

6. **AGE & OBSOLESCENCE**

Age & Obsolescence allowances should be applied in accordance with the table shown in Paragraph 8 of the Basic Principles Committee Practice Note<sup>2</sup>, and Public Buildings Committee Practice Note<sup>4</sup>.

7. **DECAPITALISATION RATE**

The appropriate decapitalisation rate should be applied.