



PUBLIC BUILDINGS COMMITTEE

Practice Note 9

REVALUATION 2005

Valuation of Residential Homes

1. INTRODUCTION

This practice note deals with the valuation of care homes and subjects such as nursing homes, homes for older people, children's homes, homes for people with learning disability, hostels for homeless people etc. These subjects vary considerably in size, ranging from large purpose built residential homes to small houses and flats which, in terms of the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992, fall to be entered in the Valuation Roll.

2. BASIS OF VALUATION

Subjects covered by this practice note are valued on the contractor's basis.

3. SURVEY AND MEASUREMENT

Building areas should be calculated on a gross external basis for each main floor. Attic floor accommodation should be calculated on a gross internal basis excluding any area under 1.5 metres in height.

The total site area and areas of car parks, roadways etc should also be determined.

4. BUILDING COSTS

The available cost evidence was analysed in terms of Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations).

5. VALUATION

Buildings should be valued in accordance with Basic Principles Practice Note 2. Recommended unit cost rates based on the aforementioned cost analysis are noted below. The recommended rates exclude professional fees and external works.

External works should be valued in accordance with Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations External Works Costs, Allowances and Land Value).

Adjustments in respect of contract size, additions for professional fees and appropriate age allowances should be made in accordance with the recommendations contained in Basic Principles Committee Practice Note 2.

The estimated replacement cost and the adjusted replacement cost are derived as indicated in Sections 7 and 8 below.

6. ESTIMATED REPLACEMENT COST

6.1 Unit Cost Rate

The following unit cost rate per square metre should be applied to adjusted gross external areas:

Modern purpose built or converted stone built homes or hostels having bedrooms with en suite facilities, well appointed common areas, central heating throughout. Includes flatted developments, sheltered housing etc provided for residential care.	£710
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For homes of a lower standard than that specified above, the rate may be adjusted by up to -20% where there are no en suite facilities and poorly appointed common areas.

6.2 Adjustment of Gross Areas

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

3 storeys	- 5%
4 storeys	-10%
5 storeys	-15%

6.3 Outbuildings

Small entrance canopies, small external stores etc may be judged to be *de minimis*. Covered walkways, depending on extent, construction, finish etc may be added at an appropriate rate.

Garages and other substantial outbuildings may also be added at appropriate rates.

6.4 Site Finishes

Site finishes should be valued in accordance with Public Buildings Committee Practice Note 4.

6.5 Fees and Contract Size

Additions for fees and adjustments for contract size should be made to the total estimated replacement cost derived from steps 7.1 to 7.5 in accordance with Basic Principles Committee Practice Note 2 and Public Buildings Committee Practice Note 4.

7. ADJUSTED REPLACEMENT COST

7.1 Age and Obsolescence

Age and obsolescence allowances should be applied to the estimated replacement cost derived above in accordance with the table in Basic Principles Committee Practice Note 2 and Public Buildings Committee Practice Note 4.

7.2 Buildings without Lifts

Buildings without lifts should be granted an additional allowance to reflect functional obsolescence as indicated below.

2 storeys	- 5%
3 storeys	-10%
4 storeys	-15%
5 storeys	-20%

7.3 Functional Obsolescence

While disabilities which are inherent in the design of older homes are covered by the scheme of age and obsolescence allowances, individual homes may suffer from particular disabilities and where this is the case further allowances may be granted. It should be noted that, as attic floors are measured internally, there is effectively an in-built allowance for such accommodation.

8. LAND

Land value should be determined by reference to local evidence and Public Buildings Committee Practice Note 4.

9. DECAPITALISATION RATE

The appropriate statutory decapitalisation rate should be applied.

10. END ALLOWANCE

The foregoing unit cost rates assume that the property is conveniently situated in relation to the normal amenities of town or village life such as shops, churches, places of entertainment, social services and public transport. Where this is not the case an end allowance may be made in extreme cases.