



## **COMMERCIAL PROPERTIES COMMITTEE**

### **Practice Note 19**

### **REVALUATION 2005**

## **Valuation of Self Catering Accommodation**

### **1.0 INTRODUCTION**

This practice note applies to the valuation of self catering accommodation excluded from the definition of dwellings by Schedule 2, paragraph 2 of the Council Tax (Dwellings) and Part-Residential Subjects (Scotland) Regulations 1992. Self-Catering Accommodation is defined as:

“2 Any lands and heritages –

- a) which are not the sole or main residence of any person; and
- b) which either –
  - i) are made available by a relevant person for letting, on a commercial basis and with a view to the realisation of profit, as self-catering accommodation for short periods amounting in the aggregate to 140 days or more in the financial year; or
  - ii) if they have not been made so available for letting in that year, are intended by a relevant person to be made so available for letting in that year and the interest of the relevant person in the lands and heritages is such as to enable him to let them for such periods.”

### **2.0 BASIS OF VALUATION**

Self catering units are valued on the comparative principle and values are based on rates per bed space derived from an analysis of receipts and expenditure from properties throughout Scotland. The results of this analysis have been translated into a table of rates per bed space with the rate selected for a property being dependent on its structure and location.

### 3.0 STRUCTURE CLASSES

The following categorisation of structure classes is recommended for use throughout Scotland.

L1	Luxury	Exceptional property built/modernised to a very high standard, e.g. historic buildings or castles
H1	Excellent/Very Good House	Modern house built to a very good standard. H1 could also include an older house modernised to a high standard
H2	Good House	Modern house built to a lower standard than H1 or a modernised stone house
H3	Fair House	Basic house with little improvement or inferior modern house (e.g. Dorran)
H4	Poor House	Poor house or inferior structure (e.g. corrugated iron)
C1	Excellent/Very Good Chalet	Modern chalet with pitched concrete tiled roof (or similar)
C2	Good Chalet	Older chalet dating from the 1970s – felt or felt tiled roof (or similar)
C3	Fair Chalet	Inferior chalet dating back to the 1950s or 1960s
C4	Poor Chalet	Low quality chalet, poorer than C3
F1	Excellent/Very Good Flat	Modern/modernised flat built/modernised to a very good standard
F2	Good Flat	Flat finished to a good standard
F3	Fair Flat	Basic tenement flat or similar
F4	Poor Flat	Poor construction and finish

### 4.0 LOCATIONS

The following location categories are recommended for use throughout Scotland.

G+	Superior Holiday Centre
G	Main Holiday Centre
F+	Good Scenic Area
F	Average Rural Location
P	Remote Location
VP	Very Remote Location

### 5.0 CALCULATION OF BED SPACES

#### 5.1 Bed Count

Double/twin room counts as 2 bed spaces.

Family room counts as 2 bed spaces.

Bunk beds count as 1 bed space (unless the room can clearly take 2 single beds).

Bed settees (or similar) should be discounted.

It may be necessary to vary the above count in situations where there are very large family rooms, small double / twin rooms or an excess of public rooms (2 bed spaces for each additional public room). The count is subject to the provisions of 5.2.

## 5.2 Quantum Reduction Factors

No reductions should be made where there are sufficient bathrooms/shower rooms and additional public rooms within the property for the number of spaces. The norm is to be taken as one bathroom/shower room and one public room for up to 6 bed spaces. The above quantum reduction factors only apply if there are more than 6 bed spaces but no additional bathrooms/shower rooms and no additional public rooms.

Up to 6 bed spaces	No reduction
7 <sup>th</sup> and 8 <sup>th</sup> bed spaces	Take at 0.50 each
9 <sup>th</sup> and 10 <sup>th</sup> bed spaces	Take at 0.25 each
Larger units	Valuer's discretion

## 6.0 VALUATION RATES PER BED SPACE

In the absence of local evidence the following rates are recommended for 2005.

STRUCTURE CLASS			LOCATION					
			SUPERIOR HOLIDAY CENTRE	MAIN HOLIDAY CENTRE	GOOD SCENIC AREA	AVERAGE RURAL LOCATION	REMOTE LOCATION	VERY REMOTE LOCATION
			G+	G	F+	F	P	VP
EXCELLENT	LUXURY	L1	£460	£390	£315	£285	£275	£265
EXCELLENT	HOUSE	H1	£370	£310	£250	£230	£205	£195
GOOD	HOUSE	H2	£305	£265	£220	£190	£165	£155
FAIR	HOUSE	H3	£240	£210	£190	£165	£135	£125
POOR	HOUSE	H4	£180	£160	£150	£140	£110	£100
EXCELLENT	CHALET	C1	£345	£300	£245	£215	£195	£185
GOOD	CHALET	C2	£275	£240	£210	£185	£155	£145
FAIR	CHALET	C3	£190	£165	£155	£145	£115	£105
POOR	CHALET	C4	£160	£140	£125	£110	£95	£ 90
EXCELLENT	FLAT	F1	£320	£275	£230	£200	£170	£160
GOOD	FLAT	F2	£250	£220	£200	£175	£140	£130
FAIR	FLAT	F3	£190	£165	£155	£145	£115	£105
POOR	FLAT	F4	£160	£140	£125	£110	£95	£ 90

## **7.0 ADDITIONS TO VALUE**

Additions to value can be made for specific on-site facilities - e.g. games rooms, swimming pools, tennis courts or boating facilities etc. These should be reflected by way of a percentage addition to value. It is anticipated that the general range for additions will be 5% to 10% with a maximum of 25%. No addition should be made for laundry rooms nor for reception offices. Additional facilities such as shops and public houses should be valued on the basis for that class of subject and added as an additional value.

## **8.0 DEDUCTIONS FROM VALUE**

It is not anticipated that there will be many circumstances in which a deduction from value will be appropriate but, where specific disabilities exist, these may be reflected by an allowance up to a maximum of 10%.