



MISCELLANEOUS PROPERTIES COMMITTEE

Practice Note 20

REVALUATION 2005

VALUATION OF ADVERTISING STATIONS

1.0 INTRODUCTION

Subjects Dealt With

This Practice Note includes recommendations for the valuation of advertising stations occupied by major national companies, and will be of assistance in the valuation of private non-standard advertising signs and boards. It should also be used for railway advertising stations which are not included in the Network Rail cumulo and require to be valued and entered in the Valuation Roll.

2.0 BASIS OF VALUATION

As in previous Revaluations a combination of site value (based on rentals) and structure (based on the contractor's principle) will be applied to produce NAV.

3.0 GENERAL BACKGROUND

There are 2 main standard sizes of panel favoured by the major companies - the 48 sheet and the 6 sheet. 48 sheet posters have considerable impact with both motorists and pedestrians whereas 6 sheets are primarily aimed at pedestrians. The major national advertising companies dealing with these panels are as follows:

Maiden Outdoor; Clear Channel; JC Decaux; SMG-PrimeSight.

4.0 VALUATION - STRUCTURE ELEMENT (to be added to site element)

4.1 General

Cost information has been returned by some of the major operators and structure costs from the SAA/VOA Cost Guide have also been examined.

4.1.1 Decapitalisation Rate

The appropriate decapitalisation rate has been applied to structure costs

4.1.2 Age and Obsolescence

The rates below are inclusive of age and obsolescence, therefore no adjustment is required.

4.2 48 Sheet Free-Standing

Specification - Treated softwood framing, plywood facing, painted mouldings of timber or metal, fixed to steel stanchions set in concrete or timber supports with stays.

Add £45 NAV for this element

4.3 48 Sheet - Wall Mounted

Specification - See paragraph 4.2

Add £20 NAV for this element

4.4 48 Sheet "Ultravision" Panels

These panels are usually found in cities in prominent locations. They are of metal construction and consist of multiple vertical revolving sections which provide a constantly moving display.

48 Sheet Free-Standing Add £380 NAV for this element

48 Sheet Wall Mounted Add £285 NAV for this element

Note - Above costs for Ultravisions (Free-Standing and Wall Mounted) do not include illumination. See paragraph 4.8 for enhancement.

4.5 48 Sheet "Scroller"

This form of advertising is a new phenomenon in Scotland having been introduced in the last few years. These structures are internally illuminated as a lightbox with internal mechanism to enable more than one advert to be displayed as each advert scrolls into view.

48 Sheet Free-Standing Add £950 NAV for this element

48 Sheet Wall Mounted Add £950 NAV for this element

Note: Illumination included in cost.

4.6 48 Sheet "Apollo" Illuminated

These structures are constructed using sheet metal and have a concrete base with a steel plinth. the panel is illuminated internally and has a PVC sheeting.

"Apollos" are similar to "Scroller" but have a static display rather than revolving panels.

48 Sheet Free-Standing Add £285 NAV for this element.

48 Sheet Wall Mounted Add £235 NAV for this element.

Note: Illumination included in cost.

4.7 48 Sheet lightbox (Illuminated internally)

These structures are constructed using a metal box frame with internal lighting and glazed with acrylic sheeting.

48 Sheet Free-Standing Add £285 NAV for this element.

48 Sheet Wall Mounted Add £235 NAV for this element

Note: Illumination included in cost.

4.8 Additions for Illumination

16 Sheet - Add £30 NAV and £5 NAV for each additional Structure.
32 Sheet - Add £35 NAV and £10 NAV for each additional Structure.
48 Sheet - Add £40 NAV and £20 NAV for each additional Structure.
64 Sheet - Add £45 NAV and £25 NAV for each additional Structure.
96 Sheet - Add £60 NAV and £40 NAV for each additional Structure.

Note - The above costs include the provision of power, which would only be required once in each location.

4.9 Multiple Structures

No allowance should be made for quantum.

4.10 Larger Structures

The following factors should be applied to the NAV for the basic 48 sheet hoarding to arrive at appropriate figures for larger sizes.

64 sheet - Add 35%
80 sheet - Add 65%
96 sheet - Add 100%

4.11 Smaller Structures

32 sheet - Deduct 55%
16 sheet - Deduct 75%

4.12 6 Sheet Panels

This panel size has become much more prevalent in recent years due to its increased use, primarily on bus shelters and at shopping centres and supermarkets. They are approximately 50% larger in area than 4 sheets and measure 1.8m x 1.2m.

"Superlite" panels on bus shelters should be valued in accordance with the appropriate practice note (ie Valuation of Advertising panels on Bus Shelters).

4.12.1 Free-Standing

These take a variety of forms and structures as follows:-

- (a) Double or single aspect display erected on steel supports with metal box frame and acrylic sheet glazing.
- (b) Treble Panel - three panels attached to a steel structure which is triangular in section.
- (c) Four side quadrangle - four panels in the form of a square.
- (d) Circular Drum - single or double storey with 3/4 panels or 6/8 panels.

4.12.2 Free-Standing (Illuminated)

NAV for this element £65

4.12.3 Wall Mounted (Illuminated)

NAV for this element £35

4.12.4 Free-Standing (Illuminated) Double Sided

NAV for this element £75

4.12.5 Free-Standing (Illuminated) Revolving

NAV for this element £150

4.12.6 Wall Mounted (Illuminated) Revolving

NAV for this element £125

4.13 Multiple Structures

No allowance should be made for quantum.

4.14 4 Sheet Panels

This panel size is fast disappearing from the advertising scene, being replaced by 6 sheet panels.

4.14.1 Free-Standing (No Illumination)

NAV for this element £15

4.14.2 Wall Mounted (No Illumination)

NAV for this element £10

5.0 VALUATION - SITE ELEMENT (to be added to structure element)

5.1 General

The site element should be valued in accordance with local evidence. Where there is a shortage of rental information valuation judgement based on appropriate rates from comparable locations is suggested.

5.2 Classification

The classifications below may be useful when considering the rentals of the sites.

5.2.1 Location Classifications - 48 Sheets or Multiples Thereof

A Prime

High profile status (also known in the trade as "Supersites") found in very prominent locations. Often consisting of 96 sheet panels, this group will include sites which are clearly considered to be the best.

B1 Secondary

These are prominent sites, often angled to face traffic, or at road junctions. They are well located in important shopping/business centres or on main busy commuter routes. Some may be situated near important sports stadia.

B2 Suburban

These are peripheral sites, often parallel to traffic flow in secondary areas or on secondary main roads.

C Neighbourhood

This group covers the remainder of the sites not mentioned above. Included are sites in poor locations with restricted visibility, perhaps in small towns and villages or in situations now bypassed by new road layouts. It is expected that this group will be few in number.

5.2.2 Multiples of 48 Sheets

The following factors should be applied on a pro-rata basis:-

16 sheet	0.33
32 sheet	0.67
64 sheet	1.33
80 sheet	1.67
96 sheet	2.00

5.3 Sites of Ultravision & Scroller Panels

By their very nature, these panels will normally be found in more prominent locations. To reflect the special planning consent required for this type of panel and, looking to the rents available, it is recommended that the final site value should be taken at a higher rate than that indicated for an A site or B1 site depending on local evidence and circumstances (ie the 3 different advertising faces within a 48 sheet Ultravision or Scroller will be taken as equivalent to 3 x 48 sheets and the minimum location classification should be taken as B1).

5.4 6 Sheet Sites

These are found in pedestrian precincts, shopping centres, shopping malls, and attached to the walls of superstores. Some may also be found in street corner locations. As indicated in para 4.13 they are found in wall mounted and free-standing formats.

5.4.1 Location Classification - 6 Sheet

- A City centres, supermarkets/major shopping malls etc,
- B Town centres, smaller shopping malls, small supermarkets, eg some local Co-operative Societies (Scotmid etc).
- C All other areas.

5.4.2 6 Sheets at Supermarkets

6 sheets within the curtilage of supermarkets should be taken at £500 for the site element throughout Scotland unless convincing local evidence suggests otherwise.

5.4.3 Multiples of 6 Sheets

These should be valued on a pro-rata basis.

5.4.4 Revolving 6 Sheet Panels

There exists a 6 sheet structure which contains roller panels within. These normally comprise 6 separate panels which revolve displaying one panel at a time. It is recommended that the site rent is taken as 3 times the rate of a 6 sheet panel in a similar location.

5.4.5 6 Sheet Drum

There also appears to exist 6 sheet drums which contain 6 separate display panels, all of which are constantly displayed and again it is recommended that the site rent is taken as 3 times the rate of a 6 sheet panel in a similar location.

6.0 4 SHEET SITES

The site element for 4 sheet panels should be taken at $\frac{2}{3}$ of the site rate shown above for the equivalent 6 sheet.

7.0 ADSHEL HIGHLITES

This is a comparatively new style of Advertising Station in Scotland and is currently only found in Edinburgh and Aberdeen. The signs are double-sided, illuminated and are supported by a metal pole. The display panels are circa 3.6 metres x 1.8 metres (ie 3 x 6 sheets side by side).

The site rent should be taken as 3 times the rate of a 6 sheet panel in a similar location.

8.0 NON-STANDARD DISPLAYS

If structures are found that are not contained within this practice note they should be valued with regard to the cost of the structure and the passing site rental.

9.0 BANNERS & SCREENS

This is a fairly new type of display and consists of a large display mounted on scaffolding at building developments.

Normally highly prominent , city centre locations and of a short term nature. Due to their specialised nature, these structures should be valued with regard to the passing site rentals.

10.0 HOARDINGS - STANDARD SIZES

The sizes referred to below are for the Poster face, not the overall size of the structure - mouldings, frames, etc are excluded.

	Width (M)	Height (M)
4 sheet	1.02	1.52
6 sheet	1.20	1.80
12 sheet	3.06	1.52
16 sheet	2.03	3.05
32 sheet	4.06	3.05
48 sheet	6.10	3.05
64 sheet	8.13	3.05
80 sheet	10.16	3.05
96 sheet	12.20	3.05

11.0 RAILWAY ADVERTISING STATIONS

11.1 Historic Position

The former operational land of British Rail Property Board was transferred to Railtrack Plc (now Network Rail Infrastructure Limited) in April 1994. British Rail, now known as BR Residuary, retain ownership and control of mainly non-operational offices and surplus or redundant track and structures.

11.2 Revaluation 2000 - Network

The rateable hereditament and rateable value of Network Rail is prescribed for the 2000 List in England and Wales. The extent of rateable property comprises all property occupied by Network Rail together with property owned by Network Rail and let to Licence Holders and Licence Exempt Bodies – mainly train and freight operating companies (TOC's).

In Scotland, there is currently no such definition to include train operators so the Network Rail assessment was further subdivided to include a separate rateable value for ScotRail, West Coast Trains, GNER, and other minor occupiers. This was enacted by British Railways (Rateable Values) Scotland Order 1998.

11.3 Station Leasing Structure

Network Rail own and occupy two major stations in Scotland – Glasgow Central and Edinburgh Waverley. All other stations (and most depots) are leased by Network Rail to train operators – mainly ScotRail.

11.4 Advertising Letting Arrangements

There are two types of advertising sites on operational land. Sites owned and managed by Network Rail under concession agreements and sites leased by train operators directly to advertising operators.

Network Rail manage their operational advertising portfolio via concession agreements covering all locations in mainland Britain. They currently use three major operators – Maiden Outdoor Advertising, JC Decaux & Clear Channel UK Limited. As these sites are operated under partnership there is no rental information available.

There are three types of site operated under the concession agreement:-

Railway Operations

These comprise sites used for timetabling, branding for Network Rail and train operators, special offers, etc. These sites are situated mainly within or in the vicinity of railway stations. These sites are reflected in the Network Rail Cumulo and should not be entered in the Valuation Roll.

Sites Outside of Railway Stations

These sites cover the bulk of Network Rail's portfolio and typical locations are embankments, bridges, car parks and other structures. These sites are operated under the various concession agreements and may vary considerably from location to location in terms of size and structure. These sites are reflected in the Network Rail Cumulo and should not be entered in the Valuation Roll.

Sites Within Railway Stations

All Network Rail's sites are located within the 2 major stations – Waverley and Central and should be treated in accordance with the previous paragraph i.e. not entered within the Valuation Roll, as these sites are under the direct control and operation of Network Rail under their concession agreements.

For all other station locations, however, advertising is primarily under the control of ScotRail who manage the advertising sites under the terms of their Station Leases from Network Rail. These sites do not form part of the Network Rail concession arrangements and income and rent derived from them are managed in accordance with the Station Lease. These sites are currently the subject of separate entries in the Valuation Roll and it is not envisaged these circumstances will change for the 2005 revaluation.

11.5 Sites Leased from BR Residuary

All sites situated on the former BR land now owned by BR Residuary do not form part of the Network Rail concession arrangements and are usually leased directly by BR Residuary to the individual advertising operators. These sites do not form part of the Cumulo and should be separately entered in the Valuation Roll.