



## **COMMERCIAL PROPERTIES COMMITTEE**

### **PRACTICE NOTE 5**

### **REVALUATION 2005**

### **VALUATION OF REMOTE ATM SITES**

#### **1.0 Introduction**

A remote Automated Telling Machine (ATM) site is defined for the purposes of this Practice Note as the location of an ATM at a place or premises which is not a bank or building society.

The valuation roll description should be "Site of ATM".

Valuers should ensure that the ATM site does not meet the criteria of Section 8C of the Valuation and Rating (Scotland) Act 1956, as inserted by the Local Government in Scotland Act 2003. If it does, the ATM site is exempt from entry in the valuation roll.

#### **2.0 Basis of Valuation**

The comparative principle has been used after an analysis of the available rental information. Each ATM site entered in the valuation roll shall be valued by application of the matrix detailed at 5.0

#### **3.0 Subject of Valuation**

The subject of valuation is the site of the ATM. The ATM itself is not detailed in the Valuation for Rating (Plant and Machinery)(Scotland) Regulations 2000 and as such is not rateable.

The ATM may be installed in a secure room. In such circumstances the ATM will be bolted to the floor, either directly or on a supporting pad, and the display screen will be fitted through an external or internal wall.

The recommended values include any separate enclosure in which the ATM is located.

The descriptive text above is not intended to be exhaustive of all ATM sites. It is intended that the valuation matrix be applied to all remote ATM sites liable for entry in the valuation roll.

#### 4.0 Survey & Measurement

The secure room or ATM site should be measured to Gross External Area. The area determined is included in the value assessed by application of the matrix. The area of the ATM site or secure room should be deducted from the area of the subject in which the ATM is located, if appropriate.

#### 5.0 Valuation Matrix

<b>TRANSACTION BAND</b>	<b>BAND RANGE</b>	<b>NET ANNUAL VALUE</b>
A	0 – 2499	£100
B	2 500 – 4 999	£300
C	5 000 – 9 999	£600
D	10 000 – 14 999	£950
E	15 000 – 24 999	£1 500
F	25 000 – 49 999	£2 750
G	50 000 – 74 999	£4 500
H	75 000 – 99 999	£6 300
I	100 000 – 149 999	£9 000
J	150 000 – 199 999	£12 750
K	200 000 – 249 999	£16 300
L	250 000 – 299 999	£20 000
M	≥ 300 000	£24 000

#### 5.1 General

Discussions have taken place with the Inter Bank Rating Forum (IBRF) and the Association of Payment Clearing Services (APACS) in preparation for revaluation in 2005. After analysis of the available rental evidence, the matrix set out above has been agreed and endorsed by the aforementioned organisations.

#### 5.2 Application of the Matrix

The matrix should be applied to each site having regard to the number of cash transactions carried out in year 2002 but taking into account any discernible trends in previous or later years.

New Sites coming into existence after 01 April 2005 may require transaction numbers to be adjusted to reflect a maintainable level at tone date.

The valuation bands are drawn sufficiently wide such that they will accommodate transaction fluctuations resulting from the vast majority of material changes in circumstance. There is an expectation that most material changes in circumstance which occur will not result in a change in Rateable Value.

For the avoidance of doubt, the valuation matrix is not to be interpolated.

### **5.3 Exceptional Cases**

Whilst £24,000 NAV is expected to provide a ceiling value for the bulk of high transaction sites, there are a few exceptional locations where the total annual transactions for a single ATM site exceed 350,000. In these situations, it is understood that rents achieved are fixed at a level in excess of that used in determination of the highest band of the matrix. In such circumstances valuers should be guided by the available rental evidence.

### **5.4 Multi – ATM Sites in Different Occupation**

The Valuation Matrix should be applied to each site by reference to the appropriate level of maintainable total annual cash transactions at that location.

Where two or more ATM's are sited at one location and occupied by different operators, separate entries should be made in the Valuation Roll. The average total annual cash transactions of the ATM's at that location should be determined as a gauge of the maintainable transaction numbers for each site.

In those instances where an ATM provider, having a smaller customer base and consequentially lower transaction volumes, is in occupation of an adjoining site, the valuer may consider it inappropriate to have regard to the resultant average. Instead, consideration should be given to the transaction numbers which the site could reasonably be expected to maintain having regard to numbers achieved by the larger customer based ATM providers.

There may be circumstances, however, where an ATM site suffers from some specific locational disability when compared to others at the same facility. In such cases regard should be given to the actual number of cash transactions achieved by the ATM site that experiences the disability.

### **5.5 Multi – ATM Sites in the Same Occupation**

The total NAV will be the sum of the matrix valuations for each site.

Where the circumstances are such that a single entry in the Valuation Roll for a number of ATM sites at the same location is

appropriate, then the average total annual cash transactions of the ATM's at that location should be calculated as a gauge of the maintainable total annual cash transactions at each site.

Should there be a significant difference between the two levels of transactions, investigations should be carried out and a view taken on the appropriate level of total annual maintainable cash transactions of each ATM.