



COMMERCIAL PROPERTIES COMMITTEE

Practice Note 33

REVALUATION 2005

Valuation of Timeshare Subjects

1. INTRODUCTION

The concept of timeshare is now well established and requires no explanation.

The Council Tax (Dwellings) (Scotland) Regulations 1993 removed timeshare accommodation from the definition of 'dwelling' and therefore these properties fell to be entered in the Valuation Roll as from 1st April 1993.

It is recommended that separate entries are made in the Valuation Roll for each individual Timeshare Unit.

2. BASIS OF VALUATION

The proper method of valuation for timeshare units is that of comparison. The Lands Valuation Appeal Court in the case of *Barrat International Resorts Ltd. v Assessor for Highland Region and Western Isles* found that the basis of valuation should be comparison with house rents.

In keeping with the decision in the above case rental evidence for houses in Aviemore has been analysed and adjusted in terms of the Rating hypothesis.

This allowed a 'lamp post' level for the Dalfaber timeshare units to be established. Each of the other timeshare complexes is then compared to Dalfaber in terms of quality, location and facilities. The table below shows the comparative adjustment factors to be adopted when valuing timeshare subjects. Any proposed deviation from the table should be discussed with the group responsible for timeshare subjects. The analysis of house rents has resulted in a basic rate of £36 per m² being established. This is to be adopted along with the following adjustment factors.

It should be noted however that where new units are built on a timeshare complex which are clearly superior (or inferior) to the standard unit then it may be appropriate to adopt a higher or lower multiplier than that applied to the standard unit..

TABLE OF RELATIVITIES

Cameron House, Loch Lomond	1.20
Gleneagles, Perthshire	1.20
Craigendarroch, Ballater	1.10
Duchally, Perthshire	1.05
Coylumbridge, Aviemore	1.00
Dalfaber, Aviemore	1.00
Dunkeld , Perthshire	1.00
Great Glen, Invergarry, Lochaber	1.00
Kenmore, Perthshire	0.95
Auchrannie, Arran	0.925
Foresthills, Trossachs	0.925
Kilconquhar, Fife	0.925
Loch Melfort, Arduainie, Oban	0.90
Moness, Aberfeldy	0.90
Scandinavian Village, Aviemore	0.90
Portsonochan, Dalmally, Inveraray	0.875
Loch Rannoch, Perthshire	0.85
Lochanhully, Carrbridge	0.80

In order to arrive at the NAV of each timeshare unit, the gross external area is multiplied by the basic rate of £36 per m2 and adjusted using the multiplier from the above table..

Although the recommendation is that separate entries are to be made for each timeshare unit, for administrative purposes it may be prudent to have a cumulo entry in the Valuation Roll. If a cumulo entry is made there is to be no adjustment for quantum.

3. OTHER FACILITIES

Management / central facilities should be valued separately and will be the subject of separate entry in the valuation roll. Restaurants, bars etc should be valued on a turnover basis with reference to the SAA Licensed Premises Practice Note. Other facilities e.g. sports and leisure, should be valued with reference to the appropriate SAA Practice Note.