



## **PUBLIC BUILDINGS COMMITTEE**

### **Practice Note 12**

#### **REVALUATION 2005**

## **VALUATION OF UNIVERSITIES, COLLEGES AND OTHER INSTITUTES OF HIGHER EDUCATION**

### **1.0 INTRODUCTION**

This Practice Note should be used in connection with properties occupied for University, Higher or Further Education purposes and which should be considered for valuation under the following two principal groups: -

- A Property that has been purpose built or substantially adapted for occupation by a University, College or Higher Education Institution and for which they are the only hypothetical tenants. This will include buildings forming part of the main complex or campus, as well as those that are separate from it.
- B Property separate from a complex or campus, which is comparable physically with property in the locality and which has been taken over with little or no adaptation for educational purposes. For example, former houses, shops, offices or stores acquired perhaps with a view to future development but in the meantime used for education and administration purposes.

### **1.1 RESIDENTIAL ACCOMMODATION**

All Halls of Residence, hostels and other living accommodation used as residences by students and/or, as the sole or main residence of staff should be treated as separate dwellings and entered on the Valuation List, in accordance with Schedule 1 of the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992. Student halls are defined in Schedule 1 paragraph 2 as: -

"Any lands and heritages –

- a) which are used (or, if not in use, were last used) predominantly as residential accommodation by students; and
- b) in which there are facilities which are available for sharing by some or all of the students".

Accordingly should the student accommodation meet the foregoing requirements then an entry should appear in the Council Tax List and be excluded from the educational establishment valuation. Any individual residential property being the sole or main residence of an employee of the establishment should also be shown as a separate entry in the Council Tax List.

Following the decision in the case Assessor for Lothian Region -v- Heriot-Watt University, 1998 SC 736, entries should not be made in the Valuation Roll for residential property which is used outwith term-time for commercial letting in connection with summer schools, short courses and conferences, provided the predominant use is as student accommodation.

## 1.2 LET- OUTS

Non-domestic premises forming part of a campus or complex which are let by the University or College in such a way as to require separate assessment should be assessed by the most appropriate method of valuation; this will normally be by reference to rental evidence.

## 2.0 BASIS OF VALUATION

Category A properties: - Purpose built and adapted buildings should be valued by employing the **Contractor's Basis**.

Category B properties: - Property of this type should be valued by **Comparison** with similar properties in the immediate locality.

**The following paragraphs apply to Category A properties only.**

## 3.0 BASIS OF MEASUREMENT

The basis of measurement should be gross external area (GEA). The definition of GEA should be as provided in the "RICS/ISVA Code of Measuring Practice" (5th Edition) and measurements should be taken in accordance therewith.

However, the areas of certain buildings with wall thicknesses of 450 mm and above require to be adjusted to reflect the fact that GEA Unit Cost rates to be recommended have been derived from GIA Unit Cost rates analysed from modern equivalent buildings.

These adjustments should be applied to buildings in the following categories:  
The adjustments also reflect the factor of heavier internal walling etc.

Wall Thickness	Area Up to 200m <sup>2</sup>	Area 201-400m <sup>2</sup>	Area 401 m <sup>2</sup> & above
450 mm +	10%	8%	6%

## 4.0 ELEMENTS OF VALUATION

**4.1 Building costs from the whole of the UK have been analysed. The unit cost rates recommended have been adjusted to the Scottish mean level at the tone date.**

The costs exclude professional fees and external works. They also require to be adjusted to reflect contract size.

Reference should be made to Basic Principles Practice Note 2 – Contractor's Basis Valuations and to Public Buildings Practice Note 4 – External Works Costs, Allowances and Land Values for guidance on methodology. Reference should be made to 5.2 and 5.3 of this Practice Note for adjustments at the valuation stage.

**4.2 Land value should be added at the appropriate rate based on local evidence.**

**5.0 ESTIMATED REPLACEMENT COST (ERC)**

The ERC of **all** the buildings comprising the lands and heritages should be determined by reference to the unit cost rates set out at para 5.2 below.

**5.1 BUILDING CATEGORIES**

**5.1.1 Superior Science**

Buildings used for postgraduate and upward research with a preponderance of fully fitted laboratories supplied with gases, water and extraction systems. Also all laboratories housing animals for testing purposes

This rate is only intended to those buildings of a specialised nature with a significant proportion of either containment or clean room capability within the buildings services.

**5.1.2 Other Principal Buildings**

All buildings which do not fall into other categories

**5.1.3 Colleges of Further Education**

Colleges of further education **of a similar standard and style of construction to a secondary/comprehensive school.**

**5.1.4 Hutted and Portable Buildings**

Broadly those buildings generally intended to have a relatively short life, (although they may have outlived original expectations), and of inferior construction compared to standard building construction. Where a temporary building is built to a standard superior to the norm for that type, consideration should be given to treating it as a principal building at 5.1.2.

**5.1.5 Greenhouses and Simple Timber Structures**

Those greenhouses used purely in connection with raising plants for ornamental purposes, without climate control, and used neither for research nor public admission. Timber structures within this category will be of the simplest type, used as stores and/or garages, and with no heating.

### 5.1.6 Workshops

These will be more substantial structures than at 5.1.4. Typically with light steel frame, 100mm brickwork infill to 1.0m height, profiled corrugated sheet cladding above, translucent sheet glazing, electric power, water toilets and central heating. Such buildings are likely to have been built after 1975. Older workshops may be constructed from different materials.

### 5.1.7 Sports Buildings

These fall into two main categories:-

- (i) Swimming Pools
- (ii) Sports Barns with and without changing facilities

### 5.1.8 Link Walkways

Any link walkways, not of a substantial character or not an original component of a unified design should be excluded from valuation.

## 5.2 UNIT COST RATES

<b>Superior Science Research</b>	£1560
<b>Other Principal Buildings</b>	£980
<b>Colleges of Further Education</b>	£750

Hutted and Portable buildings and workshops	£450 (less 12.5% if unheated)
Greenhouses (other than climate controlled/Research) and simple timber structures	£140
Sports buildings <ul style="list-style-type: none"><li>▪ Swimming Pools</li><li>▪ Sports Barn with full changing facilities</li><li>▪ Sports Barn without changing facilities</li></ul>	£1140 - £1315 depending upon facilities/specification.  £580 - £675 depending upon specification  £450

## 5.3 ADDITIONS

### 5.3.1 External Works

**Where sufficient information exists**, external works should be costed by reference to Public Buildings Practice Note 4 - External Works Costs, Allowances and Land

Values. In other cases, the cost of external works should be added in accordance with the following table -

<b>Classification</b>	<b>Description</b>	<b>Percentage Addition</b>
Restricted Site	Typically situated in or close to city centres with a plot ratio of 100% or more	2%-4%
Intermediate Site	May include access roads, footpaths, car parking etc.- as a guide plot ratio typically between 50% and 100%	4%-7%
Extensive Site	Those with an extensive network of roads, paths, external lighting, car parking and extensive landscaping- as a guide plot ratio typically less than 50%	7%-12.5%

- The plot ratio is the building GEA expressed as a percentage of the total site area (including building footprint).

### **5.3.2 Specialised sports facilities**

Specialised facilities such as all weather pitches and athletics tracks should be added in accordance with Miscellaneous Practice Note 9 – Valuation of Sports Grounds.

### **5.3.3 Professional Fees**

Professional fees should be added in accordance with Basic Principles Practice Note 2.

## **5.4 ALLOWANCES**

### **5.4.1 Obsolescence Allowances**

These will be applied in accordance with the table at paragraph 8 of Basic Principles Practice Note 2 and paragraph 4 of Public Buildings Practice Note 4.

University Principal Buildings that are system-built structures of inferior frame and panel construction with flat roofs and very little or no brickwork to walls may be given an additional allowance of up to 20% for pre-1975 structures and 15% for those built between 1975 and 1985 in relation to actual construction, actual state and the nature of any problematic circumstances as a result of the original system of building.

Buildings, which have undergone extensive modernisation to such an extent that it is not appropriate to treat them as dating from or in their original specification/date, should be treated from an intermediate point of allowance depending on the extent of modernisation.

### **5.4.2 Multi-Storey Building Allowances**

**Table 1 - Buildings with inadequate\* or no passenger lifts**

2 main floors	Nil
3 main floors	5% overall
4 main floors	10% overall
5 main floors	17.5% overall
8th main floor and above	22.5% for 8 <sup>th</sup> floor and above 17.5% overall below 8th floor

**Table 2 - Buildings with adequate\* passenger lifts**

4 main floors or less	Nil
5-7 main floors	7.5%
8th main floor and above	12.5% for 8th floor and above 7.5% overall below 8th floor

**Notes**

- These allowances only apply to the multi-storey part of the structure.
- In determining the adequacy or otherwise of lifts it is recognised that lift provision is rarely ideal, and normal deficiencies (such as the inability to cope fully with peak time movements of students) are addressed within the allowances in Table 2. It is also recognised, however, that in some instances lift provision may be inadequate to cater for the number and size of floors served and in such circumstances the allowances up to those in Table 1 should be applied.

**6.0 END ALLOWANCES**

Any advantages or disadvantages which might affect the value of the occupation of the Lands and Heritages as a whole should be reflected at this stage.

**7.0 DECAPITALISATION RATE**

The appropriate statutory rate applicable to educational establishments should be applied.