



Revaluation 2010

Public Utilities Committee

Practice Note 1

Valuation of Telecommunications Subjects (Wireless)

1.0 Introduction

- 1.1 This note is intended to provide guidance on the level of value to be applied to the individual elements which make up a wireless telecommunications subject or network entry.
- 1.2 The type of installation covered by this note is varied. It ranges from the single cable installation and lampposts, and other lightweight installations, to the more typical mobile telephone cell installations. It also covers larger mast sites and those which have been erected to facilitate the host's own broadcasting obligations and which allow sharing by others.

2.0 Basis of Valuation

- 2.1 The Comparative Method of valuation shall be used to determine the appropriate site value. The Contractor's Basis should be used for other elements in the valuation.

3.0 Survey and Measurement

- 3.1 The total site area and all surfaced areas should be determined separately. Any buildings should be measured to Gross External Area and the specifications of all rateable plant and machinery should be recorded.

4.0 Unit of Valuation

4.1 Hosts

Hosts of 2 types are found at wireless sites:

1. Hosts who are also operators from the site; and
2. Hosts who are facilities' providers but do not operate from the site.

4.1.1 Host Operators

Where a host is also an operator they will tend to be indistinguishable from other "sharer" operators on site. In the circumstances, the host's occupation should be valued at the same level as sharers whose occupation is similar.

4.1.2 **Host as Facilities' Provider**

Where a host is a company which provides the site and infrastructure for other users and do not themselves operate from the site, such a host is still in rateable occupation of the mast and the remainder of the site which is not in occupation of sharers. It is accepted that where there is no capacity on a mast for further sharers there will be no physical residual to value and that, where there is no demand for the available space on a mast, the value of any residual subjects will be nominal or nil.

4.2 **Sharers**

Sharers of 2 types are found at wireless telecommunications sites:

1. Sharers who have their equipment housed within a host's accommodation; and
2. Sharers who have their own accommodation on site.

4.2.1 **Sharers within a host's accommodation**

Where the host is in paramount control of the accommodation then such sharers are in rateable occupation of only the cable which connects their equipment to the antennae located on the mast and an entry should be made on that basis.

4.2.2 **Sharers with their own accommodation**

This category also includes those circumstances where the sharer is in exclusive occupation of accommodation within the host's building.

In such cases the sharer is in rateable occupation of the accommodation which they themselves have provided, or the part of the host's building which the sharer exclusively occupies, the site upon which it is located and the cable. The right to run the cable up the mast is a pertinent of this occupation.

5.0 Level of Value

- 5.1 The suggested Net Annual Values which may be used in the absence of local evidence to the contrary are set out below. The values, except in the case of 5.2.1, reflect the Annual Value of occupation of part of the site, the right to attach equipment to any associated mast or structure and the right to lay cable to it. Additions will be required for any rateable buildings and plant and machinery as appropriate.

5.2 **Sharers**

The sharer payment is normally made for use of the site facilities after having either installed a cabin for the sharer's own use or occupied a shared building. In the case of sharers with their own accommodation there is usually no element included in the payment for services. In these circumstances an analysis of such sharer payments will establish the level of Net Annual Value in respect of the sharer's occupation of the site. Otherwise the sharer will not have exclusive occupation of equipment accommodation and in such instances the sharer will only be in exclusive occupation of the cable.

5.2.1 **Cable Only Installations**

In this case the sharer will share accommodation provided by the host but attach their own cable to their equipment on the mast. The subject of valuation in these cases is identified as the cable alone. In order to take into account the many different lengths of cable and cable types which can be installed, **£100** Net Annual Value can be adopted to reflect all rateable elements normally in the occupation of such sharers at installations.

5.2.2 **Cabin (or Cabinet) & Cable Installations**

Installations of this nature are commonly Macrocells in the occupation of mobile telephone operators. In these instances, a sharer will have occupied their own cabin (or cabinet) or have exclusive occupation of part of the host's accommodation. The sharer is in rateable occupation of the cabin (or cabinet) or that part of the host's accommodation in exclusive occupation and its site. The right to install the cable is a pertinent of this occupation. (see 6.1.3 for levels of value)

6.0 **Mobile Networks – “Host Only” and Shared Installations**

6.1 Where an operator is the only occupier of a site and the unit of valuation is similar to that of a typical sharer: i.e. the host occupies a cabin (or cabinet) together with the mast which he has erected, or an antenna he has installed, a number of values can apply. These are set out below.

6.1.1 **Picocells**

These are typically comprised of very low power equipment located in a cabinet with a cable linked to unobtrusive antennae sited on or within an existing building. They serve very small geographic areas normally being used solely to provide coverage in areas where there are very high volumes of users.

Rents, and so site values, are likely to be site specific and local evidence should be used to set Net Annual Value. If no local evidence is available a site value of **£2250 NAV** may be used.

Additions for rateable items of plant and machinery may be added to the site value to determine Net Annual Value.

6.1.2 **Microcells**

These are typically comprised of low power equipment located in a cabinet with a cable linked to antennae on a lamppost or other monopole type installations; or linked to unobtrusive antennae sited on an existing building or other structure. They serve smaller geographic areas than the more common macrocell. They are not known to be occupied by sharers.

In such cases the site values below are recommended. The rateable plant and machinery at these sites is likely to be less sizeable than at other installations. Installations such as these usually comprise a cabinet rather than a cabin. Site values and typical plant and machinery additions are set out in the table below.

Installation	Site Value	Plant and Machinery	Total NAV
Lamp post 8.00 m ht – 12.10 m ht	£2500	£400	£2900
All Monopoles/Towers 12.20 m ht – 25.90 m ht	£4500	£800	£5300
All Monopoles/Towers 26.00 m ht – 35.90 m ht	£5500	£800	£6300

6.1.3 **Macrocells**

These are the typical installation types that are similar to those occupied by most sharers and usually range from 12.00m ht to around 35.00m ht.

An analysis of all the available evidence for installations of this type indicates a level of value of **£8500** Net Annual Value fairly reflects the annual value of such occupation. In addition to this a sum requires to be added to reflect any building in exclusive occupation. Common enclosures are cabins or cabinets. Typical value additions and total values are set out below.

Cabin Installation		Cabinet Installation	
Cabin	£800	Cabinet	£400
Site Value	£8500	Site Value	£8500
Total Value	£9300	Total Value	£8900

Where the structure varies from the usual cabin or cabinet installation, or where extraordinary additions should be made for further items of plant and machinery: e.g. generators, fuel tanks, etc, reference should be made to the Rating Cost Guide to enable valuation of these items.

Where the host is the only operator the level of value adopted should equate to the same level as applied to sharers with their own accommodation at similar installations.

Where there are several sharers which share the host's accommodation refer to 8.2 for guidance.

6.1.4 **Rooftops**

Roof-top installations are normally macrocells. In the circumstances, a site value of **£8500** Net Annual Value can be adopted in the absence of local evidence to the contrary. **£800** Net Annual Value can be added to reflect the rateable plant and machinery.

7.0 Broadcast Sites

7.1 These are sites occupied for the purpose of broadcasting television and radio signals for terrestrial broadcast services. They range from small relay installations to larger transmission sites and very large strategic installations.

- 7.2 At most broadcast sites where both BBC and Independent Television signals are broadcast, and both broadcasters have a presence, it is understood the “host” broadcaster does all the broadcasting. The occupation of the “sharer” broadcaster, where no signals are broadcast by that party, can therefore be characterised as accommodation only without the valuable pertinent right to connect to equipment on the mast.
- 7.3 The approach to the valuation of broadcast sites is set out below. Any reference to the value of the infrastructure in the following paragraphs means site, site preparation, site works, security fencing and mast but excludes buildings.

TV Relay Stations (no sharers)

There are a small number of broadcaster only occupied sites. These are sites where for physical or economic reasons there is no likelihood of another user sharing the site. They will invariably transmit at 10 watts or below.

Mast heights can vary up to 45.00 m ht but are more normally of lightweight construction 12 m ht – 17 m ht. There are typically no sharers present at such installations. This category of installation may also include rooftop TV relay stations. In such circumstances, and in the absence of local evidence, a site value of **£2250** Net Annual Value can be adopted. All buildings and plant and machinery require to be valued separately and aggregated with the site value to determine total Net Annual Value.

TV Relay Stations (with sharers)

These vary in size and importance and the Effective Radiated Power (Watts) may be some indication of the relative importance. All of these sites will have sharers at them paying varying amounts for use of the site.

The sites tend to be more intensively used by sharers. Mobile operators are particularly likely to locate at such installations. Where the nature of the broadcaster’s occupation is similar to that of the sharer in exclusive occupation of accommodation, then the value of the infrastructure, exclusive of any buildings, should be no less than **£8500** Net Annual Value. It may also be appropriate to limit the Net Annual Value of the infrastructure, exclusive of buildings, to **£8500** where the intensity of use by the broadcaster and location of the equipment on the mast is similar to that of the sharers.

It is recommended that in arriving at a figure for sites where masts exceed 35.00 m ht and the more prominent sites that the valuation of the infrastructure, exclusive of buildings, is derived by aggregation of the site values set out below and a cost based valuation of the relevant plant and machinery. This valuation should be compared to the sharer payments made at the tone date of 1 April 2008 at the particular installation, or other installations where intensity of use by sharer is similar, before concluding the appropriate level of value for the infrastructure.

A Contractor’s Basis valuation of the buildings should be added to the infrastructure value to determine total Net Annual Value.

Where there are several sharers which share the host’s accommodation refer to 8.2 for guidance.

Main Transmission Sites

This category covers the main broadcast sites which provide the full range of analogue broadcast services and digital TV broadcast services. Masts tend to be higher but are not exclusively so.

There are no rents at these sites for occupation as a broadcaster and only limited site rental information is available. Additionally there is not full disclosure on payments between broadcasters for broadcasting services at sites.

The position of broadcast equipment at these sites is paramount and tends to be located at the highest point on the mast. Any sharer equipment will be located at a lower height on the mast which is likely to be of limited or no practical use for the broadcast of television and radio signals.

In respect of this category of installation, and in the absence of local evidence, it is recommended that the valuation of the infrastructure, exclusive of buildings, is derived by aggregation of the site values set out below and a cost based valuation of the relevant plant and machinery. This valuation should be compared to the sharer payments made at the tone date of 1 April 2008 at the particular installation, or other installations where intensity of use by a sharer is similar, before concluding the appropriate level of value for the infrastructure.

Site Values

Installation Type	Height	Site Value	Sharer Addition[#]
Lamp post	8.00m – 12.10m	£2500	N/A
All Lamp posts, monopoles and towers	12.20m – 25.90m	£4500	£2250
All Monopoles and Towers with and without compounds	26.00m – 35.90m	£5500	£2250
Towers/Guyed Masts	36.00m – 45.90m	£7000	£2250
Towers/Guyed Masts	46.00m – 60.90m	£8750	£2250
Towers/Guyed Masts	61.00m – 150.90m	£9000	£2250
Towers/Guyed Masts	151.00m and greater	£27000	N/A

[#] An addition to the site value of £2250 per sharer for each major sharer without exclusive use of accommodation should be applied where appropriate. A major sharer is defined as one paying at least £3500 per annum as at the tone date of 1 April 2008.

A Contractor's Basis valuation of the buildings should be added to the infrastructure value to determine total Net Annual Value.

7.4 Occupation by “Sharer” Broadcaster

Where there is an occupation by the other broadcaster at such sites, and **where the “sharer” broadcaster carries out no separate broadcasting**, the “sharer” broadcast is in occupation of much less valuable lands and heritages relative to the host. In these circumstances, and where the building or part of the building occupied by the sharer is not of significant size, then a site value relative to the size of the building should be adopted. Where a larger structure, or a significant portion of the host’s building, is occupied by the sharer broadcaster, the level of site value should be **no more than £8500**, the site value proposed for the standard macrocell installation.

Where the “sharer” broadcaster carries out a broadcast service independent of the host and is in exclusive occupation of a separate building, or exclusive occupation of part of the host’s building, the sharer is in occupation of a building with the valuable pertinent right to lay cable to the installation. It is recommended that this occupation is treated in a similar way to “mobile” sharers. The level of value adopted should be in accordance with payments made by the “sharer” broadcaster in respect of their digital radio transmission installations on site and the generality of payments made by mobile operators.

7.5 Guyed Mast Radiator Installations

These are specialised masts used in the transmission of radio signals. There are no sharers on the masts used in the radio transmission on site. However there may be instances where the host has erected separate towers for use by mobile operators in particular. The site value of any tower where all sharers have their own accommodation will be included in the valuation of the various sharers’ units of occupation.

The site values for guyed mast radiator installations where no local evidence is available are set out below.

Installation Type	Height	Site Value
Single Guyed Mast Radiator	All Heights	£7500
Pair Guyed Mast Radiators	All Heights	£11250
Single & paired Guyed Mast Radiators	All Heights	£11250

A Contractor’s Basis valuation for all buildings and rateable plant and machinery should be added to derive Net Annual Value.

7.6 Multi – Mast Sites

Where using site value to establish the infrastructure value it is necessary to enhance the site values set out at 7.3 where there is more than one mast on site at which there are sharers who do not have exclusive occupation of accommodation. Regard should be given to any local rental evidence. Where this is absent, as a guide, 50% of the site value relative to the height of the additional monopole or tower may be added.

8.0 Other Installations

- 8.1 There are a number of operators who commonly occupy similar installations to those outlined above. These are Police, National Air Traffic Services, Ministry of Defence, NATO, Wireless Infrastructure Group, Local Authorities and the like. Local evidence should be examined to determine the appropriate level of value. In the absence of local evidence and dependent on circumstances, the levels suggested at 6.1.2; 6.1.3 and 7.3 may be used.

It is anticipated however, that in most circumstances a minimum Net Annual Value of **£8500** will be applied to the site to reflect the annual value of the infrastructure. A Contractor's Basis valuation of the buildings should be added to the infrastructure value to determine total Net Annual Value.

- 8.2 Where there are several operators with equipment situated within accommodation in the rateable occupation of the host, then adjustment of the site value may be required to take into account such occupation.

It is recommended that the valuation of the infrastructure, exclusive of buildings, is derived by aggregation of the site values set out at 7.3 and a cost based valuation of the relevant plant and machinery. The site values set out at 7.3, where appropriate, should be enhanced by **£2250** Net Annual Value for every major sharer other than the host, where he transmits, or one operator which shares the host's accommodation where the host does not transmit. (A major sharer is defined as one paying at least £3500 per annum as at the tone date of 1 April 2008).

This valuation should be compared to the sharer payments made at the tone date of 1 April 2008 at the particular installation, or other installations where intensity of use by a sharer is high, before concluding the appropriate level of value for the infrastructure. A Contractor's Basis valuation of the buildings should be added to the infrastructure value to determine total Net Annual Value.

9.0 Small Installations

- 9.1 Some small operators often locate their equipment in a cabin or building provided by a host and are not in paramount control of the lands and heritages (see 5.2.1 above). In some cases, however, a local taxi firm or local contractor may have erected a lightweight mast on a site which is either owned or let. The sites are not likely to be extensively developed and any rents paid are usually relatively low. Regard should be given to any local rental evidence and the availability of alternative site sharing opportunities. Otherwise the levels suggested at 6.1.2 should be applied with commensurate additions for any building or rateable plant and machinery. When determining site value due regard should be given to the nature and use of the installation.

10.0 Buildings and Plant and Machinery

- 10.1 Reference has been made to standard Annual Value additions for buildings and plant and machinery. These are suggested for use when installations are typical and are commonly erected: i.e. a cabin of around 10m² ; or cabinet of around 1.50m² at mast installations up to around 35.00 m ht.

Where any buildings or plant and machinery in place at a mast installation are exceptional to the norm, reference should be made to the Rating Cost Guide to enable valuation.

11.0 Age and Obsolescence

11.1 Buildings

It is apparent that less space is now required within older, permanent buildings to house electronic switching equipment than was formerly needed. In considering any obsolescence allowance for such buildings, the demand for space by site sharers and the host should be taken into account.

11.2 Masts

It is not anticipated that an age and obsolescence allowance should be applied routinely to the mast where itemised in the valuation. It may be claimed that some older sites are subject to technical obsolescence in that the modern equivalent mast would be of a lighter or smaller design. Any such claims should be verified by documentary evidence before applying an allowance.

12.0 Valuation Roll Entry

- 12.1 The Non – Domestic Rating (Telecommunications and Canals) (Scotland) Order 1995 requires any lands and heritages in Scotland which would otherwise be separate entries in the valuation roll which, amongst other things, comprise: posts, wires, towers, masts, switching equipment, or other equipment used for the monitoring, processing or transmission of communication signals for the provision of telecommunications services and which are occupied, or if unoccupied, owned by the same person, to be entered as only one entry in the valuation roll.

This means that where more than one such subject exist in a local authority area in Scotland, and are in the same occupation or ownership, a single entry should be made in the valuation roll. The entry should be described as Telecommunications Network (part).