



Revaluation 2010

Commercial properties Committee

Practice Note 19 Valuation of Self Catering Units

1.0 Introduction

1.1 This practice note applies to the valuation of self catering units excluded from the definition of dwellings by Schedule 2, paragraph 2 of the Council Tax (Dwellings) and Part-Residential Subjects (Scotland) Regulations 1992. Self-Catering Accommodation is defined as:

“2. Any lands and heritages –

- a) which are not the sole or main residence of any person; and
- b) which either –
 - i) are made available by a relevant person for letting, on a commercial basis and with a view to the realisation of profit, as self-catering accommodation for short periods amounting in the aggregate to 140 days or more in the financial year; or
 - ii) if they have not been made so available for letting in that year, are intended by a relevant person to be made so available for letting in that year and the interest of the relevant person in the lands and heritages is such as to enable him to let them for such periods.”

2.0 Basis of Valuation

2.1 Self catering units are valued by application of the comparative principle and values are based on rates per bed space derived from an analysis of receipts and expenditure from properties throughout Scotland. The results of this analysis have been translated into a table of rates per bed space with the rate selected for a property being dependent on its structure classification and location.

3.0 Structure Classes

3.1 The following categorisation of structure classes is recommended for use throughout Scotland.

L1	Luxury	Exceptional property built/modernised to a very high standard, e.g. historic buildings or castles
H1	Excellent / very good house	Modern house built to a very good standard. H1 could also include an older house modernised to a high standard
H2	Good House	Modern house built to a lower standard than H1 or a modernised stone house
H3	Fair House	Basic house with little improvement or inferior modern house (e.g. Dorran)
H4	Poor House	Poor house or inferior structure (e.g. corrugated iron)
C1	Excellent / very good Chalet	Modern chalet with pitched concrete tiled roof (or similar)
C2	Good Chalet	Older chalet dating from the 1970s – felt or felt tiled roof (or similar)
C3	Fair chalet	Inferior chalet dating back to the 1950s or 1960s
C4	Poor chalet	Low quality chalet, poorer than C3
F1	Excellent / very good flat	Modern/modernised flat built or modernised to a very good standard
F2	Good Flat	Flat finished to a good standard
F3	Fair flat	Basic flat or similar
F4	Poor flat	Poor construction and finish

4.0 Locations

4.1 The following location factors are recommended for use throughout Scotland.

E	Edinburgh City Location
G+	Superior Holiday Location
G	Main Holiday Location
F+	Good Scenic Location
F	Average Rural Location
P	Inferior Location

5.0 Calculation of Bed Spaces

5.1 Bed Count

Double/twin room counts as 2 bed spaces.

Family room counts as 2 bed spaces.

Bunk beds count as 1 bed space, unless the room can clearly take 2 single beds.

Bed settees, or similar, should be discounted.

It may be necessary to vary the above count in situations where there are very large family rooms, small double/twin rooms or an excess of public rooms (2 bed spaces for each additional public room). The count is subject to the provisions of 5.2.

5.2 Quantum Reduction Factors

No reductions should be made where there are sufficient bathrooms/shower rooms and additional public rooms within the property for the number of spaces.

The norm is to be taken as one bathroom/shower room and one public room for up to 6 bed spaces. The quantum reduction factors below only apply if there are more than 6 bed spaces but no additional bathrooms/shower rooms and no additional public rooms.

Up to 6 bed spaces	No reduction
7th and 8th bed spaces	Take at 0.50 each
9th and 10th bed spaces	Take at 0.25 each
Larger units	Valuer's discretion

6. Valuation Rates per Bed Space

6.1 In the absence of local evidence, the following rates are recommended for 2010.

			EDINBURGH CITY * LOCATION	EDINBURGH SUBURBAN	NORTH BERWICK & ENVIRONS	SUPERIOR HOLIDAY LOCATION	MAIN HOLIDAY LOCATION	GOOD SCENIC LOCATION	AVERAGE RURAL LOCATION	INFERIOR LOCATION
			E	ES	NB	G+	G	F+	F	P
STRUCTURE CLASS										
Excellent	Luxury	L1	£1600	£1100	£1000	£600	£550	£500	£400	£350
Excellent	House	H1	£1300	£900	£800	£450	£385	£350	£300	£255
Good	House	H2	£1200	£800	£600	£390	£350	£330	£270	£205
Fair	House	H3	£1100	£700	£500	£310	£260	£240	£210	£170
Poor	House	H4	£1000	£600	£450	£230	£200	£185	£175	£150
Excellent	Chalet	C1				£430	£375	£305	£270	£240
Good	Chalet	C2				£340	£300	£260	£230	£200
Fair	Chalet	C3				£240	£210	£200	£180	£150
Poor	Chalet	C4				£200	£175	£160	£150	£140
Excellent	Flat	F1	£1300	£900	£800	£380	£360	£330	£300	£280
Good	Flat	F2	£1200	£800	£600	£350	£330	£300	£280	£180
Fair	Flat	F3	£1100	£700	£500	£280	£250	£230	£200	£150
Poor	Flat	F4	£1000	£600	£450	£230	£210	£190	£150	£130

* Prime City location add 10%

7.0 Additions to Value

- 7.1 Additions to value can be made for specific on-site facilities - e.g. games rooms, swimming pools, tennis courts or boating facilities etc. These should be reflected by way of a percentage addition to value. It is anticipated that the general range for additions will be 5% to 10% with a maximum of 25%. No addition should be made for laundry rooms nor for reception offices. Additional facilities such as car parking, shops and public houses should be valued in accordance with the appropriate Scottish Assessor's Association Practice Note, as an additional, or separate, value.

8.0 Deductions from Value

- 8.1 In certain circumstances a deduction from value will be appropriate, where specific disabilities exist - e.g poor access, disamenity, noise. It is not anticipated that the allowance will exceed 10%.