



Scottish Assessors Association

Revaluation 2010

Public Buildings Committee

Practice Note 8

Valuation of Local Authority Offices etc.

1.0 Introduction

- 1.1 This Practice Note deals with the valuation of Offices, Council Chambers, Courtrooms etc. occupied by Local Authorities and similar bodies.

2.0 Basis of Valuation

- 2.1 This Practice Note should only be used where no rental evidence is available, or cannot be derived, In such circumstances subjects should be valued on the Contractor's Basis in accordance with SAA Basic Principles Practice Note 2 (Contractor's Basis Valuations).
- 2.2 In circumstances where rental evidence is available or can be derived SAA Commercial Committee Practice Note 41 (Valuation of Offices) should be used.

3.0 Survey and Measurement

- 3.1 Building areas should be calculated on a gross external basis (GEA) for each main floor. The definition of GEA should be as provided in the RICS Guidance Note "Code of Measuring Practice" (6th Edition) and measurements should be taken in accordance therewith.
- 3.2 Where a subject is of older construction e.g. stone, and has thicker than normal walls the area should be adjusted on a floor by floor basis in accordance with SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land) to adjust the floor area to the modern equivalent.
- 3.3 The total site area and areas and details of car parks, roadways, landscaping etc should also be determined together with details of boundary walls, fences etc.

4.0 Building and External Works Costs

- 4.1 The available cost evidence was analysed in terms of SAA Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations). The unit cost rates derived reflect a Scottish Mean location factor, a £3 million contract size and a date of 1 April 2008.

5.0 Valuation

- 5.1 Buildings should be valued in accordance with SAA Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations). Recommended unit cost rates based on the cost analysis referred to are noted below. The recommended rates exclude professional fees and external works.
- 5.2 External works should be valued in accordance with SAA Public Buildings Committee Practice Note 4 Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).
- 5.2.1 Adjustments in respect of contract size and additions for professional fees should be made in accordance with the recommendations contained in SAA Basic Principles Committee Practice Note 2 Contractor's Basis Valuations).
- 5.2.2 Age, obsolescence and other allowances should be made in accordance with SAA Public Buildings Committee Practice Note 4 Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).
- 5.2.3 Land value should be determined by reference to local evidence and SAA Public Buildings Committee Practice Note 4 Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).
- 5.2.4 The Estimated Replacement Cost and the Adjusted Replacement Cost are derived as indicated in Sections 6 and 7 below.

6.0 Estimated Replacement Cost

- 6.1 Due to the many variations in design and style of Local Authority offices, it is not possible to provide precise definitions for each of the categories referred to at 6.2.below with their recommended Unit Cost Rates Consequently the following descriptions are intended to provide a general guide:-

6.2 Unit Cost Rates (Buildings)

The following unit cost rates per square metre should be applied to adjusted gross external areas in accordance with the different categories described:

Category	Description	Unit Cost Rate Per m2
Traditional Build		
1	Prestigious	£2,500
	Provides a very high standard of office accommodation using expensive, high quality finishes externally and internally. Often sandstone facings or polished granite panels are used externally and hardwood finishes and marble panels internally. The office would be fully fitted to satisfy the demands of modern working practices.	
2	Standard	£1,300
	Provides a good standard of office accommodation satisfying the requirements of most modern working practices, however without the expensive high quality finish and fittings of the Prestigious building.	
3	Plain	£900
	Provides adequate office accommodation though lacking the finish and facilities provided in 1 & 2 above. Often the building has a 'tired' appearance or is lacking in some modern requirements.	
Prefabricated		
4	Timber	
	Good quality Industrialised Timber structures such as Medway, Terrapin and Banbury	£600
5	Older "HORSA" buildings	£350

6.3 Unit Cost Rates (External Works)

These should be applied in accordance with SAA Public Buildings Committee Practice Note 4 Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).

7.0 Adjusted Replacement Cost

7.1 Age and Obsolescence

Age and obsolescence allowances should be applied to the estimated replacement cost derived above in accordance with the table in SAA Public Buildings Committee Practice Note 4 Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).

7.2 Functional Obsolescence

The affected parts of buildings without lifts should be granted an additional allowance to reflect functional obsolescence as indicated in the table below.

2 storeys	5%
3 storeys	10%
4 storeys	15%
5 storeys & above	20%

The above allowances should not be aggregated but applied in sequence to provide the Adjusted Replacement Cost of a particular item.

8.0 Land

8.1 Land value should be determined by reference to local evidence and SAA Public Buildings Committee Practice Note 4 Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).

9.0 Decapitalisation Rates

9.1 All subjects referred to in this Practice Note should be valued at the appropriate statutory decapitalisation rate.

10.0 End Allowance

10.1 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.