

Public Buildings Committee

Practice Note 22 Valuation of Occupational Centres, Occupational Therapy Workshops and Sheltered Workshops

1.0 Introduction

- 1.1 This Practice Note covers subjects designed for the reception of people aged between 16 and 65 with physical or learning disability and provision of assistance with their educational development.

Purpose built accommodation normally consists of a main reception hall, a number of rooms each capable of housing 8-9 people, a kitchen and toilet facilities. Some of the rooms may take the form of specialised workshops, e.g. wood working workshop. Fittings are usually adapted to meet the needs of the service user e.g. wider doors, handrails, walk in showers, etc.

This type of subject is normally situated within the community close to facilities such as shops, recreational areas, etc. Subjects will normally have some associated land for car parking, recreational use and perhaps a teaching garden. The principal aim of the typical occupier of these subjects is to give service users the opportunity to develop life skills.

2.0 Basis of Valuation

- 2.1 Subjects that are akin to industrial, office or other classes of subjects should be valued on the comparative basis in line with local evidence.
- 2.2 In the absence of comparative evidence, subjects should be valued on the Contractor's Basis.
- 2.3 Paragraphs in this Practice Note from 3.2 onwards give guidance in regard to the use of the Contractor's Basis for the category.

3.0 Survey and Measurement

- 3.1 For subjects to be valued on the Comparative Basis, building areas should be calculated on the method adopted for the relevant class.
- 3.2 For subjects to be valued on the Contractor's Basis, building areas should be calculated on a gross external basis for each main floor. Attic floor accommodation should be calculated on a gross internal basis excluding any area under 1.5 metres in height.

- 3.3 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.
- 3.4 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 "tone" 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).
- 5.2 A recommended unit cost rate based on the cost analysis referred to at 4.1 is noted at 6.1. The recommended rate excludes professional fees and external works.
- 5.3 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).
- 5.4 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).
- 5.5 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).
- 5.6 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).
- 5.7 The Estimated Replacement Cost and the Adjusted Replacement Cost are derived as indicated in Sections 6 and 7.

6.0 Estimated Replacement Cost

6.1 Building Cost

A unit cost of £1,300 per square metre of gross external area should be applied to arrive at estimated replacement building cost.

6.2 External Work Costs

External works should be valued by reference to Public Buildings Practice Note 4 (Valuation of Contractor Basis Subjects, Areas Adjustment, External Works' Costs, Allowances and Land)

6.3 Land

Land value should be determined by reference to local evidence and reference made to SAA Public Buildings Practice Note 4. (Valuation of Contractor Basis Subjects, Areas Adjustment, External Works' Costs, Allowances and Land)

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).

7.2

Buildings without Lifts

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

2 storeys - 5%

3 storeys - 10%

The above allowances should not be aggregated but applied in sequence

8.0 Decapitalisation Rates

8.1 All subjects valued under the Contractors' Basis should be valued at the appropriate statutory decapitalisation rate.