

Revaluation 2026

Commercial Properties Committee

Practice Note 3 Valuation of Banks and Building Societies

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of premises occupied by banks and building societies which have characteristics similar to shops or offices.

2.0 Basis of Valuation

- 2.1 All subjects in this group should be valued on the comparative basis. Rents should be analysed in terms of the SAA Adjustment of Rents Practice Note.
- 2.2 If sufficient evidence is found in any valuation area to allow banks and building societies to be valued by reference to their own rental evidence, then this evidence should be followed. Where no such evidence is available, subjects should be valued having regard to rental evidence derived from shops or offices.

3.0 Survey and Measurement

- 3.1 Subjects should be measured in accordance with local practice for the type of property with which the premises occupied by the bank or building society may most readily be compared.

4.0 Subjects Valued in Comparison with Shops

- 4.1 These subjects should be zoned and valued in accordance with local practice.
- 4.2 In common with retail subjects valued on the comparative basis, regard must be had to the character of the subjects contributing to the rental evidence. Departures above or below those from which the Zone A evidence is derived should be reflected in the valuation. The principal areas where adjustment may be required are generally quality and frontage. Other adjustments may be required to reflect services.

4.3 Quality and Fit Out

- 4.3.1 If the quality of finish is clearly superior or inferior to the norm for a particular precinct, this may be reflected by additions or deductions in line with those applied to retail subjects.

4.4 Frontage

- 4.4.1 Banks and building societies have continued with the move towards financial services retailing as cash handling decreases in significance. Accordingly, the use of standard retail units with fully glazed/open frontages has become commonplace. Frontages of banks and building societies in such units should therefore be treated in a similar fashion to retail subjects in a particular precinct.
- 4.4.2 There remain a number of bank and building society premises which do not feature modern fully glazed frontages. They range from older traditional frontages to heavy ornate styles of frontage with classical columns, a number of steps and windows at high level. In some localities, rental evidence may exist for this type of subject that will enable the extent of frontage allowance to be quantified. Where no such evidence exists, evidence may be considered from former bank premises or other similar subjects occupied by retailers in the locality.
- 4.4.3 Where no local evidence is available and the Zone A rate is derived from modern retail units, an allowance of up to 10% may be applied to reflect the impact of the frontage.

5.0 Subjects Valued in Comparison with Offices

- 5.1 These subjects should be valued by comparison with offices in the vicinity, unless there is sufficient specific rental evidence to allow valuation by reference to rents derived from banks or building societies located in properties having the character of an office.

6.0 Strongrooms and Bookrooms

- 6.1 Most strongrooms and bookrooms were constructed before the advent of centralised cash handling, automated teller machines and computerised account records. The need for such accommodation in branches has largely disappeared.
- 6.2 Additions should be made only where strongrooms or bookrooms are required to be secure within the context of modern banking practice and not utilised merely because they exist. They should be measured on a Net Internal Area (NIA) basis and will normally be valued as storage accommodation.
- 6.3 It is unlikely that strongrooms will be situated in Zone A, but if so, no enhancement should be made to the rate applied unless it is still used for

the storage of cash. Any addition is likely to be offset by allowances for layout or thick walls.

7.0 Plant and Machinery – Service Plant

- 7.1 An addition for service plant such as heating, or air conditioning may be made providing rents have been devalued to exclude such plant.

8.0 ATMs

- 8.1 Any on-site ATMs are invariably in the same rateable occupation as the host premises and, accordingly a separate entry in the Roll is not appropriate. The floor area taken up by any such on-site ATMs should be valued in line with the appropriate Zone A rate and zone reduction factor or the appropriate office rate.

9.0 Ancillary Accommodation and Pertinents

9.1 Hybrid Valuations

- 9.1.1 Where the subjects are in the nature of retail premises, a retail approach to the ancillary accommodation on upper floors should be adopted. However, when such accommodation is utilised as offices of sufficient quality and extent to support a hybrid approach to the valuation, the ground floor and possibly basement should be valued on a retail basis with the upper floors valued by reference to office rates. Depending on local evidence, allowances may need to be made to reflect the hybrid nature of the valuation rather than the two components of the valuation being simply aggregated.

9.2 Car Parking

- 9.2.1 Car parking spaces for staff or customers should be valued in line with local evidence.

10.0 Description

- 10.1 Subjects which are in the character of a bank, regardless of whether they are occupied by a PLC or mutual society, should be given the description 'Bank'.