

## **Revaluation 2026**

### **Commercial Properties Committee**

#### **Practice Note 13 Valuation of Offices**

#### **1.0 Introduction**

This Practice Note applies to the valuation of offices and premises which are, by reason of their situation and physical characteristics, similar to offices.

#### **2.0 Basis of Valuation**

Offices are valued by application of the comparative principle using rates per square metre derived from local rental evidence.

#### **3.0 Rental Analysis**

Rental analysis is undertaken in accordance with the SAA Adjustment of Rents Practice Note. Local rental and cost evidence is used to determine rates applied and adjustments to value.

#### **4.0 Measurement**

Offices are generally measured on a net internal basis (NIA), to determine the net usable area.

4.1 The following areas are normally excluded from valuation:

- (a) Area which has headroom of less than 1.5 metres, (measured and stated separately but not included in valuation);
- (b) Entrance halls, atria, landings and balconies used in common;
- (c) Stairs, stairwells and landing areas;
- (d) Plant rooms;
- (e) Toilets and shower rooms – generally not included, however see 4.2(c);

- (f) Main corridor and passageways serving as access and egress to a floor or a building should generally not be included, however see 4.2(d).

4.2 The following areas are normally included in the valuation:

- (a) Canteens;
- (b) Kitchens;
- (c) Toilets and shower rooms – Where additional toilet/shower provision has been formed within the let area by the occupier, they should be included in the valuation;
- (d) Main corridors and passageways – Where an occupier chooses to subdivide the lettable area, any passages or corridors formed by doing this should be included in the valuation;
- (e) Storage – Where an occupier decides to use part of the let office area for storage, it should be included in the valuation;
- (f) Strongrooms/Safes/Stores – Include in the value but apply adjustment factors depending on quality;
- (g) Banking Hall/Showroom – In some office developments ground floors are advertised for let with potential for Banking Hall/Showroom use. It is common, in these cases that an enhancement over the ground floor office rental rate would be sought by the landlord. The rate to be applied should depend on the rental analysis of the subject type with reference to the relevant Practice Note.

## **5.0 Valuation**

As noted above, the valuation of offices should be undertaken by the application of a rate per square metre applied to the net usable area (or to the reduced floor area, if particular allowances are appropriate).

- 5.1 Business Centres may offer a range of services, amenities or options that can attract a different rental market compared to a standard office letting. Where relevant evidence is available for this accommodation, it should be adjusted according to the Rating hypothesis and an appropriate valuation rate applied.

## **6.0 Adjustments to Value**

In many cases office buildings will be occupied over more than one floor. Floor adjustment factors derived from local rental evidence should be applied to the net usable area on each floor (or part of a floor) to arrive at a reduced floor area. The existence of a passenger lift may have a bearing on the rate applied to each floor.

## **6.1 Additions/Deductions to Value**

Additions and deductions should be based on local rental evidence and would only apply where rental analysis indicates a material effect on the value of the particular subject when compared to the typical standard for that class of office. The following are a few examples where additions/deductions may be made:

- Heating;
- Air Conditioning/Air Handling;
- Sprinklers;
- CCTV cameras and monitors;
- Layout where there is a detrimental effect on the property.

In the absence of local evidence for air conditioning or other plant and machinery present, reference should be made to the Rating Cost Guide Scotland.

## **6.2 Car Parking**

Where car parking spaces are to be included in an office value an appropriate rate per space should be applied derived from local evidence.

## **7.0 Quantum/Inverse Quantum**

An adjustment may be made where an office is larger or smaller than the standard for that class based on local evidence.

## **8.0 Plant and Machinery**

Rateable items of plant and machinery not already reflected in the rental rates should be dealt with in terms of the Valuation for Rating (Plant & Machinery) (Scotland) Regulations 2000 as amended and valued with reference to the Rating Cost Guide Scotland.