



Revaluation 2026
Commercial Properties Committee
Practice Note 25
Valuation of Cinemas

1.0 Introduction

- 1.1 This practice note applies to modern multiplex cinemas which provide 5 or more screens, modern miniplex cinemas which provide less than 5 screens, traditional cinemas and cinemas established in converted buildings.

2.0 Basis of Valuation

- 2.1 Cinemas should be valued by application of the Comparative Principle, with rents adjusted in accordance with SAA Adjustment of Rents Practice Note.
- 2.2 Rents have been analysed in terms of turnover and the recommended percentages provided in 3.2 below should be applied to the hypothetical gross turnover for the subjects at the tone date, 1 April 2025 (exclusive of VAT).

3.0 Classification

3.1 Turnover

The turnover adopted, exclusive of VAT, should represent the annual amount considered to be the hypothetical achievable level in the year to 31 March 2025. The actual turnover for the period prior to 2025 should be examined, with the most relevant being for the year to March 2025 (or nearest accounting period).

The turnover should include all income streams such as admission charges, sales of food and drink and income from lets, concessions and advertising.

3.2 Percentage to Value

The percentages provided in these tables should be applied to the hypothetical achievable turnover, in accordance with 3.1, to produce a value for the subjects.

TURNOVER	TRADITIONAL CINEMAS
£1,600,000 and below	2% - 3.25%
£1,600,000 - £2,350,000	3.25% - 4.45%
£2,350,000 - £3,100,000	4.45% - 5.5%
£3,100,000 and above	5.5%

TURNOVER	MULTIPLEX & SMALL MULTI SCREEN CINEMAS
£1,600,000 and below	3.25% - 4.5%
£1,600,000 - £3,400,000	4.5% - 6.5%
£3,400,000 - £6,000,000	6.5% - 9%
£6,000,000 and above	9%

For traditional cinemas or cinemas constructed prior to 31 December 1993, where income per seat is less than £800/seat, the percentage applied may be reduced by up to 0.5%. Where income per seat is below £200, the percentage applied may be reduced by 1%.

A higher percentage may be appropriate if supported by local rental evidence.

The value should be determined by interpolating between the scale points.

4.0 Adjustments

- 4.1 An end adjustment will be appropriate where a multiplex cinema has auditoria on more than one floor, or has disabilities not normally encountered in the standard unit.

Auditoria on 2 floors – 5%

Auditoria on 3 or more floors – 7.5%

4.2 Traditional and Converted Subjects

Film hire charges are normally between 40% and 50% of box office income. Where film hire charges exceed this range, the box office income may be overstated and should be adjusted to reflect the hypothetical achievable level of income.