

## **Revaluation 2026**

### **Commercial Properties Committee**

#### **Practice Note 27 Valuation of Bingo Halls**

#### **1.0 Introduction**

- 1.1 This Practice Note applies to the valuation of subjects operating as a licensed Bingo Hall.
- 1.2 Under the Gambling Act 2005, the Gambling Commission has responsibility for granting personal and operating licences for Bingo Halls. Licensing Boards in Scotland have responsibility for licensing the actual gambling premises itself.

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

- 2.1 The subjects in this Practice Note should be valued on the comparative principle with an appropriate percentage derived from rents adjusted in accordance with the SAA Adjustment of Rents Practice Note applied to turnover (excluding VAT and Bingo Duty). The range of percentages to be applied is shown in Appendix 1.

#### **3.0 Classification**

##### **3.1 Modern Bingo Halls**

These may be stand-alone or located on a leisure/retail park with ample car parking. They are generally a flat floor arrangement on ground or first floor. Converted retail warehouses are included in this category.

##### **3.2 Converted Bingo Halls**

- 3.2.1 These properties are usually found in town locations and may or may not have their own car parking areas.
- 3.2.2 Varying degrees of adaptation may have been carried out and valuations should be carefully considered to ensure that a realistic account is taken of the extent of adaptation (see 4.7).

- 3.2.3 Where an older building has been modernised to such an extent that the character of the premises is similar to a modern bingo hall, it may be appropriate to refer to the modern percentages.

## 4.0 Turnover

- 4.1 A Bingo Club member pays for admission, participation and stake money. All the stake money, less gaming duty, is returned to the players as prize money, which means that the main game is non-profit making. The operator of the premises obtains his profit from admission money, participation fees, gaming machines, payments for link and prize bingo, bars and buffet/restaurant, car park takings, advertising revenue etc.
- 4.2 For valuation purposes certified turnover (excluding VAT and Gross Profits Tax) from all sources, excluding stake money, should be obtained for the years 2023-25 and examined for any trend. The turnover adopted 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).
- 4.3 Where the returns included income from any café, restaurant or licensed bar and where it is considered that this part of the premises operates in competition with and is similar in character to any nearby shop, licensed restaurant or public house, consideration may be given to excise such income and value the appropriate accommodation by reference to rates prevailing for the similar subjects in the vicinity. In these circumstances the resultant valuations may require downward adjustment to recognise their unum quid nature with the bingo hall. Otherwise such income should be included as part of the turnover.
- 4.4 If live entertainment is provided as an attraction, the income generated should be included in the turnover of the bingo hall.
- 4.5 Following the introduction of Machine Gaming Duty in 2013 operators can no longer recover VAT on the rental of gaming machines. Where this irrecoverable VAT, specific to gaming machines, can be clearly identified, this amount should be deducted from the turnover.
- 4.6 Where trade is “bought in” by methods such as additional prize money and free transportation of customers, this is referred to as Promotional Expenditure. Converted Bingo Halls may show levels of Promotional Expenditure that will require adjustment to their turnover. See Appendix 2 for appropriate deductions to be applied.
- 4.7 Where it is considered that the value produced by a strict application of percentage of turnover does not properly reflect the age, quality, character or condition or any combination of these factors, a reduction in the percentage applied to the turnover may be appropriate.

## 5.0 Car Parks

- 5.1 Whether or not a car park is available will be reflected in the turnover and no further adjustment will be necessary.
- 5.2 Separate consideration may, however, be required if a separate entry for a car park is necessary.

## 6.0 Valuation on Rate per Seat Basis

- 6.1 Effective seating capacities may be useful for valuing subjects where no turnover is available.
- 6.2 In some establishments (particularly in converted cinemas), a proportion of the seating may be surplus to requirements, or operationally unsuitable. Where these conditions apply, the actual seating numbers should be reduced in accordance with the table comprising Appendix 3, in order to identify the effective seating capacity.

### Appendix 1

Adopted Turnover	Percentage to NAV
<b>Converted Bingo Halls</b>	
Below £520,000	3.25 – 4.00
£520,000	4.00
£865,000	4.50
£1,200,000	5.00
£2,400,000 (and above)	5.50
<b>Modern Bingo Halls</b>	
£865,000 (and below)	4.50
£975,000	5.00
£1,200,000	6.00
£2,600,000	7.00
£3,470,000 (and above)	7.50

Interpolate between points.

A deduction of up to 1% may be made from the above percentages in the case of converted cinemas or other such buildings with little or no adaptation, the extent of the deduction being dependent on the degree of adaptation and modernisation undertaken.

## **Appendix 2**

In order to recognise the diminishing effect on profitability of higher promotional expenditure the following scales of deductions from the adopted turnover should be applied.

<b>Converted Bingo Halls Promotional Expenditure as a Proportion of turnover</b>	<b>Percentage of Promotional Expenditure <u>in excess of 13% of turnover</u> allowable as a deduction from adopted turnover</b>
13% and under	no adjustment
Greater than 13%	10%
14%	20%
15%	30%
16%	40%
17%	50%
18%	60%
19%	70%
20% plus	75% Interpolate between points

For the purposes of this adjustment, promotional expenditure will cover the following items:-

Added prize money, give-aways (eg gifts and other additional prizes), printing and postage of special promotional flyers, transportation in/out of customers and live entertainment.

## **Appendix 3**

Adjustment to produce “effective number of seats”

Any part of the property used for prize or cash bingo or for gaming machines should not be adjusted.

<b>Part of Premises</b>	<b>Deduction</b>
Auditorium/stalls	NIL
Circle	50%
“Gods”	75%