

Revaluation 2026
Hospitality Properties Committee
Practice Note 2
Valuation of Licensed Clubs

1.0 Introduction

- 1.1 This Practice Note deals with standalone clubs which are not ancillary to sporting facilities and are governed by The Licensing (Clubs) (Scotland) Regulations 2007.

Where a licensed club is predominantly commercially operated, and is competing with other licensed premises, valuation may be considered by reference to the SAA Valuation of Licensed Premises Practice Note.

The method of valuation should be supported by the constitution of the club, or the operating plan lodged with the Licensing Board. The licensing fee should be in accordance with The Licensing (Fees) (Scotland) Regulations 2007 category 1.

- 1.2 The subjects will be identified by the presence of bar facilities and may also contain kitchen, toilet, and perhaps ancillary accommodation. More extensive subjects could contain a number of bars, committee rooms, boardroom, offices, function hall, games room and possibly a quiet room.
- 1.3 The Licensing (Clubs) (Scotland) Regulations 2007 prescribe the business of a licensed club as not being conducted for the purpose of making a profit, governed by a written constitution under the management of a committee or other governing body elected by the members.

Typical examples of these clubs are listed below;

- a) British Legion
- b) Football Supporters
- c) Knights of St Columba and Hibernian
- d) Masonic Lodges
- e) Miners Welfare and Social
- f) Political Constituency
- g) Sports Social
- h) Workers Social

2.0 Basis of Valuation

The valuation of Licensed Clubs is by application of the Comparative Principle using the rates per square metre derived from local evidence. Rentals should be analysed in accordance with SAA Adjustment of Rents Practice Note.

3.0 Recommended Rates

In the absence of local evidence, the recommended rates as detailed below should be applied to the gross external area of the property. Properties should be classified into one of the undernoted types and the final rate applied direct to NAV making suitable adjustment within the range for the quality and character of the property.

Type	Location	Rate per sq m to NAV
1	Located in the main cities, where there will be competing users.	£40.00 - £50.00
2	Located in smaller cities and towns where there will be fewer competing users.	£30.00 - £40.00
3	Located in areas of a low commercial value with few alternative users.	£20.00 - £30.00

4.0 Adjustments

(a) Storey Allowance

Floor	Allowance
Ground	Nil
First	10%
All other floors	At valuer's discretion.

(b) Quantum

An allowance for quantum should be granted in accordance with the undernoted table:

Area	Allowance
up to 500 m ²	Nil – 5%
up to 750 m ²	5% - 10%
up to 1000m ²	10% - 15%
over 1000m ²	15%

(c) End Allowance

Properties which have not been upgraded or modernised since 2000 may require an end allowance. Subjects which have been converted from other uses such as industrial buildings or schools may require an adjustment where they do not meet the standard of the properties from which the rental evidence has been derived.

Year of Conversion/Modernisation	Allowance up to
2000	-20%
1990	-30%
1980	-40%
1970	-50%

The percentage applied may be interpolated and buildings which are of an inferior standard of construction may warrant a higher percentage adjustment. However, the maximum allowance granted other than in exceptional cases should be 50%.

(d) Car Parking

The above rates are exclusive of Car Parking. If appropriate, an addition should be made for parking in accordance with local evidence, normally to a maximum of 10% of the value of the subject in the absence of local evidence.

3.1 Additional Items

- 3.1.1 Where features, such as security fencing, lighting, CCTV etc. are not reflected in the rate per car space, appropriate additions should be made.
- 3.1.2 Where administrative or ancillary facilities exist, such as toilets, waiting areas, tourist information points, car washes etc., the valuer must determine if the value of these facilities are reflected in the rate per car space. Where not reflected in the rate, appropriate additions should be made.

Separate entries may be appropriate where such facilities are in separate rateable occupation. Each situation should be considered on its own merits.

Where there is deemed to be separate rateable occupation of car spaces for the purpose of providing Electric Vehicle Charging Points (EVCPs), then a separate entry or entries should be made in the Valuation Roll, and the value of the associated car park adjusted accordingly.

3.2 Allowances

Where a car park is affected by particular disabilities (such as difficult access, poor layout, poor surfacing etc.) which are not reflected in the rate applied, then an end allowance should be considered. Specific allowances will depend on particular circumstances, however if allowances are deemed appropriate, then the final rate per car space should be checked with other comparable car parks.

4.0 Plant and Machinery

- 4.1 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.

5.0 Contractor's Basis

- 5.1 In the absence of comparative evidence, it may be appropriate to value by application of the Contractor's Basis of valuation, in accordance with the SAA Contractor's Basis Valuations Practice Note and adjusted by reference to the SAA Valuation of Contractor's Basis Subjects, Areas Adjustment, External Works' Costs and Land Practice Note.
- 5.2 When valuing on the Contractor's Basis, it is recommended that the final value is compared with other car parks to ensure valuation consistency.