

Revaluation 2026
Industrial Properties Committee
Practice Note 15
Valuation of Livestock Auction Markets

1.0 Introduction

- 1.1 This Practice Note makes recommendations for the valuation of all types of Livestock Auction Markets.

2.0 Basis of Valuation

- 2.1 The basis of valuation recommended is the Comparative Principle. The available rental evidence has been analysed to a percentage of Gross Commission to arrive at NAV.

3.0 Background

- 3.1 The best trading marts continue to be those with good road connections, modern buildings and facilities located on the outskirts of a town with an extensive agricultural hinterland often with diversification into the sale of agricultural machinery and other associated sales.

Older Auction Marts may suffer from the disadvantage of high running costs including effluent disposal, maintenance and greater bio security measures. Potentially higher overheads can erode profit margins and where such marts are in areas of low stock numbers the problem may be compounded.

4.0 Valuation

- 4.1 The basis for Revaluation 2026 will remain related to income in terms of Gross Commission which will vary according to the type of market. Factors such as the degree of local competition and the extent and nature of the catchment area will have a bearing on the valuation.

The rates in the following table should be applied to the Gross Commissions for the year ending closest to the tone date of 1 April 2025.

Care should be taken to adopt a commission level which, in all the prevailing circumstances, is a fair reflection of a sustainable level of trading.

The proposed scheme is based on relevant hypothetical achievable Gross Commissions capable of being earned through the auction mart.

Total Gross Commissions	Percentage Applied to Whole
Below £250,000	5%
£250,000 - £750,000	5%- 7.5%
£750,000 - £1,500,000	7.5% – 12.5%
£1,500,000 - £2,500,000	12.5% - 14%
£2,500,000 - £5,000,000	14% - 15%

Interpolate as necessary.

Income will exclude:

- 1) VAT.
- 2) Tolls.
- 3) Income from non-livestock sales sources, which will be separately valued.
- 4) Income from buildings or land, which are separately assessed.
- 5) Income derived from activities outside the lands and heritages, eg, farm sales, estates agency or electronic auction sales.

- 4.2 The following descriptions provide some further guidance on the different types of Livestock Auction Marts:

Traditional Mart

Normally located in its historical location, buildings generally fit for purpose, adapted to a reasonable basic standard in order to ensure compliance with regulations for health, safety and disease prevention. Some covered pens and often a variety of open span sheds but not necessarily with a covered sales ring, adequate access and vehicle parking and washstand.

Improved Mart

Possibly in a historical location but with clear evidence of considerable investment to improve the standard of the facilities; some of the buildings will have been improved to a modern equivalent standard. A valuation enhancement over the standard basis would be expected.

Modern Mart

Generally built from the early 1990's and probably close to good road networks. Modern standard buildings fit for purpose and designed to accommodate easy throughput for large-scale animal sales. All facilities present with improvements carried out where necessary to ensure continued compliance with regulatory standards. Penned areas predominantly under cover; site / layout large and flexible enough to accommodate other ancillary and complimentary uses. For logistics and

biosecurity reasons, where livestock are accommodated at auction marts in terms of resting and feeding for a period longer than the date of the sale consideration should be given to an overall end allowance not exceeding 10%. For example, where livestock is transported from the Islands to mainland Auction Marts, there will be added costs for resting/keeping along with cleaning out and segregating specific cattle for disease control. The Valuer should carry out sufficient investigations in order to clarify the nature of the operation. Where significant costs are incurred by the Auction Mart for resting and keeping the livestock an end allowance should be considered.

- 4.3 The gross commission percentages at 4.1 refer to livestock sales only. Commissions derived from other sources should be considered as set out below.

Category	Basis
Lorry Washes	Access to lorry washes is a statutory requirement for livestock markets; if this facility is used solely in connection with mart business it should be deemed to be reflected in the valuation without any specific addition. Where a lorry wash is used on non-mart days the value of this facility should be added to the valuation by making a specific addition based on 10% of the gross receipts.
Lorry/Car Parking	Where income is derived from lorry / car parking on non-market days then an addition should be made having regard to the local levels of value for such facilities; in making this addition adjustments should be made to reflect the number of days a week this facility cannot be used for this purpose. In the absence of a local comparator an addition should be made based on 25% of gross income.
Car Boot Sales & Market Stalls	Adopt 30% of the payment received from a car boot / market operator or 50% of net income from direct sales where the market or car boot sale is run by the occupier of the livestock market.
Chattels/Antiques Auctions Sales	Adopt 10% to 15% of gross commission depending on how significant this source of income is in relation to the market as a whole. Where gross commissions from this source comprise less than 10% of the income generated from livestock sales then this income stream should not be valued separately; the income generated should be added to the gross commissions for the mart as a whole.
Vehicle and Plant & Machinery Sales	Many livestock marts are diversifying to improve income levels and the sale of vehicles and agricultural plant and machinery are becoming

	<p>increasingly common. If such sales are held in dedicated/specialist premises, reference should be made to the value of separately assessed car auction markets but reflecting any lack of specialised facilities for this purpose, otherwise value on the same basis as chattels sales related to gross commissions.</p> <p>In marts where this type of sale forms only a subsidiary part of the whole and they are carried out in non-specialised land and buildings, the commissions should, where they contribute less than 10% of total mart income, be valued at the same rate as that adopted for livestock sales. Where the income is more substantial and adaptations have been made to either land and buildings, a valuation basis more akin to that adopted for chattel sales should be utilised.</p>
<p>Non Livestock Sales Offices Examples will include field officers, estate agency or electronic auctions, kiosks in paramount occupation of the market operator</p>	<p>Offices which are not used by the mart operator exclusively for mart related administration (for example, offices used for the provision of professional / agency services or electronic auctions) and offices used as kiosks in the paramount occupation of the market operator should be added as a separate addition in the valuation. The accommodation should be valued at a level which, whilst consistent with the levels adopted for similar offices in the locality, also reflects the fact that it forms part of a larger Mart lands and heritage.</p>
<p>Cafeteria & Restaurant</p>	<p>All markets generally have refreshment facilities on site, or very close by. The quality varies from a timber or portable structure to a large building of permanent construction, which offers a full meal service with restaurant drinks licence, and which may be open on non-market days to serve other commercial premises in the locality. For the majority of marts the facility should be reflected in the overall valuation with no separate addition being made; if the income generated from the café / restaurant is significant however and the facility is utilised on non-mart days an addition should be made using either a percentage of gross receipts or a price per square metre which reflects the levels of value that are applied to separately assessed cafés and restaurants in the locality. Cafés and restaurants which are not in the paramount occupation of the market operator should be separately assessed.</p>

Horse Sales	Within livestock markets income from this source will be minimal and is not comparable with horse bloodstock markets*. It is therefore recommended commissions are included within livestock turnover figures.
Advertising Rights	These will normally be separately assessed unless they are not let out, and they comprise an advertising station.
Other Miscellaneous Income	Value in line with the most appropriate section above.

The terms of occupation of ancillary activities need to be ascertained in order to decide whether a separate unit of assessment is appropriate.

*It is recommended that Horse Bloodstock Markets are valued on a full analysis of receipts and expenditure as they are not comparable to normal livestock auction marts.

4.4 **End Allowance**

A maximum deduction of 2.5% may be made for poor layout, inferior buildings, etc. and a maximum addition of 2.5% to reflect modern or superior buildings or facilities.

The application of any adjustment must be carefully considered by the valuer. It is recommended that valuers discuss with other Assessors prior to determining if an adjustment is applicable.

An example where an upward adjustment may be relevant is a very old mart which has been partially improved with, say, a modern state of the art sheep building. Similarly, a more modern mart with buildings and facilities below expectation would require a downward adjustment.