

## **Revaluation 2026**

### **Public Buildings Committee**

#### **Practice Note 9 Valuation of Residential Homes**

### **1.0 Introduction**

- 1.1 This Practice Note deals with the valuation of Residential Homes.
- 1.2 This Practice Note covers a wide variety of subject types which may include care homes, nursing homes, homes for older people, children's homes, homes for people with learning disability, ex-service personnel etc. These subjects vary considerably in size, ranging from large purpose-built residential homes to small houses and flats which in terms of the Council Tax (Dwellings and Part Residential Subjects) (Scotland) Regulations 1992, fall to be entered in the Valuation Roll.

### **2.0 Basis of Valuation**

- 2.1 Subjects covered by this Practice Note are valued on the Contractor's Basis.

### **3.0 Survey and Measurement**

- 3.1 Building areas should be calculated on a Gross External Area (GEA) for each main floor. Attic floor accommodation should be calculated on a Gross Internal Area (GIA) excluding any area under 1.5 metres in height.
- 3.2 Where a subject is of older construction e.g. stone, and has thicker than normal walls, the area should be adjusted on a floor by floor basis in accordance with SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note to adjust the floor area to the modern equivalent.
- 3.3 Site area should be calculated together with the areas of any car parks, roadways and other paved or landscaped surfaces. Measurements and details of boundary walls, fences and any other items in the nature of external works, civil works or plant and machinery should also be noted.

## **4.0 Building and External Works Costs**

- 4.1 The available cost evidence was analysed in terms of SAA Contractor's Basis Valuations Practice Note.

## **5.0 Valuation**

- 5.1 Valuations should be carried out in accordance with SAA Contractor's Basis Valuations Practice Note
- 5.2 Recommended unit cost rates excluding professional fees for buildings are noted below
- 5.3 For external works reference should be made to section 6.2 below.

## **6.0 Estimated Replacement Cost (ERC)**

### **6.1 Unit Cost Rate (Buildings)**

For modern purpose built or converted stone built homes or hostels having bedrooms with ensuite facilities, well-appointed common areas and central heating throughout, the appropriate unit cost rate of £1900m<sup>2</sup> should be applied to Gross External Area (GEA). The rate should also be applied to flatted developments and sheltered housing if such subjects fall to be entered in the Valuation Roll.

### **6.2 Unit Cost Rates (External Works)**

External Works should be valued in accordance with SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note.

### **6.3 Outbuildings**

Small entrance canopies, small external stores etc may be judged to be *de minimis*. Covered walkways, depending on the extent, construction, finish etc may be added at an appropriate rate. Garages and other substantial outbuildings may also be added at appropriate rates.

### **6.4 Adjustments to ERC**

Adjustments in respect of contract size and additions for professional fees should be made in accordance with the recommendations contained in SAA Contractor's Basis Valuations Practice Note.

## **7.0 Adjusted Replacement Cost (ARC)**

- 7.1 In applying age and obsolescence allowances reference should be made to guidance in SAA Contractors Basis Valuations Practice Note Table E at Appendix 1 should be used for buildings and Table A at Appendix 1 for siteworks.

- 7.2 Further allowances of a functional and technical nature should be considered in accordance with SAA Contractor's Basis Valuations Practice Note and SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note.

### 7.3 Buildings without Lifts Provision

Buildings or affected parts of buildings without lifts may be granted an allowance as indicated in the table below.

2 Storeys	-5%
3 Storeys	-10%
4 Storeys	-15%
5 Storeys and above	-20%

If, in the case of buildings of two storeys or above, a particular floor such as an attic is significantly smaller than the main floors or consists of a basement or poorer quality, then such a floor should be excluded from the determination of an appropriate lift allowance to be applied to the whole building in the table above.

### 7.4 Functional Obsolescence

While disabilities which are inherent in the design of older homes are covered by the scheme of age and obsolescence allowances, individual homes may suffer from particular disabilities and where this is the case further allowances may be granted. It should be noted that, as attic floors are measured internally, there is effectively an in-built allowance for such accommodation.

For homes of a lower standard than that specified in Section 6.1 an allowance of up to -20% may be made where there are no en-suite facilities and poorly appointed common areas.

- 7.5 The above allowances should not be aggregated but applied in sequence to provide the Adjusted Replacement Cost of a particular item.

## 8.0 Plant and Machinery

- 8.1 Buildings' unit cost rates above are inclusive of service plant typically found in subjects covered by this Practice Note. Rateable items of plant and machinery not already reflected in these 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.

## 9.0 Land

- 9.1 Land value should be determined by reference to local evidence and SAA Contractor's Basis Valuations Practice Note.

## **10.0 Decapitalisation Rate**

10.1 The appropriate statutory decapitalisation rate should be used.