

## **Revaluation 2026**

### **Public Buildings Committee**

#### **Practice Note 22**

#### **Valuation of Occupational Centres, Occupational Therapy Workshops and Sheltered Workshops**

### **1.0 Introduction**

- 1.1 This Practice Note deals with the valuation of subjects designed for the reception of people with physical or learning disability and provision of assistance with their educational development.

Purpose built accommodation normally consists of a main reception hall, a number of rooms each capable of housing 8-9 people, a kitchen and toilet facilities. Some of the rooms may take the form of specialised workshops, e.g. wood working workshop. Fittings are usually adapted to meet the needs of the service user e.g. wider doors, handrails, walk in showers, etc.

This type of subject is normally situated within the community close to facilities such as shops, recreational areas, etc. Subjects will normally have some associated land for car parking, recreational use and perhaps a teaching garden. The principal aim of the typical occupier of these subjects is to give service users the opportunity to develop life skills.

### **2.0 Basis of Valuation**

- 2.1 Where a subject covered by this Practice Note has the characteristics of an office, retail or industrial building or is located within an established location for those types of properties, prevailing rental levels for that type of property may provide the best evidence of Annual Value.
- 2.2 In the absence of comparative evidence, subjects should be valued on the Contractor's Basis.
- 2.3 Paragraphs in this Practice Note from 3.2 onwards give guidance in regard to the use of the Contractor's Basis for the category.

### **3.0 Survey and Measurement**

- 3.1 For subjects valued on the Comparative Basis, building areas should be calculated using local measuring practice for the relevant class.
- 3.2 For subjects valued on the Contractor's Basis, building areas should be calculated on a Gross External basis (GEA) for each main floor. Attic floor accommodation should be calculated on a Gross Internal basis (GIA) excluding any area under 1.5 metres in height.
- 3.3 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 with reference to SAA Valuation of Contractor's Basis Subjects, Areas Adjustment, External Works' Costs Practice Note to adjust the floor area to the modern equivalent.
- 3.4 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 information was analysed in terms of SAA Contractor's Basis Valuations Practice Note.

### **5.0 Valuation**

- 5.1 Valuations should be carried out with reference to 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 A unit cost of £2,000 per m<sup>2</sup> of Gross External Area should be applied to arrive at estimated replacement building cost.
- 6.2 **Unit Cost Rates (External Works)**

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

### 6.3 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-related obsolescence allowances to buildings covered by this practice note reference should be made to guidance in SAA Contractor's Basis Valuations Practice Note and SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note. Table A at Appendix 1 of the Contractor's Basis Subjects Practice Note should be used for buildings.

7.2 Further allowances of a functional and technical nature should be considered with reference to SAA Contractor's Basis Valuations Practice Note and SAA Valuation of Contractor's Basis Subjects, Areas Adjustment, 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 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 of 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 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.

## **11.0 End Allowance**

- 11.1 Any factors or circumstances which might affect the value of the occupation of the lands and heritages as a whole should be reflected at this stage. An adjustment under this head should not duplicate adjustments made elsewhere.