



## **2026 REVALUATION**

### **VALUATION OF FACTORIES, WAREHOUSES, WORKSHOPS AND STORES**

#### **LOCAL PRACTICE NOTE**

#### **Instruction to Valuation Staff**

#### **1.0 INTRODUCTION**

This Practice Note should be applied to the valuation of factory, warehouse and workshop subjects where it is thought that due to the subjects' character, size and location application of the comparative principle is appropriate. If, following consideration of these criteria, it is thought that the subject is not suitable for valuation by comparison, then the contractor's principle should be applied. Distribution Warehouses are the subject of a separate S.A.A. Practice Note.

#### **2.0 BASIS OF VALUATION**

The basis of valuation will be the comparative principle based on local rental evidence.

#### **3.0 SUBJECTS COVERED**

The majority of subjects to which the Practice Note shall apply are to be found in industrial estates or readily identifiable industrial locations. The Practice Note can also be used to value all stand-alone subjects of an industrial nature situated in towns, villages and landward locations and may also be of assistance in valuing ancillary buildings to subjects covered by another SAA Practice Note.

## 4.0 SURVEY AND MEASUREMENT

Building areas should be calculated on a gross external basis (GEA). The definition of GEA should be as provided in the RICS Guidance Note “Code of Measuring Practice” (6<sup>th</sup> Edition). In particular GEA shall include all perimeter wall thicknesses and measurements shall be made to the outermost face of walls, except in the case of attached subjects where measurement should be made to the centre line of party walls. Wall-head height shall be measured as directed in “Technical Definitions 6.0 (B) Eaves Height” of the note.

## 5.0 ANALYSIS METHODOLOGY

An analysis of let subjects throughout the valuation area has been carried out to determine a rate per square metre at the valuation date of 1 April 2026. The analysis has taken into account the building specification, age, features and size of each subject. Rents have been analysed in terms of the SAA Adjustment of Rents Practice Note. Each subject has then been geographically grouped according to level of value to produce recommended rates for each industrial estate and location.

## 6.0 BUILDING SPECIFICATION & ADJUSTMENTS

### 6.1 List of Specifications

#### (a) Workshops/Warehouses etc

<b>SPECIFICATION</b>	
<b>1.</b>	<b><u>Standard Specification</u></b> Single storey cavity brick or modern clad (e.g. Butler Rib; double skin corr. asb. etc) building; light steel frame; insulated roof; screeded concrete floor. Standard heating and lighting Height 3.80 to 4.80 metres
<b>1a</b>	<b><u>Standard Spec. part single skin</u></b> Single storey as Spec. 1 but with part single skin similar to Spec. 2. Typically cavity dado with single skin corr. Asb. To wallhead. Insulated roof, screeded concrete floor. Standard heating and lighting. Height 3.80 to 4.80 metres
<b>2.</b>	<b><u>Corrugated Asbestos</u></b> Single storey; light steel frame; single skin corr. Asb. Walls (uninsulated); ins. Roof; screeded concrete floor. Standard heating and lighting. Height 3.80 to 4.80 metres
<b>3.</b>	<b><u>100mm Brick/Block</u></b> <b>3(a)</b> Single storey; light steel frame; ins. Roof; 100mm brick/ block walls; screeded concrete floor. Standard heating and lighting. Height 3.80 to 4.80 metres
	<b>3(b)</b> Single storey; 100mm brick/block walls - unfamed (i.e., with

	100mm walls and 100mm butts). Height 3.80 to 4.80 metres
<b>4.</b>	<b><u>Timber</u></b> Single storey; timber frame; insulated roof; timber walls; screeded concrete floor. Standard heating and lighting. Height 3.80 to 4.80 metres
<b>5.</b>	<b><u>Stone</u></b> Single storey stone or excessively thick walls; insulated roof; screeded concrete floor. Standard heating and lighting. Height 3.80 to 4.80 metres
<b>6.</b>	<b><u>9" Brick</u></b> 230mm thick brick single stone, insulated roof, screeded concrete floor, standard heating and lighting. Height 3.80 to 4.8 metres

**(b) Offices**

<b>SPECIFICATION</b>	
<b>A.</b>	<b><u>Standard Specification</u></b> Plain finish of same general quality as Factory Warehouse area in Spec. 1 – plastered walls and ceiling; tiled floors. Standard lighting and heating
<b>B.</b>	<b>Non-purpose built older single storey offices;</b> unlined brick walls; brick or timber partitions. Standard lighting and heating.
<b>C.</b>	<b>(i)</b> <b>Inferior single storey 100mm brick walls;</b> unlined. Standard lighting and heating. (to be treated as spec 3(a))
	<b>(ii)</b> <b>Inferior, 100mm brick - plaster walls</b> and ceilings and generally better quality finish than works/stores areas. Standard lighting and heating.
<b>D.</b>	<b>(i)</b> <b>Stone or 450mm brick, unlined.</b> Standard lighting and heating
	<b>(ii)</b> <b>Stone or 450mm brick - plaster walls</b> and ceilings and generally better quality finish than works/stores areas. Standard lighting and heating.
<b>E.</b>	<b>(i)</b> <b>Single storey timber construction;</b> slate/felt roof; lined walls. Standard lighting and heating.
	<b>(ii)</b> <b>Timber – unlined walls.</b> Standard lighting and heating.
<b>F.</b>	<b>Terrapin type,</b> including wiring for lighting and heating
<b>G.</b>	<b>Portakabins,</b> including wiring for lighting and heating.
<b>H.</b>	<b>Internal offices</b> - Such offices should be treated separately from the main workshop/warehouse area in which they are situated and should have a rate of between 120% and 150% of the building dependent on quality, applied.

Valuers should note that the basic level for offices has been derived from the quality of office accommodation associated with typical letting units. Some subjects may have offices that have considerably higher standards of finish,

which should be reflected in the valuation. In this instance regard should be had to comparative office rates in the locality.

**(c) Miscellaneous Buildings**

<b>SPECIFICATION</b>	
<b>A.</b>	<b><u>Nissen</u></b> Concrete floor: adequate lighting, minimal heating
<b>B.</b>	<b><u>Open Sparred Buildings</u></b> Approximately 6m height with earth floor (timber rails etc.)
<b>C.</b>	<b><u>Precast Concrete Construction</u></b> Single storey, concrete framed with sectional concrete, uninsulated panelled walls and single skin uninsulated roof, concrete floor, standard heating and lighting. Often referred to as "Horsa Huts". Height 2.5 to 3.5 metres.
<b>D</b>	<b><u>Unlined Steel Containers</u></b> - Spot Rate – no adjustments to be made
<b>E.</b>	<b><u>Converted Steel Containers</u></b> Steel containers converted for office use with windows, lining to walls and ceiling, heavy duty painted floor, strip lighting and socket outlet. Externally painted.
<b>F.</b>	<b><u>Houses Used as Workshops/Stores</u></b> Minimum adaptation – refer to Divisional Valuers
<b>G.</b>	<b><u>Toilets</u></b> Which are not finished to the same standard as the industrial unit and may benefit from quarry tiled floors and some wall cladding or tiling. Should have the office rate applied .

**(d) Ancillary Accommodation**

The following approach is recommended for the treatment of minor structures and elements frequently associated with Industrial Subjects.

<b>Item</b>	<b>Approach to Valuation</b>
<b>Canopies</b>	Apply between 25% & 30% of basic rate for simple cantilevered roofs and between 35% & 40% for more substantial steel framed structures.
<b>Loading Platforms</b>	Add 2.5% to 7.5% to the basic rate of any area containing elevated loading platforms with dock levellers, depending on the size of the area served – the lower percentage to apply to larger subjects.
<b>Mezzanine Floors</b>	The building should be valued in the normal way <i>i.e. no adjustment for the change in usable headroom beneath the mezzanine</i> , and the mezzanine valued at an extra over rate of between 15% and 30% of basic rate depending on strength, quality and access. The area of the mezzanine is not to be used in the calculated total area of the buildings for quantum purposes.

## 6.2 Variations to Basic Rate

Adjustments should be made to the basic rate in accordance with the recommendations below:

### 6.2.1 Structure

#### (a) Floors

##### Construction

Construction	Adjustment
Ash	-20.0%
Cobble	-10.0%
Earth	-20.0%
Flag stone	-10.0%
Heavy reinforced concrete	+5.0%
Inferior timber	-10.0%
Lightweight concrete	-10.0%
Sleeper	-10.0%
Tarmac	-5.0%
Timber	-5.0%
Rough Concrete	-5.0%
Un-screeded Concrete	-2.5%

##### Finish

Finish	Adjustment
Quarry/Cork tiles	+5.0%
Epoxy Resin/Vinyl tiles	+2.5%
Hardwood strip	+10.0%
Wood block	+10.0%
Steel plate on concrete	+10.0%
Surface drainage	+2.5%
Terrazzo	+10.0%
Vinyl tiles (anti-static)	+7.5%

#### (b) Walls

##### Finish

Finish	Adjustment
Ceramic tiles	+10.0%
Mahogany faced plywood	+5.0%
Plaster on hard	+5.0%
Plasterboard	+5.0%
Terrazzo	+10.0%
Wipe-clean wall finish	+10.0%

### (c) Roof

#### Construction

Construction	Adjustment
Inferior roof insulation	-2.5%
Lack of roof insulation	-5.0%

### 6.2.2 Wall-Head Height

#### Height Adjustments

Height Range	Adjustment
<i>Under 1.30 metres</i>	Deduct 15%
<i>1.30 – 1.79 metres</i>	<i>Deduct 12.5 %</i>
<i>1.80 – 2.29 metres</i>	<i>Deduct 10%</i>
<i>2.30 – 2.79 metres</i>	Deduct 7.5%
<i>2.80 – 3.29 metres</i>	Deduct 5%
<i>3.30 – 3.79 metres</i>	Deduct 2.5%
<i>3.80 – 4.80 metres</i> <i>NORMAL</i>	No Adjustment
<i>4.81 – 5.30 metres</i>	Add 1.25%
<i>5.31 – 5.80 metres</i>	Add 2.5%
<i>5.81 – 6.30 metres</i>	Add 3.75%
<i>6.31 – 6.80 metres</i>	Add 5%
<i>6.81 – 7.30 metres</i>	Add 6.25%
<i>7.31 – 7.80 metres</i>	Add 7.5%
<i>7.81 – 8.30 metres</i>	Add 8.75%
<i>8.31 – 8.80 metres</i>	Add 10%
<i>8.81 – 9.30 metres</i>	Add 11.25%
<i>9.31 – 9.80 metres</i>	Add 12.5%
<i>9.81 – 10.30 metres</i>	Add 13.75%
<i>10.31-10.80 metres</i>	Add 15%
<i>10.81 – 11.30 metres</i>	Add 16.25%
<i>11.31 – 11.8 metres</i>	Add 17.5%
<i>11.81 – 12.3 metres</i>	Add 18.75%
<i>Over 12.30 metres</i>	Add 20%

### 6.2.3 Services

#### (a) General

The approach to the treatment of “service” plant in lands and heritages is governed by the terms of the Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 (as amended). Class 2 of the Schedule of Prescribed Classes of Plant and Machinery describes as rateable service items including plant used for heating, cooling, ventilating, lighting, draining, supplying water or providing protection

from hazards to the lands and heritages or part of them but specifically excludes “*any such plant or machinery which is in or on the lands and heritages and is used or intended to be used in connection with services mainly or exclusively as part of manufacturing operations or trade processes*”.

All items of service plant, named under Class 2 of the Valuation for Rating (Plant and Machinery)(Scotland) Regulations 2000 (as amended), should remain in the valuation unless the valuer is clearly satisfied that the proviso in the Regulations relating to items of plant or machinery “.....*used or intended to be used in connection with services mainly or exclusively as part of manufacturing operations or trade processes*” applies. Care should be taken not to exclude from value any items of plant under the Class 2 proviso that may still be rateable elsewhere in terms of Classes 1, 3 or 4.

Careful consideration must be given before removing any service plant or machinery from value which it is claimed was installed only as a process requirement. It is suggested that where the main or exclusive use of an item of service plant cannot be identified as being used as part of manufacturing operations or trade processes, then the item should be regarded as rateable under Class 2. In the case of multi-purpose service plant, the functions of the plant should be individually considered. For example, in the case of an air-conditioning system which provides amongst other things, heating, the use of the heating needs to be identified and unless the heating is used mainly as part of manufacturing operations or trade processes then an element in respect of heating should be retained in value. For assistance in this matter reference should be made to the SAA paper “*Interpretation Guidance: Class 2 Table 2(b) The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 (as amended)*”.

The SAA Industrial Properties Committee Practice Notes on Cold Stores and Clean Rooms also give good guidance in regard to these particular subjects.

**(b) Heating**

The basic rate assumes adequate heating. Variations in heating provision may be in accordance with the table below:

Heating Provision	Adjustment
Background heating	-2.5%
Poor heating	-5.0%
No heating	-10%
Excellent heating	+2.5%
Specialised installations	Variable

(c) **Lighting**

The basic rate assumes adequate lighting. Variations in lighting provision may be made in accordance with the table below.

Lighting Provision	Adjustment
Poor Lighting (isolated pendants)	-2.5%
No lighting	-5.0%
Excellent lighting	+2.5%
Specialised installations	Variable

(d) **Air Conditioning**

The basic rate assumes adequate heating. Where items of plant and machinery contributing to air conditioning are also present then additions may be made in accordance with the following table:

Specification	Addition
Ducted AC system capable of heating, cooling, ventilating and humidity control but without filtration.	+15.0% as an extra-over to the basic rate which already reflects average heating.
Simple mechanical ventilation systems inducing fresh air from outside or suspended cartridge systems providing chilled air only.	+5.0% as an extra-over to the basic rate which already reflects average heating.

(e) **Sprinklers**

Specification	Adjustment
Normal hazard system (to include ancillary plant but not any water storage tank or lagoon)	5.0%
Specialist or high hazard system	Variable

(f) **Gantry**

Specification	Adjustment
Up to 25 ton SWL	5.0%

#### 6.2.4 Disabilities (Other Allowances)

The following table suggests a range of appropriate allowances for the most commonly found drawbacks to the occupation of particular buildings in industrial subjects. These reflect “functional” or “technical” obsolescence. The list is not exhaustive but care should be taken to ensure that aggregated allowances are not excessive.



Disability	Detail	Allowance
Bad shape and/or layout		Deduct up to 10.0%
Excessively thick stone walls		Deduct up to 5.0%
Liability to flooding		Deduct up to 10.0%
Narrow bays with columns (interpolations should be made as necessary)	3.00 metres apart	Deduct 10.0%
	9.00 metres apart	Deduct 5.0%
	15.00 metres apart	No allowance
One wall open to yard		Deduct 15.0%
Poor access		Deduct up to 5.0%
Variation in floor levels		Deduct up to 2.5%

It is recommended that the total of allowances for Age & Obsolescence in terms of paragraph 6.2.5 and for Disabilities in terms of this paragraph, should not exceed 80% for any building still capable of reasonably economic use.

### 6.2.5 Age & Obsolescence

The following scale of allowances is provided as an indication of the reductions which may be appropriate for particular years of construction.

It should not be slavishly followed and where possible, valuers should be guided by local evidence. Each subject should be viewed individually and a decision made on its own merit. If the condition of a building is worse or better than expected then departure from the table allowance is acceptable by valuer's judgement but only by clear adoption of a "notional" age. Allowances should be restricted or completely withheld in the case of refurbished buildings depending on the degree of improvement. Allowances of greater than 50% should only be made in exceptional circumstances, as it is reasonable to assume that buildings built earlier than 1970 will have been subject to some degree of upgrading.

Year	Allowance	Year	Allowance	Year	Allowance
2026 & later	0.00%	2007	14.00%	1988	33.00%
2025	0.50%	2006	15.00%	1987	34.00%
2024	1.00%	2005	16.00%	1986	35.00%
2023	1.50%	2004	17.00%	1985	36.00%
2022	2.00%	2003	18.00%	1984	37.00%
2021	2.50%	2002	19.00%	1983	38.00%
2020	3.00%	2001	20.00%	1982	39.00%
2019	3.50%	2000	21.00%	1981	40.00%
2018	4.00%	1999	22.00%	1980	41.00%
2017	4.50%	1998	23.00%	1979	42.00%
2016	5.00%	1997	24.00%	1978	43.00%
2015	6.00%	1996	25.00%	1976	44.00%
2014	7.00%	1995	26.00%	1975	45.00%
2013	8.00%	1994	27.00%	1974	46.00%
2012	9.00%	1993	28.00%	1973	47.00%
2011	10.00%	1992	29.00%	1972	48.00%
2010	11.00%	1991	30.00%	1971	49.00%
2009	12.00%	1990	31.00%	1970	50.00%
2008	13.00%	1989	32.00%	Pre 1970	50.00%

### 6.2.6 Multi Storey Buildings

The following tables of adjustments provide guidance where there is no conclusive local evidence. The allowances are not suitable for business centres or Use Classes Order 4 style developments where an office approach may be more appropriate or in the case of industrial subjects with vertical process systems where allowances may be abated or withheld or a cost basis considered.

#### (a) Production/Warehouse space

Floor	Separate passenger & goods lifts	Goods lift only	Stair access only
GF	100%	100%	100%
1F	90%	85%	75%
2F	85%	80%	50%
3F	85%	75%	25%
4F & above	85%	70%	At discretion

## (6) Offices

Floor	Lift	Stair access only
GF	100%	100%
1F	95% -100%	90% -100%
2F	90% -95%	80% - 90%
3F	90% -95%	70%
4F & above	90% -95%	60%

The percentage selected from any range will be dependent on the quality of access.

## (6) Basements, galleries, attics and lofts

This type of accommodation varies widely in quality, character and purpose and no general recommendations can be made. However, the final rate selected should be sensibly related to the principal floor served.

### 6.2.7 Quantum

Those subjects with an overall area greater than 999 m<sup>2</sup> will require a quantum adjustment.

No inverse quantum is appropriate as the basic rate has been derived from subjects of a similar size.

Quantum should be applied in accordance with the following table:

Area m <sup>2</sup>		% Deductions
At	1,000	1%
At	2,000	5%
At	3,000	10%
At	4,000	15%
At	5,000	22.5%
At	10,000	27.5%
At	15,000	32.5%
At	20,000	37.5%
At	30,000	42.5%
At	40,000	47.5%
At	50,000	50%

The above is subject to interpolation.

## 7.0 PLANT AND MACHINERY

Rateable items of plant and machinery not covered by the foregoing guidance will be valued by application of the Contractors Basis of Valuation with reference to guidance and replacement costs contained in the Rating Cost Guide.

## 8.0 LAND/SITEWORKS

### 8.1 General

- 8.1.1 The basic rate recommended for buildings incorporates an element of value to reflect the existence of sufficient land, roads, siteworks and hardstandings necessary to allow suitable access and comfortable occupation of the buildings that are part of the lands and heritages.
- 8.1.2 The basic rate does **not** include for any extra land, roads, siteworks and hardstandings provided for purposes other than that referred to in 8.1.1. and such items should be valued in full. e.g. Extra areas used for storage/laydown/ parking/manoeuvring in Builder's Yards, Sawmills, Haulage and Distribution Depots etc.
- 8.1.3 The following gives a guide to expected relationships between buildings area and such "access land" as referred to in 8.1.1.

Buildings Area	Total Site Area
Up to 5,000 sq m	Buildings Floor Area + up to 50%
Over 5,000 sq m	Buildings Floor Area + 50% and over

In accordance with the above relationships, extra land should be valued as either "serviced" or "unserviced" land as detailed below. For buildings areas over 5000 sq. m., discretion should be exercised. e.g. when dealing with areas as in 8.1.2 these should be valued in full. However, when either held for expansion, created by demolition, or in fact unsuitable for development or use due to site or layout characteristics, nominal or nil values may be considered and the land termed as "excess" land.

## 8.2 Extra Land Values

### 8.2.1 Serviced Land

All normal services available, either on the land or adjacent there to and, in some cases, with road frontage.

#### (a) Grangemouth Docks

Area m <sup>2</sup>	Rate/m <sup>2</sup>
Flat Rate	£2.10

#### (b) Falkirk, Grangemouth, Stirling

Area m <sup>2</sup>	Rate/m <sup>2</sup>
0-4,000	£1.05
4,001 – 8,000	£1.00
8,001 – 14,000	£0.95
14,001 – 20,000	£0.90
20,001 – 35,000	£0.85

#### (c) All Other Areas

Area m <sup>2</sup>	Rate/m <sup>2</sup>
0-4,000	£0.95
4,001 – 8,000	£0.90
8,001 – 14,000	£0.85
14,001 – 20,000 sq.m	£0.80
20,001 – 35,000 sq.m	£0.75

Rates to be applied are determined by the total extra land area to be valued and should not be applied in band layers. In cases of land areas greater than 35,000 m<sup>2</sup> Divisional Assessors should be consulted.

### 8.2.2 Unserviced Land

Unserviced land - £0.20 per square metre.

## 8.3 Yards

If the subject to be valued is in the nature of land which is either devoid of buildings or contains buildings which may be deemed to be subsidiary to the land on which they are situated, perhaps due to the relative areas

of land to buildings and/or to the portable nature of the buildings, then the “access land” calculation referred to at 8.1.3 shall not be necessary. Such yards shall be valued in their entirety at rates per square metre 100% greater than those recommended at 8.2.1 and 8.2.2. In such circumstances surfacing and subsidiary buildings shall be valued and added as normal.

## 8.4 Siteworks

### 8.4.1 Surfacing

Where surfacing is in excess of, or of a superior quality to, that deemed incorporated in the basic rate, valuations should be carried out, or adjusted, on the basis of the following rates to NAV.

#### (a) Tarmacadam / Concrete

Area m <sup>2</sup>	Rate/ m <sup>2</sup>
0-4,000	£2.00
4,001 – 8,000	£1.95
8,001 – 14,000	£1.90
14,001 – 20,000	£1.85
20,001 – 35,000	£1.80

#### (b) Reinforced Concrete

Area m <sup>2</sup>	Rate/ m <sup>2</sup>
0-4,000	£2.20
4,001 – 8,000	£2.15
8,001 – 14,000	£2.10
14,001 – 20,000	£2.05
20,001 – 35,000	£2.00

#### (c) Hardcore / Gravel

Area m <sup>2</sup>	Rate /m <sup>2</sup>
0-4,000	£0.90
4,001 – 8,000	£0.85
8,001 – 14,000	£0.80
14,001 – 20,000	£0.75
20,001 – 35,000	£0.70

The rates above are to be applied to areas that are drained. In the event of drainage gullies, manholes and underground pipework not being present these rates may be reduced by up to 20%.

### 8.4.2 Age & Obsolescence

In applying age and obsolescence for surfacing, allowances will depend upon individual circumstances. For appropriate allowances reference should be made to guidance in SAA Contractor's Basis Valuations Practice Note.

Only in exceptional circumstances should an allowance of greater than 15% be applied.

Allowances should be restricted or completely withheld in the case of improved or new surfacing.

### 8.4.3 Enclosures

Additions should be made for fencing or walling which fulfils a security function, e.g. a 2 metre wall or 2 metre chain link fence which are not already reflected in the rental rates. These should be actioned 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 END ALLOWANCES

These relate essentially to larger subjects (except for access to works in small urban subject) but the valuer must be careful to avoid double counting, especially if any allowances have been granted under item paragraph 6.2.4 - Disabilities.

<b>Disability</b>	<b>Deduction</b>
Poor layout of what might be individually excellent buildings resulting in uneconomic flow of process	Up to 10%
Works divided by public road with security/transport on-costs.	Up to 5%
Bad shape and layout of site	Up to 10%
Poor access to works (in small urban subject)	Up to 2.5%
No toilet facilities available on site at all	Up to 5%
Restricted yard space as compared to rental evidence subjects	Up to 5%