



## **Revaluation 2026**

### **Staff Guidance Note**

#### **Valuation of Offices and Office Type Subjects**

##### **1.0 Introduction**

This Guidance Note applies to the valuation of office and office type subjects. This includes:

- Purpose built offices and office developments.
- Subjects converted and/or adapted for office use.
- Subjects that by reason of their location and/or physical characteristics are similar to offices.
- Class 4 offices (The Town and Country Planning (Use Classes) (Scotland) Order 1997), located on office/business/mixed use parks.
- Large standalone offices, usually located on greenfield sites or on mixed use parks.

This Guidance Note does not apply to properties which are occupied for office purposes which, by reason of their location and/or physical characteristics, are similar to other types of subjects, for example zoned shops.

##### **2.0 Approach to Value**

Offices are valued using the comparative method of valuation. This involves an analysis of passing rental information to establish a unit of comparison.

The unit of comparison is normally a rate per square metre.

As in all classes of lands and heritages use will be a factor in consideration in arriving at a value. A range of different users will occupy properties which physically fall into the category "office".

While it remains a basic principle in valuation for rating, that subjects should be valued in their actual use, and that actual use should not be minutely subdivided, it is the analysis of rents along with the physical circumstances of each use which consider whether different uses should be separately categorised and valued under their own scheme of valuation.

### 3.0 Valuation Roll Description

All descriptions must conform to the Scottish Assessor Standards and to the '*List of Categories, Class and Subject Types*'.

### 4.0 Measurement

Subjects will be measured on a Net Internal Area (NIA), including kitchens and built-in cupboards occupying useable area, in accordance with the R.I.C.S. Code of Measuring Practice.

Areas of ancillary buildings will be measured on actual use of space. Areas of similar use but with different finishes and/or services, for example air conditioning, should be measured separately.

### 5.0 Rates to be Used

Rates to be applied will be derived from an analysis of rental evidence, in line with the SAA Adjustment of Rents Practice Note.

### 6.0 Areas

Reduction factors for ancillary floors should be derived from an analysis of local evidence. In the absence of local rental evidence, the reduction factors in the table below should be applied.

All areas within the net internal area will be taken at office rates. No reduction factors should be applied to areas occupied for storage or canteen purposes.

	WITH LIFT	NO LIFT
Basement	60-80%	50%
Lower	90-100%	80-90%
Ground	100%	100%
1 <sup>st</sup> Floor	100%	90%
2 <sup>nd</sup> Floor	100%	80%
3 <sup>rd</sup> Floor	100%	70%

### 7.0 Office Classification

#### **Class A – Modern (1980 to present day)**

**A1** Top quality prestige offices, often built as headquarters for a particular occupier. Will have air conditioning, floor and ceiling ducting, lifts to all

floors and enhanced public areas. Likely to have landscaping and external/internal architectural features, designed to enhance appearance, and may have exclusive parking. This class will only contain a relatively small number of top-quality subjects.

- A2** Good quality, likely to have most of the features of A1 but not built to the same specification. Will have all the modern services, but any special features are more likely to be confined to the public areas and managerial accommodation. May have exclusive parking.
- A3** Plain and functional with adequate finishes and services. Unlikely to have special features or finishes to any great extent and in terms of size they will be small developments.

### **Class B - 1945 to 1980**

- B1** Older top quality prestige offices, often built for a particular occupier. Will normally have lifts to all floors and have enhanced public areas. Likely to have landscaping and external/internal architectural features, designed to enhance appearance, and may have exclusive parking. This class will only contain a relatively small number of top-quality subjects of the era, which will be well maintained over their lifespan.
- B2** Good quality, likely to have most of the features of B1 but not built to the same specification. Any special features are more likely to be confined to the public areas. Will have been well maintained. May have exclusive parking.
- B3** Plain and functional with adequate finishes and services. Unlikely to have special features or finishes to any great extent when built and will have only basic maintenance. In terms of size, they will be small developments.

### **Class C – Interwar 1918 to 1945**

- C1** Top quality prestige offices often built for a particular occupier. Will normally have lifts to all floors and have enhanced public areas. Likely to have landscaping and external/internal architectural features, designed to enhance appearance, and may have exclusive parking. This class will only contain a relatively small number of top-quality subjects of the era, which will be well maintained over their lifespan.
- C2** Good quality, likely to have most of the features of C1 but not built to the same specification. Any special features are more likely to be confined to the public areas. Will have been well maintained. May have exclusive parking.
- C3** Plain and functional with adequate finishes and services. Unlikely to have special features or finishes to any great extent when built and will have only basic maintenance. In terms of size, they will be small developments.

## **Class D – Pre 1914**

- D1** Top quality prestige offices often built for a particular occupier. Will normally have lifts to all floors and have enhanced public areas. Likely to have landscaping and external/internal architectural features, designed to enhance appearance, and may have exclusive parking. This class will only contain a relatively small number of top-quality subjects of the era, which will be well maintained over their lifespan.
- D2** Good quality, likely to have most of the features of D1 but not built to the same specification. Any special features are more likely to be confined to the public areas. Will have been well maintained. May have exclusive parking.
- D3** Plain and functional with adequate finishes and services. Unlikely to have special features or finishes to any great extent when built and will have only basic maintenance. In terms of size, they will be small developments.

## **Class E – Houses**

- E1** Former house which has been well converted to provide office accommodation. The internal layout will not resemble the original house. Bathrooms will have been replaced by toilets. Original kitchens may have been converted to office space. Walls will have been removed to provide flexible floor plates. Maintained and renovated to a high standard.
- E2** House which has been reasonably adapted for use as an office and in reasonable condition. Bathrooms will have been converted into toilets. Original kitchens may have been converted to office space; however, the property will still retain the appearance of a floor plate divided into rooms.

## **Class F – Flats**

- F1** Offices in former flat accommodation which have undergone a reasonable degree of conversion and upgrading. Bathrooms and original kitchens will have been changed to toilets and office accommodation.
- F2** Offices in former flats that have had little or no adaptation or upgrading and will still have the appearance of a house with many still having the original domestic bathroom and kitchen facilities.

## **Class H – Modern Business Centres and Class 4 Offices**

- H1** Modern purpose-built offices found in business parks. Top quality prestige offices, sometimes built as headquarters for a particular occupier. Will have air conditioning, floor and ceiling ducting, lifts to all floors. Likely to have landscaping, air conditioning and exclusive parking.
- H2** Likely to have most of the features of H1 but not built to the same specification.

## **Class M – Converted Offices**

- M1** Converted offices which have undergone a reasonable degree of conversion, refurbishment and upgrading. The property internally will resemble an office and not the previous use.
- M2** Converted offices which have had little to no adaptation, refurbishment nor upgrading. These subjects may perhaps still resemble their former use internally.

### **8.0 Fitting Out**

The preferred approach to valuing the ‘fitted out’ element of an office is to rely on comparable rental evidence to reflect the presence of such features as air conditioning, raised flooring, suspended acoustic tile ceilings, rebated lighting, etc generally referred to as office fittings.

Where the basic rate to be applied includes these features, there will be no need for further adjustments.

Where an element is required to be added to value to reflect fitting out, the Rating Cost Guide Scotland should be referenced.

### **9.0 Plant and Machinery**

Consideration should be given to any plant or machinery which may be rateable, with reference to legislation; Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 as amended.

### **10.0 Quantum / Inverse Quantum**

This is very much a matter where consideration of the local rental evidence is paramount. Demand for different sizes of units will vary from location to location.

Each narrative for a given classification of offices should provide information on the results of the rental analysis for that area, and whether quantum or inverse quantum should be applied. Where evidence of quantum or inverse quantum exists, each narrative must detail the “norm” within that locale.

### **11.0 Car Parking**

Care should be taken to ensure office parking is valued in line with the analysis. Where rental evidence clearly defines a rate per car parking space, it may be appropriate to value the car parking on a rate per space. However, in some instances there will be no definitive rental level on a rate per car parking space, and it may be appropriate in these instances to include the car parking in the office valuation rate.

## **12.0 Tenant's Improvements**

The test of an accurate scheme of valuation is if the valuations produced are in line with the generality of the rental evidence.

However, where a tenant has improved the property leased, the effect of the improvements may be excluded from the agreed rent. The valuer must establish such improvements prior to analysis, ensuring no such improvement is included within analysis.

In consequence, the valuer should be aware when carrying out sense checks, the tenant's improvements may result in a higher Net Annual Value than that indicated by rental levels.

## **13.0 General Comment**

Above all it should be remembered that these instructions are not to be followed blindly and are primarily for guidance. There will be circumstances where the valuer must exercise his/her own skill and judgement and vary from this guidance.