2026
REVALUATION

Lothian Valuation Joint Board
Assessor & Electoral Registration Office

VP/O/1

VALUATION OF OFFICES

1 INTRODUCTION

1.1 This Practice Note applies to the valuation of most types of office and contains information on all the elements necessary to arrive at net annual value. For ease of reference, additional information concerning some of the aspects of office valuation has been provided as appendices.

1.2 Reference should be made to the SAA Valuation of Offices Practice Note.

2.0 SUBJECTS INCLUDED

2.1 Offices used for professional, commercial or administrative purposes (unless excluded in terms of paragraph 3 below).

2.2 Miscellaneous properties to which the public resort **if these are, by reason of their physical characteristics and situation, suitable for valuation on the same basis as Offices and relevant rental evidence does not indicate a contrary approach to their treatment.** Examples include Classrooms, Consulting Rooms, Funeral Parlours and some Health subjects, Salons, Showrooms and Studios.

2.3 Properties where "Class 4" planning use is applicable (see Appendix 6 – Class 4 Units).

3.0 SUBJECTS EXCLUDED

3.1 Retail shop premises as defined in the Lothian Valuation Joint Board Valuation of Shops Practice Note.

3.2 Premises attached to, or forming part of, a larger unit of valuation of a non-office character.

3.3 Banks, Building Society offices, Post Offices and other similar premises having some of the physical characteristics of retail shops (although perhaps unsuitable for shop use without structural adaptation) are excluded from this Instruction. However, where the main use of the premises is as an office, for example, a financial institution's head office, the subjects will be valued under this scheme.

4.0 DESCRIPTION AND VALUATION CODE

4.1 Any subjects referred to in paragraph 2.1 and 2.3 should be described as "Office" in the Valuation Roll, while those referred to in paragraph 2.2 should be described according to their actual use and on the basis of the list of standard Descriptions and Valuation Codes set out in Appendix 1.

5.0 VALUATION APPROACH

5.1 The following stages should be followed:

1. Identification and measurement of the property.
2. Application of individual Reduction Factors.
3. Application of Storey Allowance.
4. Property classification and the selection of a basic rate per square metre.
5. Adjustment for quantum.
6. Application of percentage adjustments.
7. Addition for services including air conditioning and sprinklers.
8. Where appropriate, add for pertinents.
9. End adjustment.
10. Rounding.

6.0 SURVEY AND MEASUREMENT

6.1 Survey and measurement of offices should be undertaken in accordance with the guidelines in Appendix 2 (Survey and Measurement).

7.0 REDUCTION FACTORS

7.1 The Comparative Princple of valuation as used for the valuation of offices recognises that some parts of a building are more or less valuable than others. Office users consider the most valuable space to be the office element which may be of a considerably higher value than ancillary areas. In addition, accommodation situated on a basement, second or higher floor may have a lower value than ground or first floor space dependent upon the nature of the access and the quality of the office, together with any amenity considerations.

Reference should be made to paragraph 8 regarding Storey Allowance and Appendices 3 and 4 regarding Office Classification.

7.1.1 Accommodation Reduction Factors

Office rooms/ space – areas used as general office accommodation in keeping with the property's classification. If the room is used for a different purpose, the room's features and quality should be considered in relation to the property's office Classification. Note: quality, characteristics, features and size will determine the reduction factor as opposed to the use being made of a room.	1.0
Office rooms inferior to others in finish, quality or deficient in terms of layout, shape, natural light or services and not already reflected in the Storey Allowance, eg basement or attic floors.	0.9 - 0.7
Accommodation unsuitable for **general office use**:-	
(a) Small storerooms, cupboards and presses.	0.5
(b) stores and cupboards of inferior quality and restricted use. NB such stores should only be measured to 1.5m (or 5ft) meaning that factors lower than 0.5 should not be applicable.	0.5 – 0.2
(c) parts of switch rooms etc used for secondary purposes. Estimate the proportion of area so used and apply reduction factors to that proportion according to quality.	0.5 – 0.3
(d) switch rooms, plant rooms, boiler rooms (apart from secondary uses covered in (c) above) - reflected in basic rates applied, quality increments or enhanced reduction factors of areas served.	NIL
(e) small tea preparation areas – these will normally be found in structurally confined spaces - where the finish is better than that of cupboard/storage space.	0.7

Toilets, showers and shower rooms should be measured and quality noted but a Nil reduction factor applied. Shower rooms which form part of a toilet should be valued at nil. However, where additional toilet/ shower facilities have been added at the choice of the occupier or created within existing office space, consideration should be given to valuing the accommodation at the same level of value as the office space. Note, where additional toilet facilities have been provided as a result of current Building Regulations, for example to recognise change as a result of the Equalities Act, the space should be measured and a Nil reduction factor applied.	NIL – 1.0
Prestige offices, boardrooms, display rooms etc which are superior in quality to the general standard of the office.	1.0 - 1.25
Canteens, dining rooms and welfare rooms of comparable quality to the general standard of the office should be valued at the full rate. Those that are superior or inferior should be adjusted within the range	0.70 – 1.25
Kitchens are usually expensive to provide having tiled floors and walls, extensive services and fixed units. If, however, they only match basic office quality 1.0 should be applied.	1.0 - 1.25

7.1.2 Computer Rooms, Strong Rooms and other Specialised Areas

Where areas/rooms have been specifically adapted for special use, such as computer rooms and strong rooms, every effort should be made to identify and cost additional elements, including items of rateable plant. This may include uninterruptible power supplies (UPS), environmental control, fire systems, high security features, raised and/ or reinforced floors etc. Where insufficient information is available to allow these elements to be accurately identified an enhancement of up to 1.25 may be applied depending on the degree of adaptation. Where such areas have become redundant, unless they are of office standard, a storage room reduction factor may be applied. **Note, this paragraph does not apply to purpose-built data centres, which should be valued in accordance with SAA Valuation of Computer Centres Practice Note.**

It should be noted that specialised areas, for example for recording studios, enhanced reduction factors of up to 1.5 are appropriate.

7.1.3 Entrance Halls and Atrium space – single occupation

Where offices are in single occupation and entrance halls and lounges on the ground floor and crush halls at stair or lift points are much more generous than required for safety purposes and these add to the prestige and convenience of the office they should be reflected in the valuation. The useable space area should be identified and a reduction factor of 1.0 applied. However, in the event the useable area cannot be clearly identified, apply a reduction factor of 0.75 to reflect circulation space.

7.1.4 Entrance Halls and Atrium Space - Multiple Occupation

With reference to section 4 of the SAA Valuation of Offices Practice Note, entrance halls and atrium space should normally be excluded from valuation where it is in multiple occupation and reflected in prevailing rental levels.

However, where the landlord retains control of the space and has rateable occupation the space requires to be valued and entered on the Roll as appropriate.

It should be noted that large areas of space should not be excluded by virtue of a single letting or part occupation by another party. Accordingly, care should be exercised where a small area or number of rooms are let in a substantial property which has an atrium or entrance hall. In such a scenario, the matter should be referred to a Divisional Valuer.

7.1.5 Basement Reduction Factors

In converted offices, each basement is assumed to have:

- a dark internal stair of a standard inferior to that found between the floors above ground level,
- some inferiority in the quality of the accommodation compared to upper floors, and
- generally poorer planning and layout.

All these features are reflected in the Storey Allowance (see paragraph 8.1).

However, there may be circumstances where, due to physical features, individual rooms within a basement are quite severely affected by poor/ no natural light, poor layout, access through rooms etc. In these cases, a reduction factor in the range 0.9 to 0.7 may be applied to the affected area.

In contrast, there may be instances where alterations have been carried out to improve the quality of some of the accommodation within a basement, for example, the installation of suspended ceilings, improved layout etc. In such cases, a reduction factor of up to 1.10 may be applied to such areas.

7.1.6 Sub-basement Reduction Factors

Sub-basements are assumed to have inferior access, quality and layout as outlined above in paragraph 7.1.5. **The Storey Allowance specified in paragraph 8 for sub-basements will accommodate the majority of situations**, however the range of reduction factors to be applied to individual cases, as indicated for basements, can also be considered.

In extreme cases, where the quality and/or condition is very poor, and only rough storage use is possible, it would be appropriate to reduce the area to a minimal value by valuing the accommodation as a pertinent of the office at a rate reflecting its use, location and quality or at a spot value. However, where accommodation has been lined-out an appropriate reduction factor should be applied.

7.1.7 Attic Reduction Factors

Third, fourth and fifth floors of converted offices are assumed to have an access stair of a standard inferior to that found between the floors below. It is usually narrower, returned and awkward. The ceiling height will generally be lower than on the main floor**.** Some degree of coving will be present in the principal rooms and layout will often be cramped. **These factors will be reflected in the attic storey allowance reduction factors specified in paragraph 8. In cases with more serious coving, the approach for the 2026 Revaluation will be as follows:-**

The RICS Code of Measuring Practice advises that areas with a headroom of less than 1.5 metres should be excluded to arrive at the net internal area of an office.

Areas suffering from coving should now therefore be treated in the following manner:-

- exclude areas under 1.5 metres headroom from the internal area of the room; and
- include all areas over 1.5 metres headroom and apply a reduction factor of unity to this area.

For the avoidance of doubt, no further reduction factor for coving should be applied to this area.

Where this method is used, it should be made clear on both the dimension sheet and in the valuation that the net internal area of the room has been arrived at this way.

This approach should be adopted where subjects are being resurveyed, or surveyed for the first time prior to entry in the Valuation Roll.

The valuation of existing properties will follow the historic practice of reflecting coving by means of applying reduction factors. This methodology has been reproduced here for reference only:-

To reflect more serious effects of coving, a reduction factor should be selected from the table below and be applied on a room by room basis to each net floorage area, in accordance with the oxter height. In situations where the oxter distance far exceeds the oxter height ie the coving angle is unusually low then the coving allowance may be raised to the next class. The table below in addition to reflecting coving height gives examples of different styles of natural light usually found in coved rooms.

Staff should match the extent of coving with the form of natural light in order to select an appropriate reduction factor. ***Please note a further allowance for poor natural light is not appropriate.***

DEGREE OF COVING (oxter height)	INFERIOR DORMER OR GABLE LIGHTING	INFERIOR VELUX ROOF LIGHTING	SMALL ROOF LIGHT
1.8m or over	1.0	0.9 - 0.7	.4
Light 1.5m to 1.8m	0.9	0.8 - 0.6	.4
Medium 1m to 1.5m	0.8	0.7 - 0.5	.3
Heavy 0.6m to lm	0.6	0.6 - 0.4	.3
Maximum below 0.6m	0.5	0.5 - 0.3	.2

7.1.8 Ground Floor Frontage Value

Where ground floor office accommodation is in a recognised shopping thoroughfare and/or has display windows or the characteristics of a showroom and these features would be of advantage to a hypothetical tenant, the value of the ground floor, either in part or entirety, may be increased, subject to the limit of the shop level of value for that location, by the appropriate adjustment of the reduction factor. In such cases guidance should be sought from a Divisional Valuer.

7.1.9 Hybrid subjects

Reference should be made to Lothian Valuation Joint Board Valuation of Shops Practice Note at 16.2 regarding Hybrid subjects. Certain types of property, for example, Banks and Building Societies are valued using both a zoned and an office approach. The office approach will only apply where the office element above first floor level has its own separate access over and above internal access from the retail element of the property.

A hybrid approach could equally apply to other situations, whether over multiple floors or not. For instance, some interconnected subjects have partly the characteristics of an office and partly of a shop.

For the avoidance of doubt, a hybrid approach does not imply the subject suffers from any particular disadvantages and therefore an end allowance should not be applied. Any physical disabilities should be catered for under the relevant part of the Practice Notes (see Para 11 Percentage Adjustments).

8 STOREY ALLOWANCE

8.1 Analysis of rental information has revealed a range of Storey Allowances varying with the Office Classification and whether a lift facility exists. In the case of converted Offices, consideration may be given to the age and nature of the lift.

The following reduction factors will be applied to each floor regardless of whether the subject is a single or multi-floor office.

8.1.1 Converted Offices - Storey Allowance

FLOOR STOREY	STAIRS ONLY S	OLD/ CAGED LIFTS OL	MODERN LIFTS ML
Sub-basement*	0.45	0.50	0.60
Basement*	0.75	0.80	0.85
Ground floor	1.00	1.00	1.00
First floor	1.00	1.00	1.00
Second floor	0.80	0.85	0.90
Third floor*	0.70	0.75	0.85
Fourth floor*	0.60	0.65	0.80
Fifth floor*	0.50	0.55	0.75

*** These storey allowances assume that the quality of stair access which serves these floors is in line with that set out at paragraphs 7.1.5, 7.1.6 or 7.1.7 above. Where the stair access is superior to that noted the storey reduction factor may be enhanced accordingly.**

*** These storey allowances should be suitably modified where a property is located on a sloping site, and particular floors are better than what would typically be expected at that floor level. Factors to consider include the quality of access, natural light, access to the car park etc.**

8.1.1/ Where, in converted offices, the “old lift” is quite clearly no longer in use, probably due to the persistent need for maintenance and repair, the storey allowances for “stair only” should be applied.

In some lift served blocks the uppermost floor may only be accessed by a stair from the level below. This disability may be reflected by a 10% maximum allowance related to the reduction factor of the floor below. A similar allowance may be appropriate for mezzanine floors that are not directly served by the lift.

Mezzanine floors in buildings with stair access only, should be valued by interpolating between the RF the full floors for above and below.

8.1.2 Modern Offices - Storey Allowance

FLOOR STOREY	STAIRS ONLY	MODERN LIFTS ML
Sub-basement	0.65	0.70
Basement	0.85	0.90
Ground floor	1.00	1.00
First floor	1.00	1.00
Second floor	0.90	1.00
Third floor	0.85	1.00
Fourth floor	0.70	1.00
Fifth floor and above	0.65	1.00

Rental evidence shows that the upper floors of office blocks benefiting from superior or unbroken views can achieve higher levels of rent compared with floors below. Such offices may also have a private roof terrace and be less affected by traffic noise. In these exceptional circumstances prevailing rental evidence confirms that either an enhanced storey reduction or a higher basic rate per square metre should be applied. Examples include Atria at Morrison Street and certain offices in Princes Street. If guidance is required, advice should be sought from the Office Working Group.

In some lift-served blocks the uppermost floor may only be accessed by a stair from the level below. This disability may be reflected by a 10% maximum allowance related to the reduction factor of the floor below. A similar allowance may be appropriate for mezzanine floors which are not directly served by the lift.

Mezzanine floors in buildings with stair access only, should be valued by interpolating between the RF for the floors above and below.

9 CLASSIFICATION AND BASIC RATE

9.1 The valuation of all office accommodation within the Lothians revolves around a system of Office Classification. Separate classifications exist for modern offices and converted offices and descriptions for each of these are outlined in Appendix 3 and Appendix 4.
The appendices should be read thoroughly before any final classification is made.

The basic rate to be applied to each class of office in any given location has been analysed from available rental evidence. If basic rates are required for new office locations, then a Divisional Valuer should be consulted.

It should be noted that in certain locations similar levels of value have been applied to differing classifications. In those locations all offices should continue to be classified for analysis purposes at a future Revaluation.

9.2 Inter-Class Treatment

During the process of classification, it may be found that some properties will fit best between the specified classes either because their overall quality is above or below the specification that appears most appropriate, or because they are out-with the broad time-periods provided.

While inter-class adjustments have been part of the scheme of valuation for some time, the application of such an adjustment should only be made after careful consideration of all relevant information and advice from a Divisional Valuer should be sought.

Where an adjustment under this heading is to be made the reasons for so doing should be clearly stated. At no time should the percentage applied reduce or increase the rate per square metre above or below the rate applied to the next office classification. For example, if the rate for MS is £300, MG is £270 and MA is £240 in a given location, any allowance applied to MG should result in a rate between £240 and £300 otherwise the rate will be higher, or lower, than the next classification.

10 QUANTUM AND INVERSE QUANTUM

10.1 Quantum end adjustments to basic amount will be appropriate below and above certain limits and these are shown in Appendix 5 (Quantum).

The adjustment for quantum shall be based on reduced area, and the scales should be interpolated. Where appropriate the separate reduced area for each building shall be aggregated to give the total reduced area for the purposes of calculating quantum.

11 PERCENTAGE ADJUSTMENTS

11.1 In all cases, an adjustment under this heading should only be granted where it is felt the value of the whole office is affected, not just a smaller part. If the total adjustment exceeds 10%, a Divisional Valuer should be consulted.

The reasons for each adjustment should be clearly displayed and, where several adjustments are merited, the various percentages will be added together before being applied to the initial value to arrive at the adjusted value.

The following adjustments reflect a range of factors that are commonly found: -

11.2 Toilets

11.2.1 **Complete absence of toilets**: The Health & Safety executive states that toilet facilities should be made available in offices. On the rare occasion that there is a complete absence of a toilet an allowance of -10% is merited.

11.2.2 **Inadequate provision of toilets**: The Health & Safety Executive also states that toilet provision must be adequate for the number of staff using the facilities. If it is identified that an office falls below this standard, then an allowance of up to -3% may be appropriate.

11.2.3 **Remote toilets:** if toilets are distanced from the office space that inconvenience clearly occurs e.g. 2/3 floors away, up to -3% to the impacted space should be considered.

11.2.4 **Shared toilet** accommodation does not warrant an end allowance.

	Allowance
Complete absence of toilets	-10%
Inadequate provision of toilets	Up to -3%
Remote toilets	Up to -3%
Shared toilets	No allowance

11.3 Heating

Appendices 3 & 4 indicate the heating system expected to be found within each of the classes.

11.3.1 No heating:

Premises should be treated as having “no heating” where there exists open fires, old types of gas fire, free-standing electric appliances etc. However, within the classification “Converted basic” it is assumed no heating exists and therefore no allowance should be granted.

The allowance under this heading is a maximum - 5%.

11.3.2 Inadequate heating:

If there is an inadequate heating system in respect of the classification of the office then an allowance of up to -2.5% should be made. However, within the classification “Converted basic” it is assumed no heating exists and therefore no allowance should be granted.

11.3.3 Partial heating:

The scheme of valuation assumes that where heating exists it is a full system, covering the major part of the offices concerned. No allowance is required where areas such as inferior storage, ancillary accommodation etc are not fed by the heating system.

If only partial heating is in existence within an office, an allowance is appropriate. Taking -5% as the allowance for no heating, a proportion of this should be applied, depending on the extent of partial heating. However, within the classification “Converted basic” it is assumed no heating exists and therefore no allowance should be granted.

11.4 Shared Accommodation and Facilities

Unless the basic rate reflects the existence of such facilities, a careful examination of the circumstances will be required to determine who is in rateable occupation of shared accommodation or facilities. It is common in blocks or suites which are in multi-occupation to find communal kitchens, canteens, staff rest rooms, visitors lounges, reception areas etc.

Where these facilities are shared separate entries should be considered depending on the facts in each particular situation. Where a separate entry is appropriate, the rateable occupier will require to be carefully considered.

11.5 Natural Lighting

If the siting of a particular suite results in poor natural lighting in all or a substantial proportion of the rooms used as offices, a quality allowance over the whole unit, restricted to a maximum of -10% may be appropriate. Where an individual room is affected a modification of the

reduction factor otherwise appropriate is in order. **However, it should be noted that the storey allowances for basements and coving allowances for third, fourth and fifth floors within converted offices already acknowledge a degree of poor natural light.**

It is anticipated that this allowance would apply in the rarest of cases and then only in respect of modern offices. A Divisional Valuer must be consulted prior to application.

Under no circumstances should this allowance be considered where poor natural light conditions have been created by the erection of demountable partitioning or is reflected in the storey allowance.

11.6 Layout

Deductions from value for poor layout should only be considered in the most extreme and obvious of cases, where an allowance of up to -10% may be appropriate.

Within the converted classes of office space, a degree of poor layout is intrinsic to the property and therefore already reflected in the basic rate applied. By way of example, where a 4-storey converted double block is in single occupation and interconnecting access is only achieved on one or two floors, a -2.5% planning allowance is reasonable.

Also, within the city centre, modern offices are often constructed on confined sites which inevitably cause layout problems, therefore an element of layout deficiencies are reflected in the basic rate.

Where staff are considering an end allowance under this heading, they should avoid double counting by granting additional allowance for poor natural light. One of the effects of poor layout is poor natural light. If extreme cases are found and both allowances are deemed appropriate, a Divisional Valuer must be consulted.

11.7 Amenity

Property which is physically of a reasonable standard may be less desirable than others because of some external feature which is not capable of being dealt with in the adjustment to basic rates in paragraph 9. For example, the character of the access to an office, which may be a common stair shared with poor class dwelling houses, is a factor which might well merit adjustment where rental evidence shows this.

Much of the rental evidence for peripheral offices is derived from subjects which suffer from shared access, and this has already been taken into account in the proposed rates. Accordingly, no allowance should be made for access which is shared unless this is extremely detrimental. If an allowance is appropriate a Divisional Valuer should be consulted.

11.8 Rear Blocks

An allowance should only be considered where the access from the front is so poor as to be detrimental to the beneficial occupation of the rear located offices. An allowance of up to -5% is appropriate under this heading, although a Divisional Valuer must be consulted prior to its application.

For properties which occupy a lane location, staff should refer to the Basic Rate Tables for guidance. If the location is not covered, a Divisional Valuer should be consulted.

11.9 Structural Condition

If premises suffer from a structural defect or a state of disrepair which is not in the normal sense remediable and is of such a nature as to limit the occupier's enjoyment of the property and the Valuer is of the opinion that a hypothetical tenant could be influenced thereby in his offer of rent, an appropriate allowance may be granted.

Subsidence in the building giving rise to sloping floors, ill-fitting windows, etc would qualify under this heading. A Divisional Valuer must be consulted to determine the extent of such an allowance.

12 AIR CONDITIONING/ MECHANICAL VENTILATION

It is essential that staff, when considering an addition under this heading, follow the guidelines indicated below:

Where air conditioning or mechanical ventilation is already reflected in the basic rate, no addition should be made e.g. modern, superior or excellent classifications.

However, in situations where the basic rate does not reflect either air conditioning or mechanical ventilation, an addition of £10/m2 is to be added to the **non-reduced internal area** of the part of the office covered. The rate of £10/m2 is to be added regardless of whether it is full air conditioning or a mechanical ventilation system.

13 PERTINENTS

13.1 Garages and/or Stores

Where an office building is in a single occupation and there is included **within the curtilage** a private garage or outside store, this should be valued as a pertinent of the office at an appropriate rate per covered car space from the LVJB Valuation of Non Domestic Lock-up Garages and Car Parking Spaces Practice Note.

13.2 Car Parks

Where an office building is in a single occupation and a car park exists **within the curtilage**, it should be valued as a pertinent of the office at an appropriate rate per car space from the LVJB Valuation of Non Domestic Lock-up Garages and Car Parking Spaces Practice Note.

13.3 Bike Storage

In modern office developments it is now quite common to have areas, usually but not exclusively, in the secure car parking area that are reserved for bicycle parking. No addition to value should be made for the bicycle parking area. It will be deemed that the value of the bicycle parking is reflected in the basic rate for the office. Similarly, in older office developments, where existing car parking spaces are retrofitted with bicycle racking, those areas also should not appear in value and should be treated as being reflected in the basic rate for the office.

A recent feature in some modern office developments, is the creation of an external secure bicycle storage structure/pod. This will provide secure storage for bicycles and will have walls and a roof. Consideration, dependent on the nature of the structure and its scale should be given to making an addition to the value of the office for this feature.

13.4 Plant and Machinery

Any rateable plant and machinery not reflected in the basic rate or previously included in value should be added to value.

14 ROUNDING

START VALUE	END VALUE	ROUND DOWN TO NEAREST
0	50	1
51	100	5
101	500	10
501	1,000	25
1,001	5,000	50
5,001	100,000	100
100,001	250,000	250
250,001	500,000	500
500,001	1,000,000	1,000
1,000,001 and above		5,000

OFFICE DESCRIPTIONS & VALUATION CODES

The following descriptions and valuation codes should be applied to all subjects valued as an office on the Commercial Valuation System.

DESCRIPTION	VALUATION CODE
Office / Office & Theatre Workshop	CO
Sauna	COA
Serviced Office / Business Centre	COB
Showroom	COC
Computer Centre	COD
Bank	COE
Betting Shop	COF
Primary Care/ Health Centre	COH
Club / Office & Clubroom	COI
Funeral Directors	COJ
Police Station	COV
Laboratory / Research Centre	COL
Salon	CON
Shop	COS
Post Office / Sorting Office	COP
Restaurant	COR
Studio	COU
Workshop / Store	COW
Surgery	COY
Others including: Church, Classroom, Clinic, College, Consulate, Consulting rooms, Day Centre, Gallery, Library, Meeting Room, Mosque, Museum, Nursery, Nursing Home, School and Training Centre	COX

OFFICE AND OFFICE TYPE PROPERTIES DATA AND MEASUREMENTS TO BE OBTAINED ON SURVEY

1 INTRODUCTION

The following guidance provides details that should be obtained on survey for offices. Other detailed Instructions may be issued from time to time on the more specialised information required for individual subjects.

It should be noted that the date of survey and surveyor's name should always be recorded and, where the property is measured, the type of measuring device used.

2 DESCRIPTION

For example, Office, Studio, Surgery, Consulting Room, Funeral Parlour, or other premises of miscellaneous commercial character if these are, by reason of their physical and situation characteristics, suitable for valuation on the same basis as offices.

3 SITUATION (ADDRESS)

4 PROPRIETOR'S, TENANT'S AND OCCUPIER'S NAMES

5 LEASE INFORMATION FOR ALL HEAD AND SUB-TENANCIES

6 GENERAL DESCRIPTION

State whether purpose-built, adapted or converted and the use to which it was formerly put, if appropriate, (eg dwelling house). Give actual or estimated years of construction and adaptation or refurbishment. The extent of any significant improvement/modernisation should be noted.

The class should be identified as defined in in Appendices 3 and 4.

7 SITUATION

7.1 Immediate Environment

Isolated; adjacent to similar properties, unit in large block in multi-occupation; overlooked by neighbouring properties or adjacent to multi-storey properties; situated in own grounds; set back from building line; entered over area, up or down steps from pavement or directly from pavement line; access from shared or common stair. Where access is shared with other occupiers, note cases where poor class dwelling houses or inferior commercial enterprises may have an adverse effect upon the subject.

7.2 General Environment

Central, sub-central, peripheral or suburban site; on main thoroughfare; in main shopping area, predominantly office area, residential area, poor class tenement or mixed area, etc; relationship with subjects likely to attract trade.

8 EXTERNAL DESCRIPTION

Provide a full structural and external description of the building (eg four storey and basement steel framed building with natural stone front, glazed facing brick sides and rear; hardwood window frames, tinted glass, double glazing; pitched slated roof; concrete floors and fire resisting construction throughout).

9 INTERNAL DESCRIPTION

Provide a full floor by floor description of each subject, detailing materials and finishes. Floors (concrete, stone, timber, etc) with covering material; walls (brick, timber framed) finished in plaster, woodstrip, etc, demountable partitions; ceilings (plastered, plasterboard, suspended, acoustic tiled, etc); quality of skirtings, surrounds, doors (softwood, hardwood veneer). Record floor to ceiling heights, quality of natural lighting and any factors particularly applicable to the portions being described which may have a bearing on value. In older offices' having timber floor construction, load bearing qualities should be noted. Attention should be given to rooms designed and constructed for a particular use and finished to a different standard, eg boardroom, strongroom, kitchen, dining room, computer room. Additionally, notes should be taken of floor finish, for example the presence of raised flooring and floor boxes for telecoms/ data equipment.

In the case of hairdressing salons, dentists' and doctors' surgeries, etc note adaptations for specialised use, eg extra wash basins, partitions to form cubicles or dark rooms.

All ancillary accommodation within the main building, ie dining rooms, canteen, storerooms, cupboards, workshops, toilets, entrance lounges, crush halls, etc should be noted and described.

10 SERVICES

Water supply - cold only, hot and cold; electricity supply - extent of power and lighting points, quality of fittings, fluorescent or pendant, etc; gas supply; air conditioning, type, extent; heating - open fires, fixed electric radiators, gas fires, storage heaters, central heating (including type, extent, efficiency), etc; toilet accommodation - WC only, shared WC, outside WC, separate toilets for male and female staff, full description of toilet blocks, including numbers and quality of fittings, adequacy; passenger hoists - number, quality, capacity and floors served; sprinkler system.

11 OTHER RELEVANT INFORMATION

This will include notes on fire escapes, general and private car parking facilities, covered and open, use of shared accommodation and facilities (eg toilets, kitchens, canteens, reception rooms, conference rooms) and the number of occupiers entitled to use them. In buildings where there is multiple occupation, details are required to determine who the rateable occupiers are including the identification and nature of shared accommodation and who has control of that accommodation.

In/…

11/ In cases of offices having private car parks, garages or outside stores, note and describe the accommodation provided, and indicate if parts in separate occupation are delineated or if there is merely general use by all occupiers. If the latter, the number of car spaces to each occupier together with sufficient information to determine the correct number of entries to be made on the Roll.

Note, if a car park is separately let details should be entered on the commercial rental evidence system.

12 DWELLINGHOUSES

Where these are within the curtilage of office premises and are occupied in connection therewith, note details of accommodation, services, layout and condition and any other factors arising from association with the main subjects, eg difficulties of access, common use of rooms, passage or facilities, etc. The information should be recorded on a house survey record. **Note, the entry on the Roll may require to be apportioned.**

13 LAYOUT

Notes should be made of the general layout of the office. Any disadvantages of layout not readily apparent from the plans should be emphasised.

14 QUALITY AND CONDITION

Comments on the quality of the subjects other than those already noted under paragraphs 6 and 8, together with remarks on the condition of the property, particularly stressing any items of disrepair which would not normally be remediable and which are of such a nature as to limit the occupier's enjoyment of the property.

15 MEASUREMENT

15.1 Net Floorage Areas

The measured area will be the Net Internal Area (NIA). All office rooms and ancillaries (including crush halls, entrance lounges, toilets, kitchens and stores) should be measured within walls but excluding permanent passages and other circulating space and ignoring non-structural moveable partitions. For the treatment of cove attics see paragraph 7.1.7 of the main instruction.

15.2 If no plan is otherwise available, prepare a single line sketch plan of each floor showing main and permanent partition walls, temporary or demountable partitions, toilets, lift wells, staircases, etc. Show all accesses. Record ceiling height of each floor (ringed) and, where part of the property is of shop character, indicate on the ground floor sketch the main zone by a dotted line drawn parallel to the building line at the appropriate zone depth.

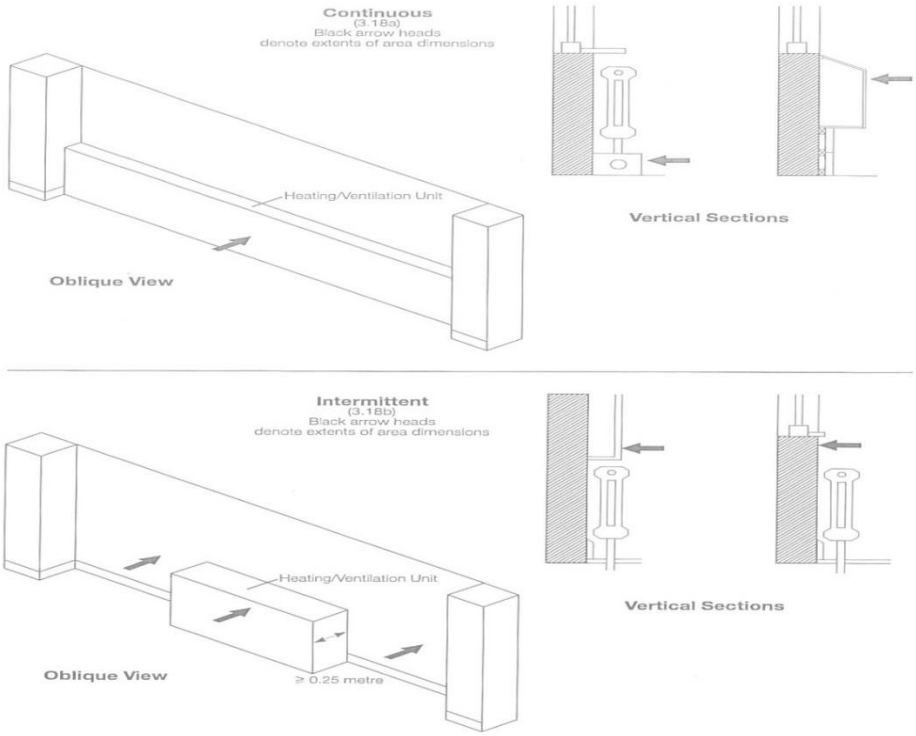
Prepare also a site plan where appropriate, showing car parking, private roadways and other site works, pertinents, etc.

In the case of parts of subjects which are of shop character, the measurements and survey details taken should be those recommended for shop property. In all other cases the measurements taken should be those necessary to determine net internal area, ie the area of all office rooms and ancillaries/…

15.2/ ancillaries (including crush halls, entrance lounges, toilets, kitchens and stores) measured within walls but excluding passages and circulating space and ignoring temporary or non-structural partitions. In some modern office blocks passages and circulating space have been formed by non-structural partitions and in such cases the net internal area should be measured, ie the area between the inside faces of the main walls, including the areas occupied by passages, circulating space and non-structural partitions, but excluding the areas occupied by all other walls, stairs and lift wells.

Where there is a dwelling house associated with the subjects, and any part of the floor area cannot be allocated exclusively to the office or to the house, the common area should be measured and facts on dual use noted.

15.3 The following diagrams are offered as a guide in respect of modern offices and the appropriate measurements which should be taken. At past Revaluations there has been confusion regarding wall-mounted heating systems however the following should clarify the position:



EFFECTIVE FROM SEPTEMBER 2007 CODE OF MEASURING PRACTICE | 21

15.4 Floor Grilles

For the avoidance of doubt, areas occupied by ventilation/heating grilles, whether continuous or intermittently, should be included in the net internal floor area.

2026 MODERN OFFICE CLASSIFICATION

1 Modern – Average (MA)

These offices were generally constructed during the period 1950's to 1970's. These offices were built to a good standard for the period with open plan space. While basically sound, the external façades of these offices will now appear very dated by comparison with modern builds.

In terms of construction and layout they will have the following features

- Oldest versions may be of brick, but more traditionally concrete cladding panel facades with a concrete framed superstructure.
- Internally they will be built before the practice of providing raised access floors and may have lower floor to ceiling heights than is found in modern built offices.
- Practical and functional arrangement of space with conveniently designed services, lifts, toilets etc. Sub-division of open plan space usually average quality demountable or non load bearing partitions.
- Ceilings will be suspended.
- Good distribution of natural light and good artificial light.
- There will exist a functionally designed central heating system.

The vast majority of this age of property, that had undergone none or limited refurbishment, will have been removed from the office market, having been demolished or significantly converted to alternative uses, such as hospitality or residential. The stock that has been retained for office use will have undergone significant refurbishment throughout the years to bring them up to an acceptable standard that meet the requirements of most tenants in today's market. This will be the case in prime office locations such as the city centre.

That refurbishment process will have typically involved:

- The replacement of all windows in the property, installing modern double-glazed units meeting current standards or the addition of secondary glazing. Occasionally, external cladding will be replaced.
- Internally, raised access floors may be installed subject to restricted floor to ceiling heights found in properties of that age. Alternatively, under floor cabling can be provided ie running cables through shallow drills in concrete slab.
- Replacement of suspended ceilings with a more modern design.
- Replacement of lighting with good quality recessed lighting.
- Upgrading of toilet facilities, replacing sanitary ware and tiling with modern equivalents.

- Entrance/Reception areas will have been upgraded. These areas however will typically be modest as that was an indicative feature of the design when these buildings were originally constructed.

- It would be usual for heating systems to be replaced with a more modernised equivalent and in some cases, ventilation systems will be installed.

There will be a range of offices that fall into this category, depending on the age and the extent of the refurbishment. Some may have undergone a phase of refurbishment some years ago and may now be at point where a further phase a further refurbishment is now required.

2 MODERN GOOD (MG)

This class is designed to cover speculatively built modern offices, constructed from the 1980s onwards till the present day. It is expected that most new offices built in the 1980s will fall into this class. In terms of offices built from the 1990's onwards, this class is intended to reflect plainer offices built to more functional standards. Later examples of these offices (ie from the 1990's onwards) will tend to be on a smaller scale and will be less likely to be found in prime locations. They will be plainer in design and lacking in architectural features and prestige. There will be a functional entrance and circulation space. Fittings and finishes will be to a good standard. Earlier examples of this type of office, built in the 1980's, if they have not received some form of internal refurbishment, will now be starting to look slightly tired.

- Speculatively built offices to a good standard.

- May have more modest sized floor plates.

- Good quality basic construction.

- Raised access floors throughout most likely in all except the most basic examples in this class.

- Double glazed window units.

- Good general layout and arrangement of space and services, sub-divided by demountable partitions.

- Good quality recessed ceilings with good quality recessed lighting or similar.

- Good distribution of natural lighting in relation to the shape and size of the development.

- Good quality central heating system. Very small units may have electric heating.

- Ample and modern toilets which are fully tiled.

- Small tea prep areas

- Possible existence of kitchen and dining facilities which are well equipped and of high quality.

- Modern lifts serving all floors.

- More recent examples of offices in this classification will most likely have a ventilation or air conditioning system, but this is not something that offices of this class will necessarily have.

As can be seen, there will be a range of offices in this class, with the better examples falling only marginally short of the Modern Superior Class. Valuer's judgement should be exercised in applying an appropriate basic rate to reflect this.

4 MODERN SUPERIOR (MS)

This class will cover premium commercial properties designed to meet the highest standards of quality, functionality, and aesthetics. Typically located in prime business districts, these offices generally offer excellent accessibility, modern architecture, and a wide range of on-site amenities. They are constructed using top-tier materials and feature state-of-the-art technology infrastructure. Many also meet leading sustainability benchmarks such as BREEAM certification. Professionally managed and maintained. They are built to create a prestigious, professional impression while ensuring optimal workflow and usability.

It will be expected that a recently constructed office in the established office areas, such as Edinburgh city centre, The Exchange District/Morrison Street, Quartermile, New Street, Leith Street area, Edinburgh Park and Haymarket will fall into the Modern Superior class.

Outwith the established office areas, the best quality offices will also fall into this class. Offices that are of plainer design and built on a smaller scale are more likely to fall into the Modern Good category. In these areas it is important to refer to the criteria described for both Modern Good and Modern Superior before assigning the appropriate office Classification.

Recently built offices in this class may now include sustainability, environmental and well-being characteristics. These buildings are designed to have lower carbon footprints and environmental impact, with lower running costs. They will have internal design and layouts that promote staff well-being and incorporate technologies such as the re-cycling of grey water and other innovations designed to reduce environmental impact.

Common Features:-

- Good quality modern construction using, premium construction materials providing exceptional durability, safety, and a refined finish that reinforces the building's premium status. Finishes typically, though not exclusively, include stone, reconstituted stone, or other high-quality external cladding that enhances both durability and visual appeal.

- A Modern Superior office will commonly but not exclusively be constructed to a larger scale, with large floor plates with a well-planned layout.

- Generally, features a spacious welcoming reception of a high specification often with a light-filled central atrium although this is not always present.

- Double or triple glazing throughout often with advanced glass technologies.

- High ceiling height permitting integration of suspended ceilings, lighting, HVAC, and acoustic systems where required.

- Excellent access to all services by means of raised deck flooring, thus enabling maximum flexibility with space.

- Natural light is maximised generally through floor-to-ceiling glazing, this is further supported by a high-quality lighting system.

- Good quality heating and ventilation system, with most likely good quality air conditioning. It would normally be expected that offices of this nature will have a full air conditioning system or heating and ventilation system. It should be noted that a recent feature of the office market is to build energy efficient offices that are designed to be ventilated and cooled naturally, without the requirement for a mechanical ventilation or air conditioning system.

- Accessibility compliant high speed passenger lifts.

- Adequate provision based on occupancy density of modern, well-finished toilets provided on each floor or core providing separate male, female, and accessible WC facilities.

- Generally private shower cubicles with high-quality finishes and facilities which may include hairdryers, vanity areas, and drying cabinets

- Advanced technology infrastructure equipped with the latest in smart building technology, these offices offer features such as high-speed internet, intelligent lighting and HVAC systems, and advanced access control and security systems

- Extensively equipped kitchens, sometimes with attractive dining rooms.

- Often incorporate modern amenities & facilities from state-of-the-art meeting rooms to gourmet cafés, wellness centres, and communal lounges.

- Developed with eco-conscious principles and may hold certifications like BREEAM or LEED, highlighting their commitment to energy efficiency, sustainability, and a reduced environmental footprint.

- Generally managed by experienced property teams who ensure the smooth operation of all facilities. Services include 24/7 security, routine maintenance, and responsive tenant support.

HQ offices or buildings of merit:-

These are bespoke architecturally designed buildings designed for an owner occupier and will typically be of a large scale. They will normally be of an extremely high standard of design and quality.

It is anticipated that the main HQ type buildings will fall into the MS class, however while it may be necessary to enhance the reduction factor on certain parts of the property to reflect exceptional quality or functionality in accordance with section 7 above, the same modern superior rate that is applied to other offices in the locality will generally also apply to the typical office space within these properties.

CLASSIFICATION – CONVERTED OFFICES

Offices which fall to be considered as Converted will have been created in buildings which were previously used or constructed for a wide range of uses including domestic accommodation. Each property requires to be carefully considered in light of prevailing rental evidence and some conversions, for example, those comprising open plan space may require to be considered in accordance with Converted unique or modern classifications having regard to relevant comparisons and rental evidence. Where advice is required, your Divisional Valuer should be consulted. In more recent times, this class of office is often being converted to (or back to) residential use, particularly in city centres, with the investment potential for that use being more attractive for landlords or speculative developers, which will impact the market for the remaining office stock.

1 Converted –Average (Type "C" Class "A")

Typically, but not exclusively, converted dwelling houses, with the most common examples being New Town Georgian properties which have undergone refurbishment throughout the years and cater for both single and multiple occupiers.

This class covers offices that have been refurbished by developers from the 1970's onwards, and are now showing signs of wear and tear, and are looking tired. It is now common for such offices to have received a further refurbishment, although this would most likely be fairly superficial, with it often being only redecoration and upgrading to toilet facilities and electrical wiring. Alternatively, properties that were comprehensively refurbished within the last 25 years but to a lower standard of quality. As poorer quality refurbishment's show more rapidly signs of wear and deterioration, these may have recently received further enhancements. Functionality and location, remain the key drivers for these properties in terms of rental, with any superficial enhancements of one subject compared to another, not being regarded as important factor in their letting.

1.1 Criteria

- Complete re-wiring and re-plumbing. The property will have been re-wired at time of refurbishment, although this may have been some time ago, and will not meet current requirements in terms of computer cabling etc. As a result, there will most likely be a surfeit of surface wiring/cabling which has been added piecemeal. You would not expect floor boxes in this class of office.

- They may have single glazed windows. That may be reflective of where they are located (Edinburgh's Georgian New Town). There may also have a secondary glazing arrangement.

- Basic services will be adequate and modernised to an acceptable standard. Surface wiring will be evident within trunking.

- Floors will be suspended timber, sometimes concrete, and will not be raised to accommodate power sockets or trunking.

- There may be suspended ceilings in the main office areas, and these could show signs of wear and tear.

- Lighting can be of mixture of types, dependant on room type but will have been modernised.

- Heating can be provided via differing integrated systems but will have been improved.

- Basements and attics will have received some attention, possibly enough to allow use mainly as office accommodation, but there may be a high proportion of storage and ancillary use. Access will be by stone or timber stair, often narrow.

- Typically, separate male and female toilets will have been installed at time of refurb though not always. Sanitary goods will have been replaced but will be of adequate quality. Walls and floors are unlikely to have been tiled.

- In a typical 4 or 5 storey townhouse, you would expect to find toilets on two floors - perhaps in the basement and top floor though facilities on the ground floor may also have been added following refurbishment carried out under a recent planning application/building warrant.

- Adequate tea preparation areas with space for only some kitchen equipment eg fridge, microwave.

- Original features will have been retained, but with minimal attention. Cornices rerun where necessary and fireplaces retained but not necessarily replaced in order to recreate original style of building. Alternatively, many features may have been removed to create a more modern styled environment. Woodwork, such as skirtings, doors and windows will most likely have just been painted in more recent refurbishments. It is unlikely that they will have been repaired and or replaced. As a result, woodwork can very quickly show signs of wear. Woodwork in older refurbishments will also now show signs of wear.

- Basement and attics will have had **most** problems eradicated and the access to these areas will **probably** be as good as physical limitations permit given the age of properties within this category. However, the quality of finish is unlikely to match that of the ground and first floors but this is more likely to be due to the original style of construction and lower head heights found in these floors, rather than standard of refurbishment.

- Original layout will largely remain, with the possible exception of combining two rooms to create large boardroom/ conference room and/or alterations to provide additional toilets etc. Where there has been some alteration to existing layout with the subdivision of rooms through non-structural walls, this can be at the disregard to the continuity of period finishes and the installation of non-traditional doors.

- Décor to offices, public reception rooms and boardrooms may be of higher standard to that found in ancillary spaces, but those other areas will be adequate.

- Although modern lifts may be evident in this category, these are not common as they are often not viable due to planning restrictions or property layout.

2 Converted – Good (Type “C” Class “G”)

This class will cover good quality refurbishments carried out since the 1990's. They may now be showing signs of wear and tear, however, this is to be expected and does not detract from a property being placed in this class.

2.1 Criteria

- Total refurbishment of property (front and rear elevations) including chimneys, rainwater goods, stonework, and roof.

- Windows often, but not always, replaced with units to match originals, also involving discreet use of double-glazing within the traditional frame.

- Repair of plasterwork throughout the building. Particular attention will have been given to cornices, panelling etc. Woodwork will not simply have been painted but repaired and/or replaced where necessary to achieve an excellent finish.

- Complete re-wiring with excellent provision of power and data cabling. You would not expect to find any surface wiring - all such problems should be eradicated. Increasingly common to find floor access points for cabling/power points.

- Complete re-plumbing with ample toilet facilities. These areas will be spacious and finished to a high standard with extensive use of wall and floor tiling. Separate male and female toilets would be the norm with a higher frequency of toilets - perhaps on 3 or more floors of a typical 4 or 5 storey townhouse.

- Adequate tea preparation areas plus space for some kitchen equipment eg fridge, microwave.

- Basement and attics will have had all problems eradicated and the access to these areas will be as good as physical limitations permit. However the quality of finish is unlikely to match that of the ground and first floors, but this is more likely to be due to the original style of construction rather than standard of finish. On occasions suspended ceilings will have been installed in basement areas, although these will be of modern metal design rather than acoustic mineral fibre.

- Central heating will be very good. Lighting will also be modern and of a high specification

- Special attention will have been paid to reception/circulation areas.

3 Converted –Excellent (Type "C" Class "E")

In general, these will be the very best refurbishments, usually carried out post 2000. In many cases (but not always), they will have been carried out by owner occupiers. In these refurbishments, extra care and expense will have been taken to restore/replace period features, such as ornate plasterwork, fireplaces, woodwork, timber panelling etc. Finishes will be of an extremely high standard.

The difference between this class and Converted Good, will be the quality of finishes, and the level of attention paid to restoring/replacing period features. The most modern of wiring/computer cabling will be in place.

3.1 Criteria

- Good quality repair of building fabric, with replacement of exterior features, and re-roofing.

- Windows often replaced by units to match originals, also involving discreet use of double glazing within traditional-type frame.

- New internal woodwork and repair of plasterwork to a high standard throughout. Particular attention will have been given to cornices, panelling etc.

- Complete re-wiring with full-access raised flooring for hi-spec cabling. The layout of this will be structured to the occupier's requirements, rather than fitted in with the current structure.

- Plasterwork totally refurbished or replaced where necessary. Special attention will have been paid to ornate cornicing or freezes, with complete sections being replaced if required.

- Suspended ceilings will tend to be metal rather than mineral fibre tiles.

- Complete re-plumbing with ample toilet facilities and usually showers. These areas will be spacious and finished to a high standard with extensive use of wall and floor tiling.

- High quality tea-prep areas, and there may be a full-sized kitchen with modern equipment.

- Basement and attics are finished to a high standard, subject to space limitations. These areas will be fully operational as quality office space and will often have suspended ceilings. It is likely that some attempt at internal structural alteration will have been attempted so as to improve the quality and extent of office space.

- Circulation and reception areas will be finished to a higher quality, reflecting the wealth of the occupier.

- Excellent quality central heating systems. In more recent examples, air conditioning may be installed. Lighting will also be modern, and of a high spec.

- Any boardroom facilities will have a sense of opulence, utilising restored or reinstated fireplaces, hardwood finishes and chandelier lighting; or, alternatively, be very contemporary in style.

- The décor will be of a very high quality and well-maintained.

4 Converted – Unique (Type “C” Class “Q”)

This category applies to those properties which although used as offices, are fairly unique in their surroundings and do not readily fit into one of the generally accepted categories of office classifications.

Example of this type of office may be flats in a tower block used as a community office, or a rural converted farm building.

This category could also be used to classify an office in a more central business location, but one which has had absolutely none, or very little adaptation, rendering it fairly unique in its surroundings.

QUANTUM SCALE FOR OFFICES 2026 REVALUATION

REDUCED AREA	PERCENTAGE INCREMENT
35 - 1,000	NIL
1,500	-1%
2,000	-2%
2,500	-3%
3,000	-4%
3,500	-5%
4,000	-6%
4,500	-7%
5,000	-8%
6,000	-9%
7,000	-10%
8,000	-11%
9,000	-12%
10,000	-13%
11,000	-14%
12,000	-15%
13,000	-16%
14,000	-17%
15,000	-18%
16,000	-19%
17,000	-20%
18,000	-21%
19,000	-22%
20,000	-23%
21,000	-24%
22,000	-25% max

INVERSE QUANTUM

REDUCED AREA	PERCENTAGE INCREMENT
35 and over	0%
34	1%
33	2%
32	3%
31	4%
30	5%
29	6%
28	7%
27	8%
26	9%
25	10%
24	11%
23	12%
22	13%
21	14%
20	15%
19	16%
18	17%
17	18%
16	19%
15	20%
14	21%
13	22%
12	23%
11	24%
10 and below	25%

CLASS 4 UNITS

Certain properties have become commonly referred to as “Class 4 units”. This is actually a reference to the class of planning permission which allows use in the “light industrial to office” range. By implication therefore properties have been developed under the same planning use consent which span the spectrum of physical characteristics from full industrial specification, including those referred to as “hi-tech”, to full office specification.

In Lothian the existence of this planning class has frequently allowed properties of an office nature to be constructed in industrial locations and for industrial properties to be converted to office use. It is easy to appreciate therefore that the range of physical characteristics, uses and combination of uses that may arise is wide.

In each case it will be necessary for staff to arrive at a level of value which fully reflects the particular properties’ location and physical characteristics. Two basic approaches can be adopted, either employing the standard office scheme of value with suitable allowances to reflect location and/or quality or employing the industrial scheme with suitable additions to reflect the quality and character of the property. Obviously, staff should be guided by any rental evidence which is available either for the specific property or other similar properties. To date rental evidence that does exist implies that a purpose-built Class 4 unit, using facing brick, pitched roof etc but allowing a mixture of office and light industrial use where the internal finish clearly indicates those uses will closely align itself with an “office” level of value.

In less obvious cases where, for example, the physical characteristics would imply an approach starting at the industrial level, but the actual use is more closely aligned to that of an office, a Divisional Assessor should be consulted.

SERVICED OFFICES (BUSINESS CENTRES)

Serviced office accommodation made available on a short-term basis is well established in the office market. They are sometimes referred to as business centres, co-working space and so on.

These properties cater for a variety of users such as start-up businesses, satellite offices of existing businesses or users with only an occasional requirement for office space who generally want to avoid start-up costs and/or committing to long-term leases. The arrangements are intended to be flexible to allow more frequent changes. Sometimes the occupiers are referred to as 'members' and the formal agreements are written in these terms.

The usual description in the Valuation Roll, including those parts entered separately, is 'Serviced Office'.

MAIN FEATURES/SURVEY GUIDANCE

It is important that all the facts are gathered. The following provides guidance on the kind of information that is relevant.

- The types of property utilised can be fairly wide from modern purpose-built offices to existing 'office use' property with no additional adaptation eg a New Town style office. Some conversions from non-office uses also exist (eg former mills, printworks)

- Serviced office accommodation that can be rented for periods ranging from 1 hour to 2 years – some properties having a maximum period of let. A copy of the agreement(s) relating to the property being considered should be obtained as a matter of course.

- The individual unit can be a single room, or a suite made up of any combination of rooms, or the whole property. In modern properties partitions can often be moved to suit the client requirements. Most rooms will be private and lockable with the operator only entering if there is good reason. By contrast, some properties incorporate 'hot-desking' areas which are open plan spaces or larger rooms where unrelated clients can rent desk space.

- The rooms are furnished with desks and chairs and typically there are shared facilities such as kitchens, toilets, and possibly lounge or other areas. At some properties car parking and/or cycle storage is available. There are generally conference/meeting rooms that remain under the day-to-day control of the operator and are available for hourly hire. Access to shared printers/scanners and photocopiers is often available either included in the basic rental or subject to extra charge.

- The following services are usually included in the 'rental' payments:- Electricity, heating, rates and water charges, internet access, landline phone points (if applicable), cleaning and maintenance, building management/insurance and security, as well as reception facilities. Some operators will include the facility to receive and distribute mail. There are no separate meters for the main utilities.

- 24-hour access to the properties is often available to the users. The operator will normally have staff presence to the reception (during office hours) and other staff to look after the

occupiers and manage the property generally. Visitors to the occupiers must check in at reception.

- As the sector has developed, some operators have introduced other features such as coffee stations with barista, keep-fit/yoga classes, and sometimes other events and social functions.

UNIT OF VALUATION

The facts must be referenced against Armour and relevant case law as each situation must be considered on its own merits. There are occasions where subtle distinctions may be result in a different conclusion and, for that reason, it is important that all decisions are carefully considered and documented. Some occupancy agreements specifically state that no tenancy rights are intended to be created and this should be given appropriate weight.

Where offices are let out for very short periods (less than three months) or are vacant but held out as available for such use, they will usually be treated as being in the rateable occupation of the operator.

Open plan 'hotdesking' areas are likely to remain in the rateable occupation of the operator as are rooms that are not directly accessed from a common corridor.

Due to physical layout, design features and nature of operation some properties have a more communal / co-working feel overall than others.

VALUATION

The rental/licence fees paid for Business Centres are inclusive of a variety of services which makes it difficult to determine the amount attributable solely to the property. The subjects also have a similarity of purpose to conventional offices. They will therefore be valued at the level of comparable office properties.