

Revaluation 2026

Hospitality Properties Committee

Practice Note 7 Valuation of Self-Catering Accommodation

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of Self-Catering Accommodation, including “*Self-Catering Holiday Accommodation*”, as excluded from the definition of “dwelling” by Schedule 2, paragraph 2 of the Council Tax (Dwellings) and Part-Residential Subjects (Scotland) Regulations 1992 (as amended).

“*Self-Catering Holiday Accommodation*” is defined

as: “2. Any lands and heritages –

a) which are not the sole or main residence of any person; and

b) which –

i) are intended by a relevant person to be made available for letting on a commercial basis and with a view to the making of profit, as self-catering accommodation for short periods amounting in the aggregate to 140 nights or more in the financial year, where the interest of the relevant person in the lands and heritages enables them to be let for such periods, and

ii) have in practice been so let in the financial year for a total of 70 nights or more of the period of 140 nights described in head (i).”

- 1.2 This Practice Note does not apply to Serviced Apartments or similar type subjects which have additional facilities and services e.g. 24-hour staff provision, daily cleaning, provision of breakfast and a concierge or similar service. Such subjects should be valued in line with the guidance given in SAA Valuation of Hotels and Accommodation Subjects Practice Note.

- 1.3 It is important to recognise that the statutory definition of “*Self-Catering Holiday Accommodation*” makes no reference to “*holiday*”, so when considering the likely demand for any such property, cognisance must be given to short term lets for any purpose (e.g. workers).

2.0 Basis of Valuation

In the absence of local rental evidence, self-catering accommodation should be valued using rates per bed space derived from an analysis of rents from properties throughout Scotland. The result of this analysis has been translated into a table of rates per bed space. The recommended rates are dependent on location, number of bed spaces, and reflect the standard of accommodation expected within the industry (namely good quality properties).

3.0 Quality / Structure of Properties

It is clear from the available evidence that rental levels are influenced by the location and number of bed spaces available. In order to operate effectively as a self-catering property, a high level of quality is expected within the industry, with properties typically being well maintained with good facilities, attractive decoration & furnishings, pleasant surroundings and of general high quality. A particularly superior or inferior property may command a different level of rent to the norm.

Any property considered to be superior will typically be built or modernised to an exceptional standard, and/or of unique character (e.g. stately homes, castles, innovatively designed property etc.)

Any property considered to be inferior will fail to meet expected standards, such as poorly maintained, undesirable surroundings, lack of facilities, limited circulation space etc. This should not be confused with “rustic” properties with a deliberate style and design.

4.0 Location

The following location categories are recommended for use throughout Scotland.

Occupancy rates and tariffs may assist in the correct determination of location.

A	Prime City Centre
B	High Demand Location
C	Fair Demand Location
D	Low Demand Location

Location Definitions:

- A. Prime City Centre:** Edinburgh city centre and certain prime areas within the centre of Glasgow.
- B. High Demand Location:** This includes most other city centres, typical tourist locations and locations with demand for short-term workers or visitors for other reasons (e.g. close to airports, hospitals, universities & colleges etc.)

- C. Fair Demand Location:** Locations where tourism exists but is less prevalent such as locations that may be used as a base for visiting other areas, or within travelling distance to industries that may require short-term workers.
- D. Low Demand Location:** This includes non-tourist locations or areas with limited short-term worker demand.

5.0 Calculation of Bed Spaces

5.1 Bed Count

- Double/Twin room/Family room counts as 2 bed spaces.
- Bunk beds count as 1 bed space unless the room can clearly take 2 single beds.
- Bed settees, or similar, should not be counted unless they provide the only sleeping accommodation. In such a scenario, count as 2 bed spaces.

It may be necessary to vary the above count in situations where there are large family rooms, small double / twin rooms or an excess of public rooms (2 bed spaces for each additional public room). The count is subject to the provisions of 5.2.

5.2 Quantum

A reduction factor of 0.5 per bed space should be applied to each bed space over 6 bed spaces to derive the number of quantum adjusted bed spaces.

There may be exceptions where it is appropriate to depart from this quantum scheme, such as where a particular property has more than adequate bathrooms, and public rooms for the number of bed spaces. Local consideration should be given in such situations.

6.0 Valuation Rates per Adjusted Bed Space

In the absence of available local evidence, the following rates per adjusted bed space are recommended. It should be noted that the bed space rate for properties with 1-2 bed spaces applies only to those subjects with a maximum of 2 bed spaces. It may be appropriate to interpolate a rate between Location A and Location B.

	A	B	C	D
	Prime City Centre	High Demand Location	Fair Demand Location	Low Demand Location
Maximum of 2 bed spaces	£4,000	£1,650	£1,100	£900
More than 2 bed spaces	£2,900	£1,150	£925	£750

6.1 Unum Quid Entries

Consideration should be given locally to the appropriateness of any Unum Quid entry.

7.0 Additions to Value

Additions to value can be made to reflect properties that are regarded as being “Superior” or having additional on-site facilities e.g. games rooms, swimming pools, tennis courts or boating facilities etc., or being in a better location in relation to the general surrounding area.

The addition to reflect “Superior” properties and/or additional on-site facilities etc. can typically be increased by between 5% - 10% with a maximum addition of 25% in exceptional circumstances.

No addition should be made for laundry rooms or for reception offices.

Any pertinent considered to be “unum quid” with the property should be valued in accordance with the appropriate Scottish Assessors’ Association Practice Note.

8.0 Deductions to Value

Deductions to value can be made to reflect properties that are regarded as being “Inferior”, and/or have specific disadvantages, such as lack of quality, basic amenities or in a poorer location in relation to the general surrounding area.

The deduction to reflect “Inferior” properties and/or specific disadvantages can be reduced typically between 5% - 10%, with a maximum deduction of 25% in exceptional circumstances.