

**Assessor for Fife Council
Revaluation 2023
DRAFT Local Practice Note
Valuation of Contractor's Huts etc**

1.0 Introduction

This Practice Note (PN) applies to the valuation of typical contractor's buildings normally found on construction sites or similar and is only to be used for such buildings in these and similar locations.

2.0 Basis of Valuation

The basis of valuation is the Contractor's Principle based on a consideration of replacement cost evidence and using the appropriate decapitalisation rate.

3.0 Survey and Measurement

All buildings will be measured in terms of Gross External Area (GEA) and their make, model, construction, internal finish, standard of heating and lighting, area of toilet accommodation, and their condition noted.

Fenced compounds and hardstandings will be measured and the area calculated in m². A full description will be recorded including the type and condition of surfacing and fencing, layout and location of the site.

4.0 Buildings

4.1

Using the decapitalisation rate of 4.6%, typical examples of buildings likely to be encountered are listed in **Table 1** below with recommended rates/m²GEA to Net Annual Value indicated which are inclusive of elements of site and siting value for each building/unit. Rates adopted should be interpolated for different sizes. The rate/m²GEA to be applied is determined in accordance with the GEA of each separate building/unit being considered, and not with reference to the total area of buildings at a subject. Reference should be made to the Rating Cost Guide Scotland when the guidance given in **Table 1** is insufficient. In doing so, appropriate consideration should be given to any required adjustment to reflect different methods of measurement.

4.2

The rates/m²GEA given in **Table 1** should be adopted for buildings in good condition. Allowances for buildings in poor condition are at the valuer's discretion up to a maximum of 25%.

5.0 Ground

A specific addition as part of a unum quid valuation should only be made for fenced compounds with definite use for storage of materials, hardstandings for the parking of vehicles, or other beneficial use e.g. the siting of advertising signage. It is expected that most ground to be valued will be in the nature of storage or hardstandings and this will be valued in accordance with the guidance contained in the Local Practice Note Valuation of Factories, Warehouses, Workshops and Stores. Where buildings are sited within such an area of ground, the ground floor area of such buildings only will be excluded from the area of ground separately added for valuation purposes.

6.0 Other Valuation Elements

Valuation elements may be encountered as part of the unum quid valuation that are out with the scope of this PN (e.g. advertising signage). Such valuation elements will be valued as appropriate.

7.0 Quantity Allowance

As stated in 4.1 above, the rates/m² to NAV for each building are determined in accordance with the GEA of the individual building/unit being considered. However, when the total area of buildings at a subject exceeds 500m²GEA, an allowance for the total area of accommodation provided may be appropriate. Reference should be made to the Rating Cost Guide Scotland when considering any such allowance.

Table 1

[illegible]

		All Sizes									
Secure Office Unit	Second hand ex shipping all steel storage containers in										
SOU	reasonable condition, converted for office use with windows,										
	internal faced lining to walls and ceiling, heavy duty painted	Rate PMS	£33.00								£31.00
	floor, strip lighting and socket outlet, externally painted; no										
	plumbing.										
Secure Storage Unit	Second hand ex shipping all steel storage containers in										
SSU	reasonable condition, generally used for secure site storage.	Rate PMS	£11.00								

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