

This Guidance Note should be applied having regard to the SAA Industrial Properties Committee - Practice Note 1 – Valuation of Factories, Warehouses, Workshops & Stores.

Rents have been analysed in accordance with SAA Basic Principles Committee - Practice Note 1 – Adjustment of Rents.

1. Basic Production Rates to be applied for Revaluation 2023

Location	Comments	2023 Basic Rate	Valuation considerations
Kelso Town		£65.00	
Jedburgh	Includes Oxnam Road	£65.00	
Eyemouth	Town Only	£65.00	
Peebles Ind Estates	Modern Estates Only	£65.00	
Peebles Town		£60.00	
Galashiels	Includes Easter Langlee & Farknowes	£60.00	
Tweedbank	Includes Craft Workshops & Tweedside	£60.00	
Newtown St Boswells	Village Only	£60.00	
Kelso Pinnaclehill		£56.00	
Coldstream	Includes Hirsell	£56.00	
Duns	Includes Station Road outwith Burgh boundary	£56.00	
Melrose	Town Only	£56.00	
Innerleithen	Town Only	£56.00	
Selkirk	Town Only	£50.00	
Hawick	Includes Galalaw	£48.00	
Walkerburn	Village Only	£48.00	
Earlston	Village Only	£48.00	
Landward/Other Locations	Includes Charlesfield & Lauder	£48.00	Location Allowance: max -20%

Portable Buildings	2023 Basic Rate
Portacabin – BASIC	£ 42.00
Portacabin – FITTED OFFICE	£ 52.00
Storage Container outside - BASIC	£ 26.00
Storage Container outside - FITTED	£ 31.00
Storage Container under cover - BASIC	£ 50.00
Storage Container under cover - FITTED	£ 60.00

Note; Container rates above not to be applied at Container Parks – see Appendix 1

Building Specification

The suggested value adjustments relate to a building that does not meet the following specification:

- Modern single storey unit with steel or concrete frame
- Walls of modern insulated cladding or masonry equivalent
- Insulated roof and granolithic or power-floated load bearing floor.
- Eaves height will be in the range of 3.00 – 5.00m.
- Average quality heating & lighting of a standard permitting conventional factory work.
- Yard/circulation space will vary but should be at least of adequate amount, say 50% of building solum.

Variations to Specification – The following adjustments should be applied only where rental analysis has been on a devalue basis to arrive at the gross rate per m2. Valuers should always benchmark against the basket of rents used in the analysis.

Floor Construction

Construction	Adjustment
Earth or Ash	-20.00%
Cobble	-10.00%
Flag stone	-10.00%
Heavy reinforced concrete	+ 5.00%
Inferior timber	-10.00%
Lightweight concrete	- 5.00%
Sleeper	-10.00%
Timber or Tarmac	- 5.00%
Un-screeded concrete	- 2.50%

Floor Finish

Finish	Adjustment
Cork tiles	+ 5.00%
Epoxy resin	+ 2.50%
Hardwood strip	+10.00%
Parquet block	+10.00%
Quarry tiles	+ 5.00%
Steel plate on concrete	+10.00%
Surface drainage	+ 2.50%
Vinyl tiles	+ 2.50%
Vinyl tiles (anti-static)	+ 7.50%

Wall Construction

Construction	Adjustment
Uninsulated modern cladding	-5.00%
Stone walls (any thickness)	-5.00%
Single brick/block	-5.00%
Concrete Panel	-10.0%
Half brick (110mm)	-12.5%
Timber – lined internally	-12.5%
Corrugated asbestos (1m dado)	-12.5%
Timber – unlined (poor)	-20.0%
Corr. Asbestos/iron single skin	-20.0%
OPEN WALLS	-15% per wall

Wall Finish

Finish	Adjustment
Ceramic tiles	+10.00%
Mahogany faced plywood	+5.00%
Plaster on hard	+5.00%
Plasterboard	+5.00%
Terrazzo	+10.00%
Wipe-clean wall finish	+10.00%

Wall head height

Eaves height	Adjustment	Eaves height	Adjustment
Up to 1.5m	-15.0%	7m to 8m	+7.5%
1.5m to 2m	-10.0%	8m to 9m	+10.0%
2m to 3m	-5.0%	9m to 10m	+12.5%
3m to 5m	0.0%	10m to 11m	+15.0%
5m to 6m	+2.5%	11m to 12m	+17.5%
6m to 7m	+5.0%	Over 12m	+20.0%

Roof Insulation

Insulation	Adjustment
Inferior	-2.50%
None	-5.00%

Services

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 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.

For assistance, 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" which can be found at <G:\Rev 2023\Plant and Machinery guidance>

Heating

Specification	Adjustment
Adequate	0.00%
Poor	-5.00%
None	-10.00%
Excellent	+2.50%

Lighting

Specification	Adjustment
Adequate	0.00%
Isolated pendants	-2.50%
None	-5.00%
Excellent	+2.50%

Air Conditioning

Specification	Addition as an extra-over to the basic rate.
Ducted AC system capable of heating, cooling, ventilating and humidity control.	+15.00%.
Simple mechanical ventilation systems inducing fresh air from outside or suspended cartridge systems providing chilled air only.	+5.0%

Sprinklers

Specification	Addition
Normal hazard system (To include ancillary plant but not any water storage tank or lagoon).	+5.00%

Age & Obsolescence

Age	Allowance %	Age	Allowance %	Age	Allowance %	Age	Allowance %	Age	Allowance %
up to 1968	-50.00	1979	-39.00	1990	-28.00	2001	-17.00	2012	-6.00
1969	-49.00	1980	-38.00	1991	-27.00	2002	-16.00	2013	-5.00
1970	-48.00	1981	-37.00	1992	-26.00	2003	-15.00	2014	-4.50
1971	-47.00	1982	-36.00	1993	-25.00	2004	-14.00	2015	-4.00
1972	-46.00	1983	-35.00	1994	-24.00	2005	-13.00	2016	-3.50
1973	-45.00	1984	-34.00	1995	-23.00	2006	-12.00	2017	-3.00
1974	-44.00	1985	-33.00	1996	-22.00	2007	-11.00	2018	-2.50
1975	-43.00	1986	-32.00	1997	-21.00	2008	-10.00	2019	-2.00
1976	-42.00	1987	-31.00	1998	-20.00	2009	-9.00	2020	-1.50
1977	-41.00	1988	-30.00	1999	-19.00	2010	-8.00	2021	-1.00
1978	-40.00	1989	-29.00	2000	-18.00	2011	-7.00	2022	-0.50
								2023 onwards	0.00

Multi floors (Other in A2K Valuation)

Floor	Production/Warehouse			Offices	
	Separate Passenger & Goods lift	Goods lift only	Stair access only	Lift	Stair access only
GF	100%	100%	100%	100%	100%
1F	90%	85%	75%	100%	90%
2F	85%	80%	50%	95%	80%
3F	85%	75%	25%	90%	70%
4F & above	85%	70%	20%	90%	60%
Basement	Up to 25% - based on quality				
Attic/Loft	Up to 50% - no adjustment for floor				

Canopies/Mezzanines

Item	Approach to valuation
Canopies	Deduct up to 75% from basic rate for simple roof Deduct up to 60% from basic rate for more substantial structures
Mezzanine floors	Deduct between 70% & 85% from the adjusted rate depending on strength and quality.

Offices – enhancement to basic rate

Construction	Adjustment
Generally purpose built extensions or good quality in-span administrative offices.	+50% to basic rate
In-span basic specification	+25% to basic rate

Disabilities/End Allowance (Level in A2K)

These allowances should be applied to each particular building. An overall end allowance should only be applied the whole subject in exceptional circumstances e.g. if building(s) and yard are affected by poor access.

Disability (Level in A2K Valuation)	Allowance
Poor shape and/or layout	Up to -10%
History of flooding	Up to -10%
Narrow bays with columns	3m apart -10%, 9m apart - 5%, 15m apart - 0%
Poor access	Up to -10%
Restricted yard space	Up to -5%
No toilet	-5%
The above allowances should be carefully considered against the final adjusted rate for each building which should not exceed 25% of the initial basic rate i.e. no lower than a Canopy rate	

Fencing (Modern) – A&O at valuer discretion to max 15%

Material	Specification	Height	£/lm to NAV
Chain Link	Galvanised - Concrete post	1.2m	£ 1.00
Chain Link	Galvanised - Concrete post	1.8m	£ 1.30
Chain Link	Galvanised - Concrete post	2.4m	£ 1.70
Chain Link	Plastic coated – Conc. post	Any	£ 1.20
Timber	Close boarded – Conc. post	Any	£ 2.90
Timber	Close boarded - Oak post	Any	£ 3.10
Timber	Post and Rail	Any	£ 1.45
Timber	Post and Wire	Any	£ 1.25
Metal	Palisade steel - Galvanised	1.8m	£ 3.85
Metal	Palisade steel - Galvanised	2.4m	£ 4.20
Metal	Palisade steel - Galvanised	3.0m	£ 4.60
Metal	Razor mesh - steel posts	2.4m	£ 4.00
Mesh	Plastic coated - Steel posts	Any	£ 1.00
Concrete	Post and Wire	Any	£ 1.00
		Width	
Timber	Panels – Conc. posts	1.8m	£ 3.40
Concrete	Panel	1.75m	£ 2.70

Site Value - Location	Rate/m2
All locations	£1.00
Earth/Rough ground	£0.20

Surfacing	Rate/m2
Concrete	£ 3.60
Tarmac	£ 3.60
Brick paviors	£ 3.15
Hardcore/Gravel	£ 1.30
50:50 Tarmac/Hardcore	£ 2.50

Notes on Land:

The basic rates include an element of yard for access/circulation.

Any yard space in excess of 1.5 times the building(s) solum (excluding FF, Mezzanines etc.) should be added to value.

Quantum – the table below is for guidance. **Any subjects with total GEA greater than 6,500m² – advice should be sought from Valuation Surveyor/Depute Assessor/Assessor**

QUANTUM SCHEME 2023: 200m ² NORM											
m ²	% Allow	m ²	% Allow	m ²	% Allow	m ²	% Allow	m ²	% Allow	m ²	% Allow
0	0.0	1800	-8.0	3500	-16.5	7200	-25.0	15700	-33.5	28700	-42.0
200	0.0	1900	-8.5	3600	-17.0	7700	-25.5	16200	-34.0	34700	-42.5
300	-0.5	2000	-9.0	3700	-17.5	8200	-26.0	16700	-34.5	39700	-45.0
400	-1.0	2100	-9.5	3800	-18.0	8700	-26.5	17200	-35.0	75000	-50.0
500	-1.5	2200	-10.0	3900	-18.5	9200	-27.0	17700	-35.5		
600	-2.0	2300	-10.5	4000	-19.0	9700	-27.5	18200	-36.0		
700	-2.5	2400	-11.0	4100	-19.5	10200	-28.0	18700	-36.5		
800	-3.0	2500	-11.5	4200	-20.0	10700	-28.5	19200	-37.0		
900	-3.5	2600	-12.0	4300	-20.5	11200	-29.0	19700	-37.5		
1000	-4.0	2700	-12.5	4400	-21.0	11700	-29.5	20700	-38.0		
1100	-4.5	2800	-13.0	4500	-21.5	12200	-30.0	21700	-38.5		
1200	-5.0	2900	-13.5	4600	-22.0	12700	-30.5	22700	-39.0		
1300	-5.5	3000	-14.0	4700	-22.5	13200	-31.0	23700	-39.5		
1400	-6.0	3100	-14.5	5200	-23.0	13700	-31.5	24700	-40.0		
1500	-6.5	3200	-15.0	5700	-23.5	14200	-32.0	25700	-40.5		
1600	-7.0	3300	-15.5	6200	-24.0	14700	-32.5	26700	-41.0		
1700	-7.5	3400	-16.0	6700	-24.5	15200	-33.0	27700	-41.5		

END ALLOWANCES SHOULD ONLY BE USED IN EXCEPTIONAL CIRCUMSTANCES

Appendix 1 - Valuation of Storage Containers at Container Parks Local Guidance Note

Introduction;

This Guidance Note should be used to value steel storage containers individually leased with 24 hour customer access on a commercial short or long term basis at sites containing a number of such subjects, often referred to as “self-storage” sites.

Subjects covered by this guidance note should be valued using the Workshops Valuation Method but recommended rates below should not be adjusted by application of workshop variation to building specification adjustments such as finish, services, quantum, age & obsolescence etc.

Recommended rates are inclusive of the sites on which such subjects sit and no additional site valuation roll entries are required.

Steel storage containers forming part of subjects primarily valued by the main local guidance note should be valued with reference to recommended rates contained therein and not by this addendum.

Available Evidence:

Category 1; Standard shipping containers referred to as 20' by 8' units situated inside buildings of an industrial or warehouse character.

Site Location	Operator	Rent/m2	Length of Hire Agreement
Plumtree, Galashiels	Hillslap & Greenhill	£53.30	Monthly
Tweedbank Industrial Estate	Storage Drive In	£53.30	Monthly

It is recommended that individual containers at Category 1 sites be valued at £53/m2.

In most circumstances the building in which containers are situated should be excluded from value although consideration should be given to the requirement for additional non-container entries as appropriate.

Category 2; Standard shipping containers referred to as 20' by 8' units situated outside at modern, secure sites.

Site Location	Operator	Rent/m2	Length of Hire Agreement
Farknowes, Galashiels	Galashiels Storage	£49.97	Yearly
Dunsdalehaugh, Selkirk	RFG	£53.41	Weekly
Pinnaclehill, Kelso	U-Stor	£59.96	Monthly

Length of available hire agreements at the Farknowes site most closely meet statutory terms and as such it is recommended that individual containers at Category 2 sites be valued at £50/m2.

Category 3; Shipping or former refrigerated containers of variable quality & age referred to as 20' by 8' units situated outside at sites lacking the security features of Category 2 & poorer infrastructure in general.

Site Location	Operator	Rent/m2	Length of Hire Agreement
Plumtree, Galashiels	Hillslap & Greenhill	£26.65	Monthly
Buckholm Mill, Galashiels	Buckmill Ltd	£26.65	Monthly

Recommended that individual containers at Category 3 sites be valued at £26/m2.

Summary;

Site Situation	Outside – Rate/m2	Inside – Rate/m2
Category 1	-	£53
Category 2	£50	-
Category 3	£26	-

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