

Revaluation 2010

Miscellaneous Committee

Practice Note 26 Valuation of Five-a-side Pitches

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of Five-a-side Pitches, which are operated on a commercial basis.

2.0 Basis of Valuation

- 2.1 The site, clubhouse, car parking and ancillary buildings should be valued on the Comparative Principle of valuation. Where appropriate, site improvements to enable the property to be used for its particular sport should be valued using the Contractor's Basis of valuation.

3.0 Valuation Considerations

3.1 Site Value

- 3.1.1 The site value should be determined by reference to local rental evidence for similar commercially operated subjects. If no local rental evidence is available, site values for similar subjects in other areas should be considered in determination of the rate per hectare.

3.2 Site Improvements and Ancillaries

- 3.2.1 Where actual costs are available, additions for site improvements and ancillaries should be made by the application of the Contractor's Basis of valuation in accordance with the recommendations of SAA Basic Principles Committee Practice Note 2(Contractor's Basis Valuations).
- 3.2.2 If actual costs are unavailable, the following rates should be used for guidance in arriving at the Estimated Replacement Cost. These costs are derived from The National Playing Fields Association Cost Guide, (2003 Version) updated to 2008 levels and need no adjustment for contract size, professional fees or location.

Single pitch of 36m x 18.5m complete with foundation, marking, perimeter wall (1.1m) and "Weldmesh" fencing to a height of 2.75m, including drainage.

Bituminous macadam / Asphalt surface	£50,000 per pitch
Synthetic	£60,000 per pitch

- 3.2.3 The following estimated replacement costs should be added where floodlighting to recreational standard is present. This assumes an average lux of 200. No adjustment is necessary for contract size, location or fees as the costs already reflect these factors.

Standard	1 Pitch	2 Pitches	3 Pitches	Additional Pitches
Recreational Standard	£10,400	£14,600	£19,400	£4,200

- 3.3 Age and Obsolescence
- 3.3.1 The Estimated Replacement Cost of site improvements and ancillary items should be adjusted to reflect age related obsolescence and general condition in accordance with the recommendations of SAA Public Buildings Committee Practice Note 4 (Valuation of Contractor's Basis Subjects Areas Adjustment, External Works' Costs, Allowances and Land). A notional date should be adopted where appropriate.
- 3.4 Decapitalisation Rate
- 3.4.1 The appropriate statutory decapitalisation rate should be applied to the Adjusted Replacement Cost of site improvements and ancillaries valued on the Contractor's Basis.
- 3.5 Clubhouses and Pavilions
- 3.5.1 Where there is a clubhouse or pavilion present, this should be valued in accordance with SAA Miscellaneous Properties Committee Practice Note 5 (Valuation of Sports Clubhouses and Pavilions). However, as these subjects operate on a commercial basis, particular care should be taken in dealing with subjects where there is a licensed element. In such cases the building should be valued in line with similar licensed premises or sports clubs – depending on the predominance or otherwise of the licensed element.
- 3.6 Ancillary Items
- 3.6.1 The valuation of groundsman's huts, stores and other ancillary items should be derived from local evidence, having regard to location and, where appropriate, extent of use.
- 3.7 Car Parking
- 3.7.1 Car parking should be added at an appropriate rate in accordance with local rental evidence. It is recommended that any addition for car parking should not normally exceed 10% of the value of the subjects.

4 End Allowances

- 4.1 As the facilities are operated for profit and are located to satisfy a demand from a wide area there should be no need to make any allowance for extent of use or redundancy in any part of the valuation.