

Revaluation 2010

Miscellaneous Properties Committee

Practice Note 21 Valuation of Advertising Panels on Bus Shelters

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of Bus Shelters, which also serve the role of Advertising Stations.
- 1.2 Contracts invariably involve the supply, erection and maintenance of Bus Shelters and in return for this the companies receive the benefit of the revenue from the advertising rights.

2.0 Basis of Valuation

- 2.1 The valuation comprises 2 elements, namely the bus shelter and the advertising panels.
- 2.2 All available evidence of rents in respect of small display advertising has been examined, together with evidence relating to larger rental agreements. Bus shelter and small format advertising was also considered in the context of more general advertising industry indicators and trends.

3.0 Description and Form of Entry

- 3.1 A composite entry should be made for all shelters within each valuation area with the description "Advertising Shelters".

4.0 Shelters

- 4.1 The vast majority of advertising panels at bus shelters are displayed as 6 sheets, with the typical format being one double-sided or two single 6-sheet displays, and the sites are normally illuminated.

5.0 Recommended Rates

- 5.1 Bus Shelter

The structure cost of the shelter is taken from the Miscellaneous Properties Committee Practice Note 12: Average Cost £3,500 less 35% average age and condition = £2,275. This adjusted cost should be decapitalised at the appropriate rate and the resultant rounded figure (£110 NAV) added to the advertising element below.

5.2 Advertising Element

The rate below is for the most common arrangement of a double-sided illuminated 6-sheet panel or two illuminated single-sided 6-sheet panels and is inclusive of the panel structure, “advertising right” and planning costs.

Having considered all available evidence, and in the absence of local evidence a rate of £600 is recommended for all Bus Shelters with one double-sided or two single 6-sheet advertising panels.

Some bus shelters display scrolling units, which normally display 3 sheets per panel face and tend to be in more prominent locations. The scrolling panel usually has a static display on the rear side. It is recommended for the scrolling unit that the site rent is taken as 2 times the rate of a single sheet. i.e. £300 (e.g. (1 static panel = £300) + (1 Scroller = 2 x £300) Total £900 NAV)

5.3 4-Sheet Panels

For bus shelters containing 4-sheet panels the rate adopted should be 2/3 of the rate applied for the equivalent 6-sheet panel. i.e. £400.