

Revaluation 2010

Miscellaneous Properties Committee

Practice Note 20 Valuation of Advertising Stations

1.0 Introduction

1.1 Subjects Dealt With

This Practice Note includes recommendations for the valuation of advertising stations occupied by major national companies, and will be of assistance in the valuation of private non-standard advertising signs and boards. It should also be used for railway advertising stations which are not included in the Network Rail cumulo and require to be valued and entered in the Valuation Roll.

1.2 General Background

There are 2 main standard sizes of panel favoured by the major companies - the 48 sheet and the 6 sheet. 48 sheet posters have considerable impact with both motorists and pedestrians whereas 6 sheets are primarily aimed at pedestrians.

2.0 Basis of Valuation

2.1 The valuation of advertising stations is a combination of site value (valued on the Comparative principle of valuation) and structure cost (valued using the contractor's basis of valuation) which will be applied to produce Net Annual Value.

3.0 Valuation Structure Element (to be added to site element)

3.1 General

All available cost information has been examined.

3.2 48 Sheet Free-Standing

Specification - Treated softwood framing, plywood facing, painted mouldings of timber or metal, fixed to steel stanchions set in concrete or timber supports with stays.

Add £60 NAV for this element

3.3 48 Sheet - Wall Mounted

Specification - See paragraph 4.2

Add £30 NAV for this element

3.4 Smaller/larger Structures

If the structure departs from the standard 48 sheet size the following additions should be applied.

16 sheet - Free-standing	Add £20 NAV	Wall mounted	Add £10 NAV
32 sheet - Free-standing	Add £40 NAV	Wall mounted	Add £20 NAV
64 sheet - Free-standing	Add £80 NAV	Wall mounted	Add £40 NAV
80 sheet - Free-standing	Add £90 NAV	Wall mounted	Add £45 NAV
96 sheet - Free-standing	Add £100 NAV	Wall mounted	Add £50 NAV

3.5 48 Sheet "Ultravision" Panels

Specification - This construction comprises of a series of three-sided aluminium strips which, when posted, will promote three products in rotation. The advertising content is pre-slit and inserted into the acrylic covered strips on site. The Prism Plus offers more protection to the advertisement and is faster and easier to update.

48 Sheet Free-Standing Add £360 NAV for this element

48 Sheet Wall Mounted Add £270 NAV for this element

Note - Above costs for Ultravisions (Free-Standing and Wall Mounted) do not include illumination. See paragraph 3.8 for enhancement.

3.6 48 Sheet lightbox (Illuminated internally)

These structures are constructed using a metal box frame with internal backlighting and glazed with acrylic sheeting. Lightbox's have a static display rather than revolving panels.

48 Sheet Free-Standing Add £470 NAV for this element

48 Sheet Wall Mounted Add £355 NAV for this element

Note: Illumination included in cost.

3.7 48 Sheet "Scroller"

These structures are of similar construction to a lightbox but with internal mechanism to enable more than one advert to be displayed as each advert scrolls into view.

48 Sheet Free-Standing Add £850 NAV for this element.

48 Sheet Wall Mounted Add £640 NAV for this element

Note: Illumination included in cost.

3.8 Addition for Illumination

16 Sheet - Add £30 NAV and £5 NAV for each additional Structure.

32 Sheet - Add £35 NAV and £10 NAV for each additional Structure.

48 Sheet - Add £40 NAV and £20 NAV for each additional Structure.

64 Sheet - Add £45 NAV and £25 NAV for each additional Structure.

80 Sheet - Add £55 NAV and £30 NAV for each additional Structure.

96 Sheet - Add £60 NAV and £40 NAV for each additional Structure.

Note - The above costs include the provision of power, which would only be required once in each location.

3.9 Multiple Structures

No allowance should be made for quantum.

3.10 6 Sheet Panels

This panel size has become much more prevalent in recent years due to its increased use, primarily on bus shelters and at shopping centres and supermarkets. They are approximately 50% larger in area than 4 sheets and measure 1.8m x 1.2m.

Six sheets displays that are erected in conjunction with the bus shelters should be valued in accordance with the appropriate practice note (i.e. Valuation of Advertising panels on Bus Shelters Practice Note No: 21).

3.10.1 Free-Standing

These take a variety of forms and structures as follows:-

- (a) Double or single aspect display erected on steel supports with metal box frame and acrylic sheet glazing.
- (b) Treble Panel - three panels attached to a steel structure which is triangular in section.
- (c) Four side quadrangle - four panels in the form of a square.
- (d) Circular Drum - single or double storey with 3/4 panels or 6/8 panels.

- 3.10.2 Free-Standing (Illuminated)
NAV for this element £55
- 3.10.3 Wall Mounted (Illuminated)
NAV for this element £35
- 3.10.4 Free-Standing (Illuminated) Double Sided
NAV for this element £60
- 3.10.5 Free-Standing (Illuminated) Revolving
NAV for this element £190
- 3.10.6 Wall Mounted (Illuminated) Revolving
NAV for this element £150
- 3.10.7 Free-Standing Circular Drum (Single Height)
NAV for this element £50
Rotation add £30
- 3.10.8 Free-Standing Circular Drum (Double Height)
NAV for this element £100
Rotation add £30
Seating add £30
- 3.10.9 Double-Sided Unit Mounted on Street lighting (Lamppost)
NAV for this element £75
- 3.10.10 Digital Screens (In shopping malls)
These are freestanding units with an integrated 65" HD portrait screen. The units are located in prominent locations on the shopping mall and can be double or single sided. The digital screens are capable of full motion animation, allowing multiple adverts per minute.
- Free standing unit double sided
NAV for this element £450
- Free standing unit single sided
NAV for this element £225

3.11 “Highlites”

The display is supported by a column and allows the sign “fly” over open space, in this way it can face the traffic instead of being side on. The signs are double-sided and illuminated internally. The display panels are circa 3.6 metres x 1.8 metres and on average are 3.5m above the ground.

NAV for this element £235

3.12 4 Sheet Panels

This panel size is fast disappearing from the advertising scene, being replaced by 6 sheet panels.

3.12.1 Free-Standing (No Illumination)

NAV for this element £15

3.12.2 Wall Mounted (No Illumination)

NAV for this element £10

3.13 Age and Obsolescence

The additions for structure shown above have been adjusted for age and obsolescence, therefore no adjustment is required.

3.14 Decapitalisation Rate

The appropriate statutory decapitalisation rate has been applied to structure costs.

4.0 Valuation - Site Element (to be added to structure element)

4.1 General

The site element should be valued in accordance with local evidence. Where there is a shortage of rental information valuation judgement based on appropriate rates from comparable locations is suggested

4.2 Classification

The classifications below may be useful when considering the rentals of the sites.

4.2.1 Location Classifications - 48 Sheets or Multiples Thereof

A Prime

High profile status (also known in the trade as "Supersites") found in very prominent locations. Often consisting of 96 sheet panels, this group will include sites which are clearly considered to be the best. This group may also include sites adjoining major sports stadia.

B1 Secondary

These are prominent sites, often angled to face traffic, or at road junctions. They are well located in major shopping/business centres or on main busy commuter routes. Some may be situated near sports stadia.

B2 Suburban

These are peripheral sites, often parallel to traffic flow in secondary areas or on secondary main roads.

C Neighbourhood

This group covers the remainder of the sites not mentioned above. Included are sites in poor locations with restricted visibility, perhaps in small towns and villages or in situations now bypassed by new road layouts. It is expected that this group will be few in number.

4.2.2 Multiples of 48 Sheets

When the subject varies from the standard 48 sheet size the following factors should be applied to the appropriate site rate:-

16 sheet	0.33
32 sheet	0.67
64 sheet	1.33
80 sheet	1.67
96 sheet	2.00

4.3 Sites of Ultravision & Scroller Panels

By their very nature, these panels will normally be found in more prominent locations. To reflect the planning consent required for this type of panel and, looking to the rents available, it is recommended that the final site value should be taken at a higher rate than that indicated for an A site or B1 site depending on local evidence and circumstances (i.e. 3 different advertising faces within a 48 sheet Ultravision or Scroller will be taken as equivalent to 2 x 48 sheets and the minimum location classification should be taken as B1).

4.4 6 Sheet Sites

These are found in pedestrian precincts, shopping centres, retail parks, and attached to the walls of superstores. Some may also be found in street corner locations. They are found in wall mounted and free-standing formats.

4.4.1 Location Classification - 6 Sheet

- A City centres, major shopping centres etc.
- B Town centres, smaller shopping centres.
- C All other areas.

4.4.2 6 Sheets at Supermarkets

6 sheets within the curtilage of supermarkets should be taken at the rate shown below for the site element throughout Scotland unless convincing local evidence suggests otherwise.

Major Supermarket Operators £1000 NAV
Lesser Supermarket Operators £650 NAV

4.4.3 Multiples of 6 Sheets

These should be valued on a pro-rata basis.

4.4.4 Revolving 6 Sheet Panels

There exists a 6 sheet structure which contains roller panels within. These normally comprise 6 separate panels which revolve displaying one panel at a time. It is recommended that the site rent is taken as 2 times the rate of a 6 sheet panel in a similar location.

4.4.5 Digital Screens (In shopping malls)

These 6 sheet structures which contain an integral digital screen that is capable of full motion animation, allowing multiple adverts per minute. It is recommended that due to the specialised nature the site rent is adopted or in the absence of rental evidence the site rate adopted taken as 2 times the rate of a 6 sheet panel in a similar location such as supermarket locations.

4.4.6 6 Sheet Drum

There also appears to exist 6 sheet drums which contain 3 or 6 separate display panels, all of which are constantly displayed and it is recommended that the site rent is taken as 3 or 6 times the rate of a 6 sheet panel in a similar location.

4.4.7 Highlites

The signs are double-sided, illuminated and are supported by a metal pole. The display panels are circa 3.6 metres x 1.8 metres.

The site rent should be taken as 3 times the rate of a 6 sheet panel in a similar location.

5.0 4 Sheet Sites

The site element for 4 sheet panels should be taken at $\frac{2}{3}$ of the site rate shown above for the equivalent 6 sheet.

6.0 Banners & Screens

This format consists of a large display mounted on scaffolding at building developments.

Normally highly prominent, city centre locations and of a short term nature. Due to their specialised nature, these structures should be valued with regard to the passing site rentals.

7.0 Adverts at Roundabouts

A recent introduction has been the display of adverts at roundabouts. There are a wide variety of display types and sizes in use on sponsored roundabouts, ranging from small “plaques” or nameplates up to the size of six sheets. Typically there can be up to four displays per roundabout: the actual number tends to depend on the size of the roundabout and the number of roads feeding into it. Only displays, which convey commercial advertising and not directional, should be entered in the valuation roll. This potential for variation makes it inappropriate to promote a single valuation rate and these structures should be valued with regard to the passing site rentals.

8.0 Non-Standard Displays

If structures are found that are not contained within this practice note they should be valued with regard to the cost of the structure and the passing site rental.

9.0 Hoardings - Standard Sizes

The sizes referred to below are for the Poster face, not the overall size of the structure - mouldings, frames, etc are excluded.

	Width (M)	Height (M)
4 sheet	1.02	1.52
6 sheet	1.20	1.80
12 sheet	3.06	1.52
16 sheet	2.03	3.05
32 sheet	4.06	3.05
48 sheet	6.10	3.05
64 sheet	8.13	3.05
80 sheet	10.16	3.05
96 sheet	12.20	3.05

10.0 Railway Advertising Stations

10.1 Historic Position

The former operational land of British Rail Property Board was transferred to Railtrack Plc and is now in the hands of Network Rail Infrastructure Limited, the operations subsidiary of Network Rail Limited.

10.2 Revaluation 2010 – Network

From 2005 the valuation of the railways was brought in to the conventional valuation process via the designated assessor regime and the entry for the whole of the undertaking now appears in the Highland valuation roll. A similar situation exists in England and Wales where the subject enters the central list.

Whereas prior to 2005 there were entries in the roll for train operating companies and some others, the definitions now in place create a single subject. (The Non-Domestic Rating (Valuation of Utilities)(Scotland) Regulations 2005). The long established exceptions still apply dealing with cases where separate entry is appropriate such as shops, places of public refreshment etc.

10.3 Station Leasing Structure

Network Rail own and occupy two major stations in Scotland – Glasgow Central and Edinburgh Waverley. All other stations (and most depots) are leased by Network Rail to train operators – originally ScotRail, now First Scotrail the current franchisee.

10.4 Advertising Letting Arrangements

There are two types of advertising sites on operational land. Sites owned and managed by Network Rail under concession agreements and sites leased by train operators directly to advertising operators.

Network Rail manage their operational advertising portfolio via concession agreements covering all locations in mainland Britain. They currently use three major operators. As these sites are operated under partnership there is no rental information available.

There are three types of site operated under the concession agreement:-

Railway Operations

These comprise sites used for timetabling, branding for Network Rail and train operators, special offers, etc. These sites are situated mainly within or in the vicinity of railway stations. These sites are reflected in the Network Rail Cumulo and should not be entered in the Valuation Roll.

Sites Outside of Railway Stations

These sites cover the bulk of Network Rail's portfolio and typical locations are embankments, bridges, car parks and other structures. These sites are operated under the various concession agreements and may vary considerably from location to location in terms of size and structure. These sites are reflected in the Network Rail Cumulo and should not be entered in the Valuation Roll.

Sites Within Railway Stations

All Network Rail's sites are located within the 2 major stations – Waverley and Central and should be treated in accordance with the previous paragraph i.e. not entered within the Valuation Roll, as these sites are under the direct control and operation of Network Rail under their concession agreements.

For all other station locations, however, advertising is primarily under the control of ScotRail who manage the advertising sites under the terms of their Station Leases from Network Rail. These sites do not form part of the Network Rail concession arrangements and income and rent derived from them are managed in accordance with the Station Lease. These sites are currently the subject of separate entries in the Valuation Roll and it is not envisaged these circumstances will change for the 2010 revaluation.

10.5 Other Sites

There are some sites owned by Network Rail but located in a manner that excludes them from the cumulo entry. These should be entered separately in the valuation roll. It is understood that these were resolved as part of the local settlement of the appeals for 2005 and no significant change is expected. There may also be some sites that remain in the hands of the BR Residuary body, a company that retained some property that did not pass to Ralitrack and thence to Network Rail. These subjects do not form part of the cumulo and any sites should be entered separately in the valuation roll. Again no significant change is anticipated for 2010.