



## **Revaluation 2010**

### **Public Buildings Committee**

#### **Practice Note 23**

#### **Valuation of Art Galleries, Museums and similar subjects**

### **1.0 Introduction**

#### **1.1 Subjects to which applied**

The purpose of this Practice Note is to provide guidance on the approach which should be adopted in valuing Art Galleries, Museums, Arts Centres and other similar public or private "institutional" properties which are provided for the purpose of display or other similar quasi-educational purposes.

#### **1.2 Subjects Excluded**

Excluded from consideration are those subjects which are wholly or substantially in the nature of shops, offices or other subjects more truly of a commercial character, particularly if situated among other subjects which are physically similar in character (and used for orthodox commercial purposes) e.g. ordinary shops, stores or even warehouses brought into use with little or no adaptation, for display, perhaps with a commercial motive or flavour.

Also excluded are cottages, houses and stately homes, which are of a unique historic character and are open to the public as Visitor Attractions. These should be valued in accordance with the appropriate SAA Miscellaneous Committee Practice Note.

### **2.0 Basis of Valuation**

2.1 All subjects dealt with in this practice note will be valued by application of the Contractor's Basis.

### **3.0 Survey and Measurement**

3.1 Building areas should be calculated on a gross external basis for each main floor. Attic floor accommodation should be calculated on a gross internal basis excluding any area under 1.5metres in height.

#### **3.2 Adjustment of Gross Areas**

Where a subject is of older construction e.g. stone, and has thicker than normal walls, the area should be adjusted on a floor by floor basis in accordance with SAA Public Buildings Committee Practice Note 4

(Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land) to adjust the floor area to the modern equivalent.

- 3.3 The total site area and areas and details of car parks, roadways, landscaping etc. should also be determined together with details of boundary walls, fences etc.

#### **4.0 Valuation**

- 4.1 Buildings should be valued in accordance with SAA Basic Principles Practice Note 2 (Contractor's Basis Valuations)
- 4.2 External works should be valued in accordance with SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land )
- 4.3 Adjustments in respect of contract size and additions for professional fees should be made in accordance with the recommendations contained in SAA Basic Principles Practice Note 2 (Contractor's Basis Valuations)
- 4.4 Museums and Art Galleries occupy buildings of a wide physical diversity but the demands of their collections will indicate the likely quality of the building being considered. The basis of valuation will be those recommendations in other practice notes dealing with such institutional subjects, which most closely resemble in physical character, scale and cost of construction, the subjects being considered.
- 4.5 Subjects which are wholly or mainly capacious and in the nature of halls, should be valued by applying the relevant parts of SAA Public Buildings Committee Practice Note 17 (Valuation of Halls, etc.) Subjects which are purpose built but, on occasion, adapted, prestigious and invariably large, of national or central rather than local significance, will fall into Category 1. Most Victorian museums and art galleries found in large towns will fall into this category, due to the need to provide sufficient viewing space, lighting conditions and secure climate controlled housing for the exhibits.
- 4.6 In the case of modern "state of the art" buildings, where the building is of the highest quality, a further quality addition may be merited. If the actual costs for such buildings are available, these will provide assistance. See SAA Public Buildings Committee Practice Note 17 (Valuation of Halls, etc.) para. 6.1.1.
- 4.7 Modern Arts Centres serving towns of modest size tend to be of such character and cost as to fall into hall Categories 1 - 1/2 (i.e. to be of a standard and cost similar to that of local authority community centres). The other end of the spectrum most aptly falls into Category 3, or lower in extreme cases.
- 4.8 Any subjects which are wholly or mainly constructed in small scale compartments, probably with modest ceiling heights, and are similar in character to public offices may be valued by applying the relevant parts of SAA Public Buildings Committee Practice Note 8 (Valuation of Local

Authority Offices).

- 4.9 In the case of subjects, where the buildings comprise a variety of types, parts of which are similar to the types of subjects referred to in paragraphs 4.5 – 4.8 each part may be valued on the basis of the respective recommendations. In such circumstances, interpolation of the rates may be appropriate.

## 5.0 Estimated Replacement Cost

- 5.1 For ease of reference, a table of unit cost rates based on SAA Public Buildings Committee Practice Note 17, (Valuation of Halls etc.) has been reproduced here.

Category	ERC Rate
Category 1	£1,700
Category 1/2	£1,300
Category 2	£1,000
Category 3	£600
Category 4	£350
Category 5	£200

**Lift provisions are not included in the recommended rates and the cost of these should be added separately.**

- 5.2 An E.R.C for any subject more specialised in character may be derived from actual costs (adjusted to April 2008 tone) or by derivation from any other practice note which may be of assistance.

## 6.0 Adjusted Replacement Cost

### 6.1 Age and Obsolescence

The requirements of such subjects tend to be no more critical than in the case of halls. Age and obsolescence allowances should therefore be applied in accordance with SAA Public Buildings Committee Practice Note No. 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land). However, It should be borne in mind that a lower allowance might be applicable in the case of buildings, which have been significantly refurbished, particularly where the works undertaken have enabled internal re-modelling to improve the functional aspects of the building.

### 6.2 Functional Obsolescence

The range of allowances provided in SAA Public Buildings Committee Practice Note 17 (Valuation of Halls, etc.) (see para. 7.1 to 7.4) to reflect functional obsolescence are appropriate for application to subjects covered by this practice note.

It should be noted that these allowances will not be aggregated but will be applied in sequence to provide the Adjusted Replacement Cost of a

particular building.

## **7.0 Land**

7.1 Land value should be determined by reference to local evidence and SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land)

## **8.0 Decapitalisation Rate**

8.1 All subjects referred to in this Practice Note should be valued at the appropriate statutory decapitalisation rate.

## **9.0 End Allowance**

9.1 An end allowance to deal with redundancy may be applied but only after having considered the particular circumstances of each property. This type of subject, particularly where situated within a large city or town, should generally receive no allowance. See SAA Public Buildings Committee Practice Note 17 (Valuation of Halls, etc.) - para. 10.