

Revaluation 2010

Miscellaneous Properties Committee

Practice Note 8 Valuation of Golf Driving Ranges

1.0 Introduction

- 1.1 Golf Driving Ranges have increased in number and popularity over the years. The facilities provided at driving ranges can vary considerably. Generally, driving ranges located in rural areas serving a catchment area with a low population, offer a basic golf practice facility comprising covered bays of light construction open to a grassed range with distance markers and targets. Driving ranges located close to or within the main urban centres, in addition to golf practice facilities, often include retail outlets, selling golf equipment and sports clothing, and restaurants which are open to the general public. Some driving ranges may include a golf course which will typically be a basic, nine hole, beginners course.

2.0 Survey and Measurement

- 2.1 The total area of the site should be established.
- 2.2 Buildings should be measured in accordance with local practice.

3.0 Basis of Valuation

- 3.1 It is recommended that the Comparative Principle of valuation is used to carry out the valuation of this class of subject.
- 3.2 Valuers should refer to the return of information, made by the operator, to gauge the level of business generated.

4.0 Valuation Considerations

4.1 Range and Driving Bays

4.1.1 Land

It is recommended that the land element is valued by reference to appropriate local rental evidence. Valuers may also refer to comparative evidence outwith their valuation area in respect of site rents paid for land to be developed as a golf driving range.

4.1.2 Site development

Where the level of value applied to the site is derived from rents for

undeveloped land, it will be necessary to make additions in respect of site works, landscaping and items such as fencing, floodlighting, etc., identified as rateable. In the absence of evidence of actual costs, reference may be made to SAA Miscellaneous Committee Practice Note 9 (Valuation of Sports Grounds). The appropriate decapitalisation rate should be applied to the adjusted replacement costs of site improvements. Adjustments on account of age and obsolescence should be made in accordance with SAA Public Buildings Practice Note 4 Valuation of Contractor's Basis Subjects (Areas Adjustment, External Works' Costs, Allowances and Land).

4.1.3 Driving Bays

It is recommended that the rate per square metre applied to the building housing the driving bays should be derived from local evidence in respect of general purpose buildings of similar construction. It is recommended that the rate should be adjusted by 15% to take into account the open frontage of the structure.

- 4.1.4 As a check on the value attributable to the range element, valuers should make reference to the level of income generated specifically from the use of the driving bays and range in the return of information provided by the operator.

4.2 Retail Outlet/Restaurant/Clubhouse

- 4.2.1 Retail outlets and restaurants should be valued by comparison with local evidence for similar subjects. In the absence of local evidence comparison may be made with rents prevailing for retail outlets and restaurants at golf driving ranges in other areas. Restaurants which have significant liquor sales may be valued by comparison with local licensed premises.

- 4.2.2 Buildings at driving ranges which provide basic facilities for driving range users and club members, may be valued by reference to Miscellaneous Committee Practice Note 5 (Valuation of Sports Clubhouses and Pavilions). It should be noted that clubhouses which are ancillary to sports grounds are normally only for members and persons making use of the sports facility. The use of Practice Note 5 is not recommended for a facility which is open to the general public and produces a significant retail or restaurant income.

4.3 Offices and Ancillary Storage Buildings

These buildings should be valued by reference to local rental evidence in respect of comparable subjects.

4.4 Car Park

Car parking should be added at an appropriate rate in accordance with local evidence.

4.5 Golf Course

This will typically be a basic, nine hole, beginners course and may be valued

by reference to Miscellaneous Committee Practice Note 7 (Valuation of Golf Courses). If the golf course is superior to a basic nine hole course in quality and layout, consideration should be given as to whether the driving range should be valued as an ancillary to the golf course.

5.0 Comparison with other valuation areas

- 5.1 To ensure consistency of approach, it is strongly recommended that valuers liaise with staff in other valuation areas which have similar subjects.