

## **Revaluation 2010**

### **Public Buildings Committee**

#### **Practice Note 19**

#### **Valuation of Hostels and Outdoor Centres**

### **1.0 Introduction**

1.1 This Practice Note deals with the valuation of the following types of properties together with any other subjects of similar character and use.

- Youth hostels
- Backpacker hostels
- Bunkhouses
- Outdoor activity centres

1.2 This Practice Note should not be used for the valuation of basic shelters such as climbing bothies. Such properties should be valued by reference to SAA Miscellaneous Properties Committee Practice Note 25 (Valuation of Holiday Huts, Huts, Sheds, Bothies etc).

### **2.0 Basis of Valuation**

2.1 Subjects covered by this practice note are valued on the Comparative Basis.

### **3.0 Calculation of Bed Spaces**

3.1 The unit of valuation is a single bed space. This is a berth for sleeping one person; the standard hostel provision of bunk beds is therefore counted as two spaces.

### **4.0 Valuation**

4.1 In locations where adequate rental evidence is available, valuations should be arrived at by reference to local evidence.

4.2 In the absence of suitable rental evidence, appropriate rates per bed space should be selected from the table below. These rates were derived from analysis of income and expenditure from properties throughout Scotland.

4.3 Where certified accounts are available, a check valuation may be carried out based on 10% of gross drawings. In the case of outdoor centres, care must be taken to include only such income as is derived from the use of the lands and heritages.

- 4.4 Certain hostels, especially those in city centre locations, may provide additional facilities such as licensed bars. In such cases, appropriate additions should be made.
- 4.5 Outdoor centres normally provide accommodation similar in character to hostels with activities taking place away from the property. Where there are additional facilities on site, e.g. football pitch, tennis courts, etc, additions should be made by reference to the appropriate Miscellaneous Properties Committee Practice Note.

## 5.0 End Allowance

- 5.1 In cases where accounts are available and a check valuation based on 10% of gross drawings (see 4.3 above) produces rates per bed space which are markedly lower than those shown in the table below, consideration may be given to an appropriate end allowance. The valuer should first ensure, however, that exceptionally low drawings are not merely attributable to the methods of the particular operator.
- 5.2 In exceptional circumstances, the valuer may consider that the layout and/or condition of the property is such that it would be likely to affect the tenant's rental bid and, accordingly, an appropriate allowance may be made.

## 6.0 Comparison with Similar Properties

- 6.1 In some cases, it may be appropriate to compare resultant values with the values of subjects having similar physical characteristics such as hotels, guest houses or self catering accommodation. Where values appear to be out of line, it may be necessary to reconsider the appropriate rates per bed space derived from the table below.

### Valuation Rates per Bed Space

Location	Good/High Use	Normal	Poor/Low Use
Major city centre	£350	£250	£175
Main tourist area	£300	£225	£150
Good scenic area	£250	£175	£120
Normal	£200	£150	£100
Rural	£150	£100	£80
Remote	£100	£70	£50

Rates may be interpolated where appropriate.

NB: These rates assume normal hostel style accommodation with bunk beds and no en-suite facilities. Where the accommodation is comparable to hotel standard, e.g. twin bed rooms with en-suite facilities, the rates may be increased by up to 35%.

