



Revaluation 2010

Commercial Properties Committee

Practice Note 18 Valuation of Licensed Clubs

1.0 Introduction

- 1.1 This Practice Note deals with stand alone clubs which are licensed by the local authority to sell liquor and are not ancillary to sporting facilities.

Where a licensed club is predominantly commercially operated, and is competing with other licensed premises, valuation may be considered by reference to the SAA Commercial Properties Committee Practice Note 17 (Valuation of Licensed Premises).

- 1.2 The subjects will be identified by the presence of bar "facilities" and may also contain kitchen, toilet and perhaps some ancillary accommodation. More extensive subjects could contain a number of Bars, Committee Rooms, Boardroom, Offices, Function Hall, Games Room and possibly a Quiet Room.

- 1.3 Typical examples of these clubs are listed below ;

- a) British Legion
- b) Football Supporters
- c) Knights of St Columba and Hibernian
- d) Masonic Lodges
- e) Miners Welfare and Social
- f) Political Constituency
- g) Snooker
- h) Sports Social
- i) Workers Social

2.0 Basis of Valuation

- 2.1 The valuation of Licensed Clubs is by application of the Comparative Principle.

3.0 Recommended Rates

- 3.1 In the absence of local evidence, the recommended rates as detailed below should be applied to the gross external area of the property. Properties should be classified into one of the under noted types and the final rate applied direct to NAV making suitable adjustment where necessary for particular features.

3.0 Recommended Rates

Type	Location	Rate per sqm to NAV
1	Located in or close to high value areas within town or city centres, where there will be competing users.	£50.00-£60.00
2	Located in a secondary area within a town centre with a moderate commercial value.	£35.00 -£45.00
3	Located in an area of low commercial value.	£25.00 - £30.00

4.0 Adjustments

(a) Storey Allowance

Floor	Allowance
Ground	Nil
First	10%
All other floors	At valuer's discretion.

(b) Quantum

An allowance for quantum should be granted in accordance with the undernoted table:

Area	Allowance
250 sqm – 500 sqm	Nil – 5%
501 sqm – 750 sqm	5% - 10%
751 sqm – 1000sqm	10% - 15%.
1001sqm and over	15%

4.0 Adjustments

(c) Deductions for Age and Obsolescence

The recommended scale of deductions for Age and Obsolescence can be found in SAA Basic Principles Practice Note 2 (Contractor's Basis Valuations). However, subjects of this type have frequently been improved over the years. In some cases it may be appropriate to apply a restricted allowance for Age and Obsolescence.

Allowances in excess of 50% should not be granted unless the property is in its original state, with no evidence of improvement or refurbishment.

(d) Car Parking

The above rates are exclusive of Car Parking. The car park pertinent of any Licensed Club should be valued and included in the NAV of the unum quid, if appropriate, normally to a maximum of 10% of the value of the subject.