



Revaluation 2010

Commercial Properties Committee

Practice Note 1

Valuation of Stances in Shopping Malls

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of premises, which are found in Shopping Malls.
- 1.2 The types of premises covered by this Practice Note may include:-

- Stance
- Barrow (Jewellery Stall. Flower Stall, etc)
- Photo Booth
- Nut Stall
- Children's ride
- Weighing Machine
- Coffee Stall
- Card Printer

2.0 Basis of Valuation

- 2.1 All subjects in this group should be valued using the Comparative Principle. Rents should be analysed in terms of SAA Basic Principles Committee Practice Note 1.
- 2.2 In most cases lease or licence agreements will be for a stance or site, from which the vendor can operate a stall, or locate a machine.

The subjects should normally be valued looking to the general level of rents passing within the centre for these types of subjects.
- 2.3 Where there is evidence within the shopping centre of different levels of rent for different types of stances, structures or operators, the rental evidence should be considered on that basis and not as a general pot of evidence to determine value levels.
- 2.4 When analysing the lease or licence agreements care must be taken when looking at the amounts paid in rent, e.g. does it include rates, is it a percentage of turnover etc? Where rates or service charge are included in rent, the rent should be adjusted to take this into account.

- 2.5 The rates adopted will depend principally on the general level of rents/licences passing within the Shopping Centre in which they are located (but note 2.3. Comparison with other Shopping Centres can be made but may only prove useful in certain limited situations.