

Revaluation 2010

Miscellaneous Properties Committee

Practice Note 16 Valuation of Tennis Courts

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of Tennis Courts. The cost information included here may also be used when valuing the tennis court element of any multi-use outdoor sports club.
- 1.2 New or resurfaced courts are generally formed with synthetic surfaces. From the tennis point of view there is apparently little difference between any of the synthetic surfaces. Such courts require considerably less upkeep than either blaes or grass, although from a playing point of view both of these surfaces are held in high regard.
- 1.3 Tarmac courts, while not requiring the same upkeep as blaes or grass, are nevertheless inferior to all weather courts and cost less to construct.
- 1.4 The standard dimensions of the playing area of a doubles court is 23.77m x 10.97m. The typical club court which meets the Lawn Tennis Association Recreational Standard covers an area of 34.75m x 17.07m including back and side runs, and will have 3.0m high galvanised netting all round.

2.0 Basis of Valuation

- 2.1 The clubhouse together with any ancillary buildings, the site and car parking elements should be valued on the basis of the Comparative Principle of valuation.
- 2.2 The tennis courts element should be valued using the Contractor's Basis of valuation. Reference should be made to Basic Principles Practice Note 2 (Contractor's Basis Valuations).

3.0 Valuation Considerations

3.1 Site Value

Site values should be determined by reference to local rental evidence for sports grounds or recreational land. The valuer should consider local rental evidence and circumstances when choosing an appropriate rate per hectare.

In the absence of local evidence, rates of £500 to £750 (dependant on location) to Net Annual Value (NAV) per hectare should be applied to the total area of the sports ground. An adjustment may be considered

appropriate for excess land that is undeveloped or in the nature of amenity ground only.

The foregoing rates, having been derived from rental evidence, reflect the physical characteristics of the ground and the extent of the use of the subjects. No further allowance would therefore be appropriate for these elements.

3.2 Courts

3.2.1 Recreational Standard Courts

The following replacement costs should be adopted for standard recreational courts, formed as one block, with appropriate run areas to the sides and back, and 3m high surrounding galvanised wire mesh fencing. Each court is 34.75m x 17.07m. The costs shown below have been adjusted for location, contract size and fees.

Surface Type	1 Court	2 Courts	3 Courts	4 Courts	Additional Courts (each)
Blaes	£24,100	£48,200	£72,300	£96,400	£24,100
Grass	£35,300	£67,400	£99,400	£131,400	£32,000
Bituminous macadam	£26,700	£46,500	£66,200	£85,950	£19,750
Proprietary macadam	£31,200	£59,500	£87,500	£115,300	£27,800
Synthetic	£40,500	£77,300	£114,100	£149,500	£35,400

3.2.2 Championship Standard Courts

Championship standard courts have greater back and side run space and require a minimum area of 36.58m x 18.29m although some may be larger. The costs shown above should be increased pro rata.

Championship standard courts may also be to a higher specification and a further increment may be considered.

3.3 Floodlighting

The following Estimated Replacement Costs should be added where floodlighting to recreational standard is present. This assumes an average lux of 200. No adjustment is necessary for contract size, location or fees as the costs already reflect these factors.

	1 Court	2 Courts	3 Courts	Additional Courts (each)
Recreational Standard	£10,400	£14,600	£19,400	£4,200

3.4 **Adjustments to the Estimated Replacement Costs**

3.4.1 **Age and Obsolescence allowances**

Age and obsolescence allowances should be applied to the Estimated Replacement Cost derived above in accordance with the table in Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value). A notional date should be adopted where appropriate.

3.4.2 **Decapitalisation**

The appropriate statutory decapitalisation rate should be applied to the Adjusted Replacement Cost of the items valued on the Contractor's Basis.

3.4.3 **End Allowance to elements valued on the Contractor's Basis**

It is recognised that the application of the Contractor's Basis to the cost of providing the tennis court element may result in a value which is too high in relation to the elements valued on the comparative principle, and having regard to the particular nature of the subjects which are incapable of any alternative beneficial use.

It is recommended, therefore, that an allowance of up to 50% should normally be applied to these elements valued on the contractor's basis at the "stand back and look" stage of the valuation.

3.5 **Adjustments to the value of Courts and Floodlighting**

3.5.1 **Lack of Playing Area**

The basic standard club court should have a minimum back run of 5.0m and a side run of 3.0m

Deductions should be made pro rata to a maximum of 10% for back run and 5% for side run where the runs fall to half the minimum requirements.

Anything less is not really a "Tennis Court" and would require special consideration.

3.5.2 Lack of Netting Surround

The standard adopted is for a court with a wire mesh fence surround to about 3.0m height.

Deductions should be made pro rata with a maximum of 25% for lack of netting.

Where there are multiple courts with no netting between courts a deduction of 5% should be made.

3.5.3 Condition of Surface

The actual playing surface may suffer from particular deficiencies, which require to be reflected in the valuation. Consideration may require to be given to such factors as:

Poor drainage: resulting in pools of rainwater persisting for some time

Subsidence: In excess of normal wear and tear and beyond what might be reasonably considered tenant's repair.

Deductions for such factors should not normally exceed 15% in total.

4.0 Clubhouse

4.1 Where there is a clubhouse or pavilion present, this should be valued in accordance with Miscellaneous Properties Committee Practice Note 5 (Sports Clubhouses and Pavilions).

5.0 Car Park or Parking Areas

5.1 The above rates are exclusive of car parking. If appropriate, an addition should be made for parking in accordance with local rental evidence, normally to a maximum of 10% of the value of the subject.

6.0 End Adjustments

- 6.1 It is accepted that for this category of subject, by virtue of poor location, historic over provision, or otherwise, there may be circumstances in which the membership or extent of use of the club is so low that it would affect the rental offer made by the club.
- 6.2 The membership of tennis clubs varies widely.
- 6.3 As a general guide, however, the average membership of tennis clubs in Scotland with a single court is around 30 members.
- 6.4 A club with 2 courts will have, on average around 60 members, while clubs with 3 or 4 courts have, on average, around 150 – 160 members.
- 6.5 Low membership is an indication of under utilisation and/or over provision. It is recommended that such under utilisation and/or over provision should be reflected by way of an appropriate end allowance of up to 50%. The maximum allowance of 50% should only be considered, however, in the most extreme cases where the membership is less than 25% of the averages quoted above.
- 6.6 The allowance should be applied to the total value of the subjects, including the clubhouse, provided that the clubhouse is in keeping with, and appropriate to the sporting facilities. It should be borne in mind, however, that, as the chosen site value might already reflect location and the typical occupier, further adjustment to that element of the valuation may not be appropriate.
- 6.7 The allowance should not apply to the clubhouse in circumstances where the principal use of the clubhouse is other than as an adjunct to the tennis courts – e.g. where a clubhouse is shared with say, a cricket club, or if the clubhouse has a substantial alternative use not connected with the tennis club.
- 6.8 This report is intended to provide guidance in arriving at the N.A.V of typical Tennis Courts. Valuers should arrive at what is considered to be a reasonable valuation for the subject under consideration having regard to the provisions of the Lands Valuation Acts.