

Revaluation 2017

Miscellaneous Properties Committee

Practice Note 21

Valuation of Advertising Shelters

1.0 Introduction

This Practice Note applies to the valuation of Bus Shelters which also serve the role of Advertising Stations.

The contracts involve the supply, erection and maintenance of Bus Shelters and in return for this the companies receive the benefit of the revenue from the advertising rights.

A cumulo entry should be made for all shelters within each valuation area with the description "Advertising Shelters".

2.0 Basis Of Valuation

The valuation of Advertising Shelters is a combination of site value (valued on the Comparative principle of valuation) and structure cost (valued using the Contractor's Basis of valuation) which will be applied to produce Net Annual Value. The structure element NAV should be adjusted by the appropriate decapitalisation rate.

3.0 Description

An advertising shelter is typically a three bay shelter with powder coated aluminium uprights with aluminium framed glazed roof with 6mm toughened safety glass sides and rear.

4.0 Shelters

The vast majority of advertising panels at bus shelters are displayed as 6 sheets, with the typical format being one double-sided or two single 6-sheet displays, and the sites are normally illuminated. Increasingly they now include a scroller unit or digital units.

5.0 Valuation

5.1 Bus Shelter

Costs have been obtained from a number of local authorities, and suppliers of advertising shelters.

The cost to be adopted for a three bay shelter with two advertising units which has been derived from analysis of these costs is **£7,500**. This value should be adjusted by the appropriate decapitalisation rate.

5.2 Age and Condition

Bus shelters generally have a life expectancy of up to 20 years. Within the agreement a maintenance and replacement programme is detailed therefore it is recommended that an allowance of 10% be applied.

5.3 Advertising Site Element

It is recommended that local evidence is used to derive an appropriate rate per advertising panel. In the absence of local evidence a rate of £300 per advertising panel should be applied. This value should be added to the structure cost element to derive the net annual value.

Where an advertising panel is a scroller the appropriate rate should be multiplied by three or the number of advertising faces available.

Where a digital advert is included the appropriate rate should be multiplied by a factor of six.

5.4 4-Sheet Panels

For bus shelters containing 4-sheet panels the site rate adopted should be 2/3 of the rate applied for the equivalent 6-sheet panel.