



Scottish Assessors Association

Revaluation 2023

Miscellaneous Properties Committee

Practice Note 17

Valuation of Licensed Touring Caravan and Camping Sites

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of licensed touring caravan and/or camping sites. This instruction should not be used where the touring pitches form part of a Static Leisure Caravan Site (refer to SAA Miscellaneous Properties Committee Practice Note 18 - Valuation of Static Leisure Caravan Parks).

2.0 Basis of Valuation

- 2.1 The value of a touring caravan/camping site must relate to the level of occupancy of the site and consequently to the adopted level of receipts derived from the site. The valuation is therefore based on the receipts and expenditure method. In order to avoid the necessity of detailed consideration of accounts for every site, sample accounts have been analysed in order to produce a percentage of gross income to represent net annual value.

2.2 Income

The types of income to be considered and adjusted are shown below.

2.2.1 Touring and Tenting Income

Gross receipts should be obtained for the years 2018/19, 2019/20, 2020/21 & 2021/22. These should then be examined for any trend, considering the effects of enforced closure and/or restricted operating capacity due to the Covid 19 pandemic.

Receipts (net of VAT) from the use of the pitches in respect of the 2021 season should be examined. Fees for winter storage should be excluded and dealt with under section 2.5. The valuer should not 'blindly' use the 2021 receipts. Consideration should be given to previous year's receipts, taking account of any impact of the Covid 19 pandemic and to the future expectations of a hypothetical tenant at the "Tone Date". The adopted receipts should reflect normal sustainable occupancy and an adjustment to the 2021 actual income may be required.

2.2.2 Income from the Letting of Non-Caravan Accommodation

Receipts (net of VAT) from holiday lettings of glamping domes, yurts, tipis, pods, treehouses etc. should be examined. Where such accommodation is located out-with static leisure caravan parks or licensed touring caravan and camping sites, it may be appropriate to value this in terms of SAA Commercial Properties Committee Practice Note 17 - Valuation of Self-Catering Units, at the appropriate chalet rate, suitably adjusted to reflect relative quality and facilities.

2.2.3 Income from Revenue Producing Buildings and other Activities Operated by Site Proprietor

Gross receipts (net of VAT) for the 2021 season from revenue producing buildings and other activities on the site, less the cost of purchases and cost of entertainment where relevant should be examined. This will include income from retail outlets, bars, restaurants, and from sale of bottled gas.

As with the income from the pitches, the valuer should be satisfied that the adopted income reflects a 'normal' occupancy rate for the site and an adjustment to the 2021 actual income may be required.

2.3 Percentages to be Applied to Income at 2.2.1 to 2.2.3

Net Annual Value will be assessed at between 12.5% and 18.5% of adopted Gross Income. The range of percentages is to reflect the outgoings that the hypothetical tenant would reasonably expect to incur i.e. a bare grass field with no roads and facilities and hence modest outgoings will be valued towards the upper end of the scale.

2.3.1 Application of Percentages

Very Basic Site – no roads, grass pitches only, no electric hook-ups, no reception buildings and only basic toilet/shower facilities					18.5% to 17.5%
	Basic site, basic facilities incl. roads, toilets/ showers & reception	Standard park, adequate facilities such as roads, shop, reception and toilets showers	As previous but landscaped with modern better quality facilities or a small club	As previous plus outdoor pool &/or more extensive buildings	As previous plus indoor pool
Over 50% of pitches with electrical hook-up facility	16.5%	15%	14%	13%	12.5%
Under 50% of pitches with electrical hook-up facility	17%	15.5%	14.5%	13.5%	13%

The above is a guide only and interpolation, in 0.5% stages, may be required. Features of a touring caravan/camping site affecting the net profitability should be considered in arriving at the percentage adopted. For example, where the buildings and facilities are of a particularly high standard with low maintenance and running costs, the percentage applied may be increased by up to 1.0%. The percentage can also be reduced at a particular site where the annual outgoings are exceptionally high e.g. annual sums spent on preventing coastal erosion or flooding.

2.4 Income from Concessions and Franchises

Income, by way of concessions or franchises, received from the use of buildings or land, will be added direct to net annual value. The amount will be subject to adjustment to reflect the site operator's liability for repairs, insurance and services. The amount to be added will normally be 50% of the concession or franchise fee.

2.5 Income from Winter Storage

The first £5,000 gross receipts (net of VAT) from winter storage of touring caravans should be valued at the standard rental percentage for the site. The gross receipts (net of VAT) in excess of £5,000 should be valued at a rental percentage between 25% and 35%. The more basic the site the higher the percentage adopted. This approach only applies to caravans stored at a caravan site.

3.0 General

- 3.1 When no questionnaire or accounts have been returned in respect of a particular site, the valuer will require to make an estimate of the sustainable gross receipts likely to be achieved. This can be done by comparing with the level of receipts adopted at similar sites, where accounts are available.
- 3.2 In applying this scheme to small basic touring sites, the end values should be compared to the values of any nearby Certificated Locations (5CLs) to ensure that differences in value are appropriate.