

## **Revaluation 2023**

### **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 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 **£10,000**. This value should be adjusted by the appropriate decapitalisation rate.

## 5.2 Age and Condition

In applying age and obsolescence allowances to subjects covered by this practice note, reference should be made to guidance in the SAA Basic Principles Committee Practice Note 2 (Contractors Basis Valuations). Table C at Appendix 1 should be used.

## 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 the appropriate rate from the table below should be applied to each advertising panel/face. 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 the number of advertising faces available.

	<b>Cities (City Centres)</b>	<b>Cities (Main Roads)</b>	<b>Cities (Other Locations)</b>
<b>Non-Digital 6 Sheet</b>	£500	£325	£175
<b>Digital 6 Sheet</b>	£4000	£2500	-
	<b>Towns (Centres)</b>	<b>Towns (Main Roads)</b>	<b>Towns (Other Locations)</b>
<b>Non-Digital 6 Sheet</b>	£300	£200	£100
<b>Digital 6 Sheet</b>	£1500	£1000	-

## 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.