

VP / I / 1 Approved for Publication January 2011

VALUATION OF INDUSTRIALS

THIS LVJB INSTRUCTION CONTAINS REFERENCES FROM SAA INDUSTRIAL COMMITTEE PN NO 1

1 Introduction

1.1 Subjects Included

- 1.1.1 Factories, workshops and other subjects physically similar in character which are used primarily for industrial purposes.
- 1.1.2 Warehouse premises where the main use is the storage of goods in the course of trade or for hire.
- 1.1.3 Trade or Wholesale warehouse premises in which wholesalers store and display their stocks and to which the general public are not invited. For further information, refer to the chair of the Industrial Working Group.
- 1.1.4 Garage premises used commercially for repair and any large garage used in connection with any business for the storage and/or repair of vehicles. Reference should be made to paragraph 1.2.11 in respect of Car Showrooms.
- 1.1.5 Premises used as Stores being generally much less extensive than warehouses but which can be used for similar classes of storage or for the storage of stock, tools, etc. in connection with a business run from these or other premises.
- 1.1.6 Miscellaneous commercial buildings similar to the above to which none of the other schemes of valuation are applicable.

1.2 Subjects Excluded

- 1.2.1 Subjects appropriate for valuation on the Contractors' basis.
- 1.2.2 Lock-ups – refer to LVJB Practice Note VP/C/1.
- 1.2.3 Nest Units – refer to LVJB Practice Note VP/I/2.
- 1.2.4 Contractors' Accommodation – refer to LVJB Practice Note VP/I/3.
- 1.2.5 Service Centres – refer to chair of LVJB Industrial group.
- 1.2.6 /...

- 1.2.6 Cold Stores – refer to SAA Practice Note 2.
- 1.2.7 Clean Rooms – refer to SAA Practice Note 5.
- 1.2.8 Certain Retail Warehouses – refer to SAA Practice Note 6.
- 1.2.9 Certain Bonded Warehouses, Maltings and Distilleries – refer to SAA Practice Note 8.
- 1.2.10 Distribution Warehouses – refer to SAA Practice Note 10.
- 1.2.11 Car Showrooms – refer to SAA Practice Note 23.

1.3 Subjects Resembling Shops

Premises physically resembling shops having a street level situation with display windows should generally be valued in terms of the Shops scheme. If premises have a shop frontage to the street and a rear section more truly comparable with purpose built warehouses or storage premises, it may be appropriate to value using the Shops scheme and the remainder on the industrial basis.

1.4 Subjects Resembling Offices

Premises resembling offices in physical character, especially when situated in buildings where adjoining subjects are occupied as offices, and otherwise in areas where the bulk of neighbouring premises are put to office use, should generally be valued in terms of the Offices scheme.

1.5 Class 4 units

Class 4 use is defined in The Town and Country Planning (Use Classes) (Scotland) Order 1997 as.... *a use which can be carried on in any residential area without detriment to amenity...* and allows use in the light industrial to office range including the research and development of products or processes.

Properties have been developed which have physical characteristics that vary from full industrial specification, including those referred to as 'hi-tech', to full office specification. The existence of this planning class has allowed properties of an office nature to be constructed in industrial locations and for industrial properties to be converted to office use. Accordingly, the range of physical characteristics, uses and combination of uses is wide.

It will be necessary to arrive at a level of value which fully reflects the particular property's location and physical characteristics either by employing the Office scheme or Industrial scheme with suitable adjustments to fully reflect the quality and character of the property. Staff should be guided by any rental evidence which is available either for the specific property or other similar properties. Purpose built Class 4 units, using facing brick, pitched roof etc and allowing a mixture of office and light industrial use will generally attain office levels of value.

In less obvious cases where the physical characteristics would imply an approach starting at the industrial level but the actual use is more closely aligned to that of an office, your Divisional Valuer should be consulted.

2 Basis of Valuation

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2 Basis of Valuation

The basis of valuation is the Comparative Principle based on a consideration of local rental evidence. Basic rates per square metre have been derived and should be applied to buildings on the assumption that they conform to a basic specification; thereafter additions and deductions will be made for certain services and variations in construction, finish etc. Further modifications in respect of age and obsolescence (where this is not already reflected in the basic rate), storey and quantum etc will then be applied. Guidance as to when resort should be made to the Contractors' Basis is given in paragraph 17.

Valuation basic rates should be applied to gross external areas. Where this information is unavailable, rates may be enhanced by 5% to 15% according to wall thicknesses and the areas involved.

2.1 Deviation from the Practice Note

Deviation from this Note will produce an unacceptable lack of uniformity. However, there will be exceptions and the Note must not be slavishly applied where the skill of the valuer indicates that in the particular circumstances it is not appropriate. In such circumstances your Divisional Valuer should be consulted.

3 Basic Rates

Staff should note that basic rates generally focus on rental levels for each specific location. Accordingly some features that previously merited an addition or an allowance are now reflected in the basic rate as shown in paragraph 3.1. In these circumstances no further allowances are merited for these factors.

Rates may vary within an industrial location in line with prevailing rental evidence reflecting, for example, modernity (examples include properties at Houstoun Industrial Estate and West Bowling Green Street). In certain locations, for example at Royal Elizabeth Yard and Fentonbarns, basic rates reflect age and condition. For this reason, reference must be made to the Industrial Analysis/ Basic Rates directory for comprehensive details of individual rents and valuations.

The Rates assume a situation at ground floor level. A Storey adjustment selected from the table at paragraphs 4.5 or 5.5 requires to be made to reflect alternative floor levels.

If new buildings are constructed or older properties extensively refurbished at locations comprising older properties or a mix of differing property types, rental information must be carefully analysed to determine whether the basic rate should be enhanced. If no evidence is available, refer to your Divisional Valuer.

Staff should note that the CVS is unable to automatically take account of variations in basic rate within the same street reference and for that reason over-rides to basic rates have been used. Accordingly, please exercise extreme care when removing over-rides or sub-dividing a property where an over-ride has been used.

3.1 /...

3.1 Basic Rates Summary

Refer to the Basic Rates directory for comprehensive details.

	Basic Rate	
	Building	Land
LOCATIONS	£/m ²	£/m ²
City of Edinburgh		
General	£50 – £65	£4.00
Midlothian		
General	£25 – £65	£1.50 to £2.50
West Lothian		
General	£22 – £60	£1.25 to £2.00
East Lothian		
General	£35 – £65	£1.00 to £2.50

3.2 Variations to Basic Rates

3.2.1 New Locations

Any new developments should fit into the overall pattern depending on rental and comparative evidence. It is recommended proposed rates are discussed with the Industrial Working Group.

3.2.2 Unique Developments

It is important that modern developments outwith established industrial areas are not valued using a modest local basic rate. The Industrial Group will identify and set appropriate value levels for such subjects, for example at Henderson Place Lane and at Riccarton in Edinburgh.

3.2.3 Land Values in the City Centre

The basic rate for land referred to in paragraph 3.1 together with surfacing does not reflect any use as car parking at properties in the City centre. The value of any such land should therefore be arrived at by using the Lock-Up Garages and Car Parking Spaces Practice Note (VP/C/1). Discuss any such approach with your Divisional Valuer.

4 Industrial Accommodation

4.1 Basic Specification

Post 1980 single storey unit with steel or concrete frame, walls of modern insulated cladding or masonry equivalent, insulated roof and granolithic or power-floated load bearing floor.

Internal height from floor to underside of eaves of 4.0 – 6.0 metres.

Average quality comfort heating and lighting.

Yard space and car parking extending to not more than half the total area of the buildings including the upper floors.

Other/...

- 4.1/ Other forms of construction such as pre-stressed or reinforced concrete and older construction generally e.g. masonry walls, timber floors, timber sash windows, timber truss pitched roofs etc., should be treated as being in all respect equivalent to the basic specification.

4.2 Adjustments to the Basic specification

The following adjustments will cover the majority of cases where valuers require to vary the basic rates and valuers should adopt these adjustments whenever possible.

Careful attention should be given to the assumed basic specification set out in Section 4.1 before the use of any further allowance is considered. Where it is felt that the prescribed adjustment is insufficient, advice should be sought from your Divisional Valuer. If an alternative percentage is adopted clear reasons should be noted.

Over-rides should not be used as a means of circumventing allowances authorised or available in other parts of this Note. If it is felt that a new code should be created, thus avoiding the use of an over-ride, then valuers should consult a member of the Industrial Working Group.

4.2.1 Floor Construction

Standard	Adjustment
Load bearing concrete or granolithic	Nil
Earth	-20.00%
Ash	-20.00%
Cobbled	-10.00%
Lightweight concrete floor with reduced load bearing capacity	-5.00%
Standard timber floor	-5.00%
Inferior timber floor	-10.00%
Tarmac	-5.00%
Unscreened concrete	-2.50%
Stone flags	-10.00%
Heavy reinforced concrete suitable for heavy engineering	+5.00%
Steel plate on concrete floor	+10.00%

4.2.2 Floor Finishes

Standard	Adjustment
Load bearing concrete or granolithic surface	Nil
Vinyl tiles	+2.50%
Vinyl tiles – anti-static	+7.50%
Epoxy resin	+2.50%
Power floated finish	Nil
Surface drainage	+2.50%
Terrazzo finish	+10.00%
Quarry tiles	+5.00%

4.2.3 Wall Construction

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4.2.3/

Standard	Adjustment
Standard specification	Nil
Inferior 0.22m brick or concrete block.	-2.50%
Inferior 0.11m brick /inferior block / concrete sections	-5.00%
Corrugated asbestos.	-2.50%
Inferior corrugated sheeting	-5.00%
Curtain walling and other special wall construction.	+15.00%

Any of these allowances can be granted in conjunction with allowances in paragraph 4.2.4. The maximum allowance for inferior uninsulated walls will be -15.0%.

4.2.4 Wall Finishes

Standard	Adjustment
Standard specification	Nil
Plaster or plasterboard	+5.00%
Timber faced plywood	+5.00%
Ceramic tiles	+10.00%
Terrazzo	+10.00%
Wipe clean finish	+10.00%
* Exposed external common brick or concrete block	- 2.50% *
No wall insulation	-5.00%
Single skin walls (incorporating NWI allowance)	-10.00%

* This allowance should only be granted if the wall is nearing the end of its useful life or if repair costs are considered to be onerous. This allowance should only be applied after consultation with your Divisional Valuer.

4.2.5 Roof Construction

Standard	Adjustment
Standard specification	Nil
Pitch and slated	0
Corrugated iron cladding	-5.00%
Timber and felt covering	-5.00%
Corrugated asbestos	-2.50%

Any of these allowances can be granted in conjunction with allowances in paragraph 4.2.6. The maximum allowance for inferior uninsulated roofs will be -15.0%.

4.2.6 Roof Finishes

Standard	Adjustment
Standard specification	Nil
Suspended ceiling formed by insulating board, plaster-board, acoustic tiles etc. (in production area only)	+7.50%
Absence of roof insulation	- 5.00%
Inferior roof insulation	- 2.50%
Single skin roof (incorporating NRI allowance)	-10.00%

Deductions for shortcomings in roof insulation are to be applied only to the floor immediately below the roof. In multi-storey buildings this allowance should not be applied to the ground or intermediate floors.

4.2.7 /....

4.2.7 Service Plant

The approach to the treatment of service plant is governed by the terms of the Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000, as amended. Class 2 of the Schedule of Prescribed Classes of Plant and Machinery describes as rateable service items including plant used for heating, cooling and ventilating but specifically excludes *"any such plant or machinery which is in or on the lands and heritages and is used or intended to be used in connection with services mainly or exclusively as part of manufacturing operations or trade processes"*.

Note that the term *Air-Conditioning* is not referred to in the Regulations but the services which air-conditioning plant provides such as heating, cooling and ventilating are specifically mentioned.

Careful consideration must therefore be given before removing any service plant from value which it is claimed was installed only as a trade process requirement. It is suggested that where the main or exclusive use of an item of service plant cannot be identified as being used as part of manufacturing operations or trade processes, then the item should be regarded as rateable under Class 2.

In the case of multi-purpose service plant, the functions of the plant should be individually considered. For example, in the case of an air-conditioning system which provides amongst other things, heating, the use of the heating needs to be identified and unless the heating is used mainly as part of manufacturing operations or trade processes, then an element in respect of heating should be included in value.

For further assistance in this matter reference should be made to the SAA paper *"Interpretation Guidance: Class 2 Table 2(b) The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000"*.

For the avoidance of doubt, where plant provides general benefit to lands and heritages, e.g. heating, lighting, sprinklers or security systems, without direct or active participation in the manufacturing operation or trade processes, then the plant should be retained in valuation. The foregoing principles on non-rateability apply only in the case of service plant *.....used or intended to be usedas part of manufacturing operations or trade processes....* and care should be taken not to exclude plant under this interpretation of Class 2 that may still be rateable in terms of Classes 3 or 4.

It is essential that all valuers act consistently in this matter. If in any doubt, consult your Divisional Valuer.

4.2.8 Lighting

Standard	Adjustment
None	-5.00%
Poor - having only a minimal pendant system	-2.50%
Fair - having only adequate pendants or fluorescent tubes	Nil
Good - having a full system of pendants or fluorescent tubes adequate for general factory work.	Nil
Excellent - the most comprehensive systems or special pendant systems.	+2.50%

The/...

4.2.8/ The average system found at most properties will fall into the 'Fair/Good' category. Careful consideration must be given before removing from value in terms of Class 2, specialised installations of lighting systems, which it is claimed are ... *on the lands and heritagesto be used in connection with services mainly or exclusively as part of manufacturing operations or trade processes"*.

4.2.9 Heating and Ventilation

Standard	Adjustment
None/Minimal – normally only power points with a few portable appliances	-10.00%
Poor – defined as having only a few radiators or localised heating only	-5.00%
Fair – general background heating by radiators or free standing hot air units	Nil
Good – a full system of radiators, steam panels or hot air units extended by ducting.	Nil
Excellent - the most comprehensive system of steam panels or air ducting	+2.50%
Mechanical ventilation systems inducting fresh air from outside or suspended cassette systems providing chilled air only.	+5.00%
Basic ducted AC system capable of heating, cooling, ventilating and humidity control but without filtration or suspended cassette system providing full AC	+15.00%

Hot air units such as Colt free standing blowers which are often found giving no more than localised heat should be classified as 'Fair' unless extended by ducting. Ridge mounted blower systems found for example in Livingston units are to be treated (as they have been in the devaluation of rents) as being of 'Good' standard. Most other average systems will be treated at the 'Good' rate. The Heating and ventilation additions include for the boiler, chimney and fuel tanks, where appropriate, but not the boiler house.

Careful consideration must be given before removing from value in terms of Class 2, specialised installations of heating and/or ventilation systems which it is claimed are ... *on the lands and heritagesto be used in connection with services mainly or exclusively as part of manufacturing operations or trade processes"*.

4.2.10 Sprinkler Systems

Standard	Adjustment
Normal hazard system (to include ancillary plant excluding any water storage tank or lagoon which should be valued as a separate item of Plant).	+5.00%

4.2.11 Loading Bays

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4.2.11 Loading Bays

Item	Adjustment	Code
Loading bays – those contained within a physically separate section of the warehouse building.	+7.50%	LB - use RF box to input percentage
Loading bays – elevated warehouses with rows of loading doors with dock levellers giving direct access to the warehouse space with no physically separate loading bay area.	+2.50% to +5.00% As a guide, the higher percentage would apply where the total area served is relatively small, say <700m ² , and the lower percentage would apply where the area served is extensive, say >1,500m ² .	LB - use RF box to input percentage

4.2.12 Eaves Height

4.2.12.1 Determination of Eaves Height

Eaves height should be measured above finished floor level to the true junction of the vertical stanchion and the rafter or portal beam, excluding any angle plate or fillet. Buildings with roofs of non-conventional design, for example steep mono-pitches or hipped profiles to enable high stacking, should have a notional eaves height adopted that reflects their storage capability.

It should be noted that some buildings with an above average eaves height or with large clear-spans may have heavy steel frames in which case an addition based on paragraph 4.2.12.3 may be more appropriate.

4.2.12.2 Light (Standard) Framed Buildings

This definition covers the majority of factories and warehouses that are built to the specification described in Paragraph 4.1.

The basic rate should be adjusted according to the following table.

Eaves height	Adjustment
2.00m and below	-20% to -50.0%
2.01 - 2.49m	-10.00%
2.50 – 2.99m	-7.50%
3.00 – 3.49m	-5.00%
3.50 – 3.99m	-2.50%
4.00 – 6.00m	Nil adjustment
6.01 – 7.00m	+ 2.50%
7.01 – 8.00m	+ 5.00%
8.01 – 9.00m	+ 7.50%
9.01 – 10.00m	+10.00%
10.01 – 11.00m	+12.50%
11.01 and above	+15.00%

4.2.12.3 /...

4.2.12.3 Heavy framed buildings

Certain buildings, generally with eaves heights greater than 7.00m, will have significant structural frames and the adjustments reflect the relative increase in the cost of construction. For buildings greater than 12.00m, consideration must be given to their particular circumstances and the best guide to the increase required may be comparison of the cost, either actual or estimated, of the building being valued with the costs of factories fitting the specification in paragraph 4.1.

Eaves height	Adjustment
7.00 – 7.99m	+5.00%
8.00 – 8.99m	+10.0%
9.00 – 9.99m	+12.50%
10.00 – 10.99m	+15.00%
11.00 – 11.99m	+17.50%
12.00m and above	20.00% plus

4.2.13 Overhead Cranes

In terms of the Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 as amended, overhead cranes (gantries) are not to be included in value unless in terms of paragraph 2(iii) of the List of Accessories they function 'mainly or exclusively' in connection with any of the items listed under Class 1 (the "power items") or Class 2 (the "service" items).

Thus, an overhead crane used for moving steel plates around an engineering works would not be rateable but a crane used "mainly or exclusively" to lift coal from a stockpile to a boiler would fall to be valued. It should be remembered that in terms of the 2000 Regulations, the old Scottish rules involving heritability and removability of plant inside a building no longer apply and therefore, in the case of the overhead crane serving the boiler, the moving crane itself is to be valued.

In the majority of cases however, overhead cranes will be used in connection with process purposes and not being named items, will not be rateable. However, the crane rails on which overhead cranes travel are, in all circumstances, rateable either in terms of paragraph 2(i) of the List of Accessories applying to Classes 1 and 2 or as named items appearing in Table 3 of Class 4.

The following additions will be made to the area served by the travelling crane and represent the existence of the crane rails only. Should the crane itself require to be valued then further information will be found in the SAA Cost Guide. Crane rails supporting cranes of less than 5 tonne capacity should be ignored.

Crane capacity	Addition
Up to 5 tonnes	No addition
6 to 15 tonnes	+2.50%
16 to 25 tonnes	+5.00%
26 to 50 tonnes	+7.50%
Over 50 tonnes	+10.00% maximum

4.3 /...

4.3 Quality of Construction

4.3.1 Superior Construction

Certain subjects, especially when purpose built, are of superior construction or quality either as regards the basic structure, finishes, fitting out or services compared to a standard unit. As an example, particular factories which have been built to the requirements of a particular occupier are generally better constructed and fitted out than standard units and an addition may be merited.

Where such properties are found they should be referred to a senior member of the Industrial Working Group. It should be noted that if the industrial accommodation is of an equal standard to office accommodation, the production rate should be increased accordingly.

There are also parts within production areas of very high quality e.g. clean rooms, where the features can include false ceilings, welded vinyl floors and walls, sealed windows, individual air conditioning units, special lighting, etc. These are invariably of a superior quality and finish to office areas and reference should be made to the SAA Practice Note 5. Other percentage rates of increase can be selected depending on the relative quality of the building being valued.

Special items found (unless listed above) should be added by reference to the SAA Cost Guide. In the absence of any information or for specialist items, value at 5.00% of the rateable cost as at 1 April 2008.

4.3.2 Disabilities

Type	Allowance
Narrow bays with columns at 3.00 metres	Up to -10.00%
Narrow bays with columns at 9.00 metres	Up to -5.00%
Narrow bays with columns at 15.00 metres	Nil
Poor building design such as awkward shape or restricted access to any particular building.	Up to -10.00%
Variation in floor levels	Up to -2.50%
Excessively thick stone walls	Up to -5.00%

A maximum of -15.00% can be given under this heading. In view of the general obsolescence allowances in paragraph 9, these allowances should not be over generously applied and should be reserved for unusual properties. They should not duplicate allowances given under paragraph 11.

4.3.3 Open Walls

This refers to walls open to the exterior and not to internal voids between buildings.

Type	Allowance
One long side fully open	-20.00%
One short wall fully open	-10.00%
Each additional side fully open	-10.00%
Walls partially open	A proportion of these allowances

4.4 /....

4.4 Age and Obsolescence

Refer to paragraph 9.

4.5 Storey Allowances

The following deductions are applicable to floors other than the ground floor.

Floor	Separate passenger & goods lift	Goods lift only	Stair access only
GF	Nil	Nil	Nil
1F	10.00%	15.00%	25.00%
2F	15.00%	20.00%	50.00%
3F	15.00%	25.00%	75.00%
4F & above	15.00%	30.00%	95.00%
Basement	10.00%	15.00%	25.00%

These allowances are appropriate to properties with production space both at ground and upper floor levels. Where a subject is found only at upper floor level the allowances may be modified according to the particular circumstances and evidence. The allowances may be increased where a floor is an attic or a floored loft at your discretion.

The 'Separate passenger & goods lift' column assumes a hoist adequate to serve the upper floors of a building. It is difficult to define *adequate* in this context as circumstances vary so much but as a guide, a hoist of 5 persons/0.5 tonne (10 cwt.) capacity is expected in a medium size unit with a larger, 10 person/1.5 tonne hoist, or more than one smaller hoist, in larger units.

Where it is clear that lift capabilities are inferior and not sufficient to serve the upper floor situation, the storey allowance may be increased. Larger allowances may be required where there is, for example, only a small hoist with access through a hatch. Upper floors in older properties are often affected by load bearing considerations, poor access etc., and in these cases, in addition to a storey allowance, it may be necessary to consider allowances in terms of paragraphs 4.3.2 or 11.

These allowances do not apply in purpose built vertical process buildings such as may be found in distilleries, flour mills, chemical works, etc., where the type and position of a floor may be dictated by process considerations. In such cases, storey allowances might be abated or even completely withheld or a valuation on the contractors' basis considered.

5 Offices

The following paragraphs apply to offices and similar accommodation attached to or *unum quid* with industrial / warehouse subjects.

Should any office, or part of any office at an industrial subject, fall to be entered separately in the Valuation Roll consideration should be given to applying the appropriate office level of value.

5.1 Basic Specification

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5.1 Basic Specification

All offices will be initially compared with a building matching the following specification.

Cavity brick or concrete block walls, roughcast externally or equivalent modern cladding. Plasterboard internal partitions with veneered doors. Soft wood skirtings and facings. Vinyl tiled or carpeted floors. Plasterboard or suspended ceilings of 2.50 - 3.50m height. Relatively plain standard of finish equivalent to modest spec. built office. Average heating from radiators or similar. Average fluorescent tube lighting or similar. Good natural light from external windows.

Other forms of wall construction such as stonework, facing brick etc., should be treated as in all respects equivalent to the basic specification.

5.2 Adjustments to the Basic Specification

Where the valuer is of the opinion that the general structural quality of any building of office character, which includes offices, toilets, canteens, kitchens or other miscellaneous accommodation, varies from the specification given in paragraph 5.1 (OA or M1), then the basic rate may be altered by using a Value Relationship ratio. The ratio reflects quality in relation to average specification industrial office accommodation.

In particular, offices installed as tenant's improvements comprising simple partitioning / ceiling linings and lacking in natural light should be valued, as they have been treated in the rents analysis, using the OW or M2 codes. The very poorest offices (OP) will be valued at no greater than production levels.

The corporate office code OX should be used for offices displaying quality features and finishes such as modern stone finish to walls, dado panelling, suspended decorative ceilings, panelled vestibules, terrazzo or other superior flooring in corridors and staircases, double glazing and marble linings to walls. Such features will normally be accompanied by a level of architectural design not associated with normal letting units in, for example, properties occupied as corporate headquarter buildings.

Code	Ratio	Details
OX	150	Office – Corporate quality
OA	125	Office – Administration quality
OW	115	Office – Worker quality
OP	100	Office – Production quality
MX	150	Miscellaneous
M1	125	Miscellaneous
M2	115	Miscellaneous
M3	100	Miscellaneous

Please note, the following references in brackets relate to the Ratio column shown in the above table.

5.2.1 Floor Finishes

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5.2.1 Floor Finishes

Standard	Adjustment
Load bearing concrete or granolithic surface	Nil
Cork tiles (100)	+5.00%
Vinyl tiles (100)	+2.50%
Vinyl tiles - anti-static (100)	+7.50%
Vinyl tiles - anti-static (115, 125 & 150)	+5.00%
Epoxy resin (100)	+2.50%
Power floated finish	Nil
Unscreeded concrete (100 & 115)	-2.50%
Unscreeded concrete (125 & 150)	-5.00%
Raised floor for network cabling	+10.00%
Terrazzo finish (100)	+10.00%
Terrazzo finish (115)	+5.00%
Terrazzo finish (125 & 150)	+2.5%
Quarry tiles (100)	+5.00%
Quarry tiles (115, 125 & 150)	+2.50%

5.2.2 Wall Finishes

Standard	Adjustment
Standard specification	Nil
Plaster or plasterboard (100)	+5.00%
Timber faced plywood (100)	+5.00%
Ceramic tiles (100)	+10.0%
Ceramic tiles (115, 125 & 150)	+5.0%
Terrazzo (100)	+10.0%
Terrazzo (115, 125 & 150)	+5.0%
Wipe clean finish (100)	+10.0%
Wipe clean finish (115, 125 & 150)	+7.50%
Fair-faced common brick or concrete block (100 & 115)	Nil
Fair-faced common brick or concrete block (125 & 150)	-5.0%
No wall insulation	-5.00%
Single skin walls (incorporating NWI allowance)	-10.00%

5.2.3 Roof Finishes

Standard	Adjustment
Standard specification	Nil
Suspended ceiling formed by insulating board, plasterboard or acoustic tiles (100)	+7.50%
Absence of roof insulation	- 5.00%
Inferior roof insulation	- 2.50%
Single skin roof (incorporating NRI allowance)	-10.00%

5.2.4 /...

5.2.4 Lighting

Standard	Adjustment
None	-5.00%
Poor - limited pendants	-2.50%
Fair - adequate pendants	Nil
Good - full pendants or fluorescent.	Nil
Excellent – the most comprehensive systems.	+2.50%

5.2.5 Heating and ventilation

Standard	Adjustment
None	-10.00%
Poor - a few radiators or heaters/pipes only	-5.0%
Fair - background heating by radiators	Nil
Good - full system of radiators or basic ducted air systems	Nil
Excellent - the most comprehensive systems.	+2.50%
Mechanical ventilation systems inducting fresh air from outside or suspended cassette systems providing chilled air only.	+5.00%
Basic ducted AC system capable of heating, cooling, ventilating and humidity control but without filtration or suspended cassette system providing full AC.	+15.00%
Superior variable air volume system to be found generally only in superior offices.	+20.00%

The rateability of all air handling plant is affected by the terms of the Plant & Machinery Regulations. It is unlikely that in offices a convincing argument could be made for exclusion on the grounds of the plant being essential... *as part of manufacturing operations or trade processes.*

5.4 Age and Obsolescence

Refer to paragraph 9.

5.5 Storey Allowances in Offices

When dealing with floors other than the ground floor, the rate should be made up and adjusted in the usual way as for a ground floor situation but in addition, the following deductions are applicable.

Floor	Passenger lift	No lift
GF	Nil	Nil
1F	Nil	Nil
2F	-10.00%	-10.00%
3F	-10.00%	-30.00%
4F & above	-10.00%	-40.00%

5.6 /...

5.6 Office to Production Area Relationship

Where office accommodation is clearly in excess of that normally required for the size of factory or warehouse and perhaps contains a significant number of staff not directly concerned with the production activity, a value check should be made against the level of other Offices valued on the office basis and a hybrid valuation considered. Refer such cases to your Divisional Valuer.

5.7 Storage Space Over Offices

Many modern letting units with internal offices created at ground level only will have a void over the offices and below the main roof usually open to the production space. This area frequently has a structural floor to permit future development but is often to be found used for storage.

Treatment for valuation purposes will depend on the quality and access to the accommodation. Where there is a load bearing floor and a fixed access from the production space, then an appropriate rate should be built up in the usual way. Where access is of a temporary nature and the value is limited by load bearing considerations or restricted height making the area suitable for only simple storage, then treatment as an 'extra' will be more appropriate and a figure of 25% of the production rate or application of the mezzanine rates (see paragraph 8.3) is suggested. No addition should be made when the void merely exists with no potential for storage or evidence of actual use.

The majority of storage voids over offices when valued as extras should be excluded from quantum calculations. However, where the valuer feels that the contribution to value is sufficient to be included, then the quantum box should be 'ticked' which will have the effect of including the area in the quantum calculation. The description "Store over Office" has been added to the drop down menu for extras on the CVS system.

6 Toilets

6.1 Basic Specification

This is intended to apply to toilets usually located directly off the production space built to a lesser standard than might be found in administrative offices.

Such accommodation is characterised by brick walls roughcast externally, internally plastered with some wall tiling with vinyl or tiled flooring. The ceiling will be plasterboard or plain tiles. The general standard of finish will be extremely plain with basic heating and lighting. Other forms of construction, such as harled concrete block, prefabricated units, and facing brick should be treated as in all respects equivalent to the basic specification.

6.2 Basic Rates

A basic rate should be selected varying between that of the administrative offices to that of the production space depending on quality. The rate should be enhanced where on occasions, the basic specification is exceeded. The very best facilities should be treated as of a Corporate standard. Refer to paragraph 5.2 for any adjustment(s) required for specific features.

Value relationships with the production space may be selected from the following table.

/...

6.2/

Code	Ratio	Details
TX	150	Toilets - Corporate quality
TO	125	Toilets – Office use / quality
TP	115	Toilets – Production / workers use
TB	100	Toilets – Basic quality

7 Canteens and Kitchens

7.1 Basic Specification

This is intended to apply to Canteens and Kitchens usually located directly off the production space built to a lesser standard than might be found in the administrative offices.

Such accommodation is characterised by brick walls roughcast externally, internally plastered with vinyl tiled floors. The ceiling will be plasterboard or plain tiles. The general standard of finish will be extremely plain with basic heating and lighting. Other forms of construction, such as harled concrete block, prefabricated units, and facing brick should be treated as in all respects equivalent to the basic specification.

7.2 Basic Rates

A basic rate should be selected varying between that of the administrative offices to that of the production space depending on quality. Many canteens and kitchens are however better than the production / warehouse area specification internally and the typical office level is anticipated to be the norm. Where any canteen or kitchen forms part of the office block and is clearly of the same standard, then the office rate should be applied. The very best facilities should be treated as of a Corporate standard. Refer to paragraph 5.2 for any adjustment(s) required for specific features.

Value relationships with the production space may be selected from the following table.

Code	Ratio	Details
CX	150	Canteen - Corporate
CG	125	Canteen - Good
CA	115	Canteen – Average
CB	100	Canteen – Basic
KX	150	Kitchen – Corporate
KG	125	Kitchen – Good
KA	115	Kitchen – Average
KB	100	Kitchen – Basic

8 Other Ancillary Accommodation

8.1 General

Rates for boiler-houses, sub-stations, switch-rooms, stores, garages and similar accommodation should be built-up as described in the preceding paragraphs. Rates for minor items may be taken from paragraph 13. Rates for laboratories of a standard similar to offices should be derived from the office rates in paragraph 5 although the valuers attention is drawn to the SAA Clean Rooms and Universities, Colleges and other Institutions Practice Notes.

8.2 /...

8.2 Canopies

The construction of canopies varies considerably from light umbrella type frames to heavy structures capable of carrying gantries or heavy machinery. The rate to be applied will therefore depend on the quality and the construction. As a guide, apply 25.0% of the production / warehouse area basic rate for a roof only, 50.0% for a two walled structure and up to 75.0% for a three walled structure. Build up the rates as required for additional features.

8.3 Mezzanine Floors and Racking

Proprietary systems of steel racking within warehouses and factories used typically for storage of pallets etc are not named items within Class 4 of the Plant and Machinery Regulations and are therefore not rateable. Where, however, such a framework is used to provide support for an additional floor, then the value of that floor within the property can be recognised. (Class 4, Table 3 - Platforms.)

Such accommodation should be valued as an extra over using the CVS extras field using the rates shown below. The eaves height of the building containing the mezzanine should not be reduced.

Description	Extra-over on basic rate
Mezzanine floor on substantial Dexion type frame with fixed stairways and lighting capable of supporting heavy loads.	£15.00
Mezzanine floor on medium Dexion type frame with fixed access capable of supporting medium loads.	£11.25
Mezzanine floor on light frame perhaps with moveable access for storage of small goods or light items. This increment may be applied to walkways and simple platforms considered rateable.	£7.50

9 Allowances

9.1 Age and Obsolescence

The following table indicates the combined age and obsolescence allowance, which is appropriate to buildings in average condition for their age. Allowances greater than 50.00% should only be made in exceptional circumstances, as it is to be expected that buildings built earlier than 1930 will have been improved.

It is important the following table is not automatically applied. Instead reference must be made to paragraph 3 (Basic Rates) to ensure the rate applied does not already reflect age and obsolescence.

/...

9.1/

Year	Allowance	Year	Allowance	Year	Allowance
1980	to	2010	Nil		
1979	1.00%	1962	18.00%	1945	35.00%
1978	2.00%	1961	19.00%	1944	36.00%
1977	3.00%	1960	20.00%	1943	37.00%
1976	4.00%	1959	21.00%	1942	38.00%
1975	5.00%	1958	22.00%	1941	39.00%
1974	6.00%	1957	23.00%	1940	40.00%
1973	7.00%	1956	24.00%	1939	41.00%
1972	8.00%	1955	25.00%	1938	42.00%
1971	9.00%	1954	26.00%	1937	43.00%
1970	10.00%	1953	27.00%	1936	44.00%
1969	11.00%	1952	28.00%	1935	45.00%
1968	12.00%	1951	29.00%	1934	46.00%
1967	13.00%	1950	30.00%	1933	47.00%
1966	14.00%	1949	31.00%	1932	48.00%
1965	15.00%	1948	32.00%	1931	49.00%
1964	16.00%	1947	33.00%	1930	50.00%
1963	17.00%	1946	34.00%	Pre 1930	50.00%

9.2 Extended Application of Age and Obsolescence Scheme

While the allowances shown in 9.1 will be appropriate for buildings in an average expected condition for their age, there will be occasions when valuers may wish to extend these allowances to reflect particular circumstances. Prior to enhancing age and obsolescence allowances, these circumstances and the available evidence must be carefully considered.

Condition code	Enhancement factor
GD	1.00
FR	1.10
PR	1.20

Thus, a building erected in 1960 and carrying an FR code will have the normal 20.00% age and obsolescence allowance enhanced by 1.10 resulting in a final allowance of 22.00%.

Exceptional cases will of course arise from time to time where, for example, a property has not been maintained for some years and is approaching the end of its useful life, or where accelerated depreciation has occurred through overuse of a low specification building. In such cases, advice should be sought from your Divisional Valuer.

Any situations where it is considered that the age and obsolescence of a post 1980 building ought to merit an allowance must be brought to the attention of the Industrial Working Group before any allowance is granted.

9.3 Improved Buildings

Where a building has been structurally upgraded, an allowance midway between the date of construction and improvement should be applied reflecting the blend of old and new. For example, in the case of a building erected in 1950 and substantially refurbished in 1980, the allowance will be 15.0%, being the midway point between 0% (1980) and 30.00% (1950).

In/...

9.3/ In case of new construction within an existing building, the use of an intermediate percentage should be followed as described above, for example, where office space is constructed within an existing property.

If a property has been recently refurbished, the valuer must satisfy themselves that the property's basic rate reflects the refurbished condition or whether a quality enhancement should be applied. The enhancement would recognise the value of the refurbishment relative to the age of the subject considered as part of the Revaluation rental analysis. Such additions should only be applied where the quality is superior to that of the norm for the particular location. If an addition is considered appropriate, consult your Divisional Valuer. NB Please add appropriate notes to the CVS system and mark the 'specialised' marker.

In the case of total interior refurbishment, it may be more appropriate to insert the date of improvement as the date of the building and deal with any remaining disadvantages as disabilities in terms of paragraph 4.3.2.

10 Land

10.1 Basic specification

The basic specification for buildings assumes that there is present yard space, car parking and access roads, amounting to not more than 50.0% of the total area of the subject, including accommodation above the ground floor. No account however should be taken of minor buildings such as canopies or open sheds or of items valued as extra-overs. Note that any Extras with a 'Q' marker will be automatically included in the automated calculation.

In calculating the value of additional land, care should be taken to ensure that only truly valuable land is included. On industrial estates for example, landscaped areas fronting the estate road will be deemed included in the basic rate. In determining what surfaced land is included as part of the basic specification, all tarmac and concrete car parks, yards and roadways will be calculated and deducted from the area of half the buildings total before any poorer quality surfaced or unsurfaced ground. Long access roads should be excluded from calculations.

The value of land should be selected from the basic rates table shown at 3.1 above. This table refers only to site value, including drainage and water supply, and that surfacing additions are not included.

10.2 Additions for surfacing, fencing and lighting

10.2.1 Surfacing

Description	Adjustment
Concrete roads and storage areas for heavy vehicles	+75.0%
Concrete car parks and normal storage areas	+60.0%
Tarmacadam roads and storage areas for heavy vehicles	+60.0%
Tarmacadam car parks and normal storage areas	+50.0%
Ash Surfacing	+20.0%
Gravel surfacing	+20.0%

10.2.2. /...

10.2.2 Condition

The condition of surfacing may be taken into account by applying the following allowances where appropriate.

Standard	Adjustment
Good	Nil
Fair	-15.0%
Poor	-30.0%

10.2.3 Boundary Walls and Fences

Construction	Height	Addition per linear m.
Chain link	1.22m	£1.00
	1.83m	£1.20
	2.40m	£1.55
Timber post & wire	1.22m	£0.80
	1.40m	£0.85
Un-climbable steel security fencing with steel palisade security pales	1.80m	£3.60
	2.40m	£4.10
	2.70m	£4.80
Stone walling	1.50m	£3.75
	2.50m	£6.00
Brick or concrete block walling	1.50m	£3.75
	2.50m	£6.00

These additions should be applied whether the fence is mutual or not.

10.2.4 Yard Lighting

Specification	Value
Lamp standards to 6.00m complete with fittings	Add £50.00 NAV per unit
Wall mounted floodlights	Add £10.00 NAV per unit
Floodlights on 12.0m columns with 250 watt lamps	Add £150.00 NAV per unit

Costs for lighting systems can vary greatly and the SAA Cost Guide should be consulted or actual costs used, suitably adjusted to the valuation date of 1 April 2008.

10.2.5 Allowances to Land Values

Where ground is rough or uneven, subject to flooding etc., or where large areas of unserviced land are held for future expansion, the rates may require to be modified according to the particular circumstances of each case. The following adjustments are suggested as a guide.

/...

10.2.5/

Description	Adjustment
Uneven surface in parking or storage areas	Deduct up to 10.0% of land value and / or surfacing rate.
Large areas of rough unserviced ground for future expansion	Deduct up to 50.0% of the land value rate. In no case should the rate adopted be less than agricultural value. Major subjects with excess land will require special consideration.
Land with severe gradients or completely flooded thereby excluding any ordinary use.	Nil value.

11 Redundancy

If a subject has been specially designed to accommodate a particular industry and there is little or no demand for such subjects, the occupation of that property by another type of industry may result in considerable redundancy of floor space. This could be considered as poor building design for which the allowance under paragraph 4.3.2 of up to -10.00% is available.

As well as being too large or awkwardly shaped, buildings eaves may be too high for the present purpose having been adapted from some use that required greater height. In such cases, any addition under paragraph 4.2.12 may need adjusted.

Redundancy may affect individual buildings in which case any due allowance should be applied to the particular building only. On the other hand redundancy may affect the whole subject and in this case it is more appropriate to consider any allowance as an end allowance.

While it is very rare, parts of upper floors which are not used or have very limited use and which, because they are affected by so many adverse factors, would not be of use (or very limited use) to a hypothetical tenant, the values of these parts should reflect this. If any such circumstances are identified consult with your Divisional Valuer to determine if limited or nominal figures should be applied.

Redundancy allowances should not be made to take account of trade recessions where buildings are of the general industrial type. Trade recession in specialist subjects must be referred to your Divisional Assessor.

It is very important that allowances granted in terms of this paragraph are not duplicated by granting further allowances in terms of paragraph 12 (Percentage Adjustments).

12 Percentage Adjustments

The following allowances may be made for factors affecting the *unum quid*. While there may be cases where more than one allowance is appropriate, care should be taken that the aggregated allowances are not excessive. The total should not normally exceed + or -10.0%. Any aggregate allowances in excess of + or -10% should be referred to your Divisional Valuer.

In the case of older large industrial premises careful consideration should be given to the layout of the buildings particularly where buildings are separated by yard space or where the use of a building has evolved over time. Each property should be reviewed on its own merits and any allowances for 'Site Deficiencies' should be referred to the chair of the Industrial Working Group.

Where/...

12/ Where modern methods of production result in an excess of floor space, no reduction for redundancy should be granted. However, if the modernisation affects the entire industry due to improved methods or new technology, the excess space may have a considerably reduced value. The greatest care must be taken before awarding such industry based allowances. If any alternative use is made, or is available, the redundant space might be valued having regard to such limited use. Consult the chair of the Industrial Working Group in such cases.

It is very important that allowances granted in terms of this paragraph are not already reflected in allowances applied to specific buildings in terms of paragraphs 4.3.2 (Disabilities), 9 (Age and Obsolescence) or 11 (Redundancy).

Disability	Description	Allowance	Description
Piece meal development	Large old properties with ranges of buildings situated outwith industrial estates where letting as a single entity is unlikely ever to be achieved.	Up to -5.0%	RANGE
Layout	Badly shaped site, restricted site, bad layout or lack of yard space.	Up to -10.0%	LAYOUT
Split site	Buildings divided by a public road in the unusual circumstance of the subject being properly considered a <i>unum quid</i> .	Up to -5.0%	SPLIT
Floor levels	Variation in floor levels not normally found in general factory premises, due to differences in site levels.	Up to -5.0%	LEVELS
Access	Poor access to site that might be expected to cause increased costs through extra handling, time losses, additional labour, etc.	Up to -5.0%	ACCESS
Site Deficiencies	A combination of the above. Relates specifically to older large industrial properties or site specific issues.	See above	SITE DEFICIENCIES
Addition	Description	Addition	Description
Retail	Properties that have a significant retail element and are predominantly used for retailing. Refer to para 1.2.8 above (Retail Warehouse approach).	10%	RETAIL

13 Small Units

Small subjects that physically resemble workshops, stores and miscellaneous buildings form a sub-category for which the main practice note is inappropriate. These should be valued in accordance with the scales that follow. The rates are for guidance and should be interpolated as necessary. Care must be taken that the subject being valued is appropriate for valuation from these scales and that the provisions of section 1.2 relating to commercial type properties are heeded. Subjects valued in terms of this part of the practice note will not normally exceed 100.0m². These rates do not apply to purpose built or specially adapted groups of nest units which should be valued in terms of the Nest Unit Practice Note (VP/1/2). **The rates must be enhanced by the appropriate inverse quantum addition.**

13.1 /...

13.1 Locations

Location	
A	City of Edinburgh
B	City Periphery including Loanhead, Musselburgh, Newbridge, South Queensferry, Broxburn and Livingston
C	Towns and larger villages throughout Lothian including Dalkeith, Gorebridge, Roslin, Penicuik, Tranent, Haddington, North Berwick, Dunbar, Bathgate, Linlithgow, West Calder and Winchburgh
D	Small villages and rural areas including Cousland, Pathhead, Innerwick, Pencaitland and Fauldhouse.

13.2 Specifications and Location Rates

Specification	Location rates per square metre				
	A		B	C	D
	O/Wall	Floor	O/Wall	O/Wall	O/Wall
1 Modern construction but constructed to a lesser scale than factory specification with 0.22m brick walls possibly roughcast. Walls internally whitewashed, painted or cheaply lined. Average eaves height 4.00m. Unscreeded concrete floor. Unlined insulated roof. Good natural and artificial light. No heating. Constructed since 1980. Good condition, eg tradesmen's workshops or stores.	£48.00	£52.50	£40.00	£30.00	£22.00
2 Generally as 15.3.1. but older. Constructed between 1960-1980. Condition generally Fair to Good.	£42.50	£46.50	£35.00	£27.50	£20.00
3 Generally as 15.3.1. but older. Constructed between 1940-1960. Condition generally Fair to Good.	£35.00	£37.50	£28.00	£22.00	£15.00
4 Generally as 15.3.1. but having 0.11 m brick walls and constructed 1920-1940. Condition generally Fair.	£23.50	£25.50	£19.00	£15.00	£10.50
5 Generally as 15.3.1. but older and / or in poorer condition. Also includes buildings of stone construction with sound walls, possibly plastered and painted internally. Pitched and slated roof. Concrete or timber floors. Reasonable daylight and fair artificial light. No heating. Probably of pre-1914 construction. Condition generally Poor.	£17.50	£19.50	£15.00	£11.50	£8.00
6 Oldest stone buildings in very poor condition - leaking and difficult to keep in repair. Rough random rubble walls. Slated or pantile roofs. Earth rubble, poor timber or cobbled floors. Very little natural light. No electricity, eg former stables in town back lanes, oldest country smithies and oldest steading buildings.	£7.50	£8.50	£6.25	£5.00	£3.75

13.2/

Specification	Location rates				
	A		B	C	D
	O/Wall	Floor	O/Wall	O/Wall	O/Wall
7 Stores, workshops etc. formed on the ground floor of tenements and other multi-storey houses, offices etc. Generally to be found in streets which have declined and with limited commercial potential. Plastered walls and ceilings. Reasonable natural light and fair artificial light. Condition generally fair to good.	£40.00	£42.50	£30.00	£20.00	£17.50
8 Poor quality cellerage only suitable for rough storage. Unlined walls. Rough concrete or stone floors. Generally dark and damp. Poor or very poor condition.	£7.50	£8.50	£6.25	£5.00	£3.75
9 Timber buildings of superior construction and quality. Timber or light steel frame with cladding of weatherboard asbestos sheeting or similar. Timber or similar sarking with felt, tile or cedar shingle covering. Timber or solid floor on permanent foundation. Walls lined internally. Good standard of daylight and artificial light. No heating. Erected post 1970 and in good condition.	£27.50	£30.00	£22.00	£16.00	£12.00
10 Similar to 15.3.9. but of cheaper quality or in a poorer condition. Simple corrugated asbestos walls and roof, no linings. Generally in at least fair condition. Will include MOD hutting, better quality Nissen huts etc.	£17.50	£19.00	£14.00	£11.00	£7.50
11 Old timber buildings nearing the end of useful life. Old weatherboard or corrugated iron cladding, not fully weather tight. Floors of old sleepers etc. Poor natural light. Poor or very poor condition.	£5.50	£6.00	£5.00	£3.00	£2.50
12 Former air raid shelters of brick construction in very poor condition	£5.00	£5.50	£4.50	£2.75	£2.25
13 Timber sheds or other buildings completely open at one end or along one side. Apply a proportion of the above rates in accordance with paragraph 4.3.3.	-	-	-	-	-

14 Quantum

/...

14 Quantum

An adjustment for quantum will be made in accordance with the following scale. The scale requires to be interpolated to an exact percentage applicable to each property.

In the calculation of area for quantum purposes, only main buildings e.g. production area, offices, loading bays, boiler houses etc. should be included. Canopies or other low cost minor buildings should not be included.

Area	Adjustment
Under 100m ²	+10.0%
at 200m ²	+7.5%
at 300m ²	+5.0%
at 400m ²	+2.5%
500 to 1,000m ²	Nil
at 2,000m ²	-5.0%
at 3,000m ²	-10.0%
at 4,000m ²	-15.0%
at 5,000m ²	-20.0%
at 10000m ²	-25.0%
at 15000m ²	-30.0%
at 20000m ²	-35.0%
at 30000m ²	-40.0%
at 40000m ²	-45.0%
at 50000m ² and above	-50.0%

15 Contractors' Accommodation

Refer to the Contractors' Accommodation Practice Note (VP/I/3).

16 Plant & Machinery

The rateability of plant and machinery is determined by the Valuation for Rating (Plant & Machinery) (Scotland) Regulations 2000 as amended.

Where any item of plant requires to be included in a comparative principle valuation its value must be added as a final stage and it should not be credited with allowances for layout, quantum, location etc.

17 The Contractors' Basis

As a general rule, the Comparative Principle of valuation, as described in this Practice Note, should be used where it can be applied to the greater part in character, extent or value, of the *unum quid*. Costs may be used in such subjects for the valuation of specialised buildings and civil works as these cannot be valued by the comparative method. The overall basis of valuation remains, however, the Comparative Principle.

In/...

- 17/** In the case of large engineering works, the Comparative Principle is the appropriate method provided that sufficient additions are made to basic rates to fully reflect features such as heavy steelwork, strengthened floors, machine foundations and the generally superior quality of construction and services.

Where the subjects as a whole are specialised in character, the Contractors' Basis should be used for the whole subject. Examples of property types likely to be valued on the Contractors' Basis include distilleries, breweries, flour mills, chemical works, cement works and oil related subjects.

Advice should always be taken from senior staff with experience of Contractors' Basis valuations if in doubt over valuation method or application.

18 De-Capitalisation Percentage

The prescribed decapitalisation percentage is 5.00%.

19 Rounding of Values

All valuations should be rounded in accordance with the following table

Start Value	End Value	Round to nearest
0	50	1
51	100	5
101	500	10
501	1000	25
1001	5000	50
5001	100000	100
100001	250000	250
250001	500000	500
500001	1000000	1000
1000001	5000000	5000
5000001	9999999999	10000