

2010 REVALUATION

VP / C / 5 Approved for Publication January 2011

VALUATION OF LAND

**THIS LVJB INSTRUCTION CONTAINS REFERENCES FROM
SAA INDUSTRIAL COMMITTEE PN NO 1 AND THE BASIC PRINCIPLES COMMITTEE PN NO 2**

1.0 Introduction

1.1 This instruction provides guidance on the valuation of Land used for a commercial or quasi-agricultural purpose and also for subjects containing land that are valued on the Contractor's basis.

2.0 Commercial Land

2.1 Basic Rates

The following basic rates should be applied to areas of land used for commercial purposes such as builders' and contractor's depots, vehicle storage areas (but not commercial car parks) etc. The rates are applicable to undeveloped land only and additions should be made for surfacing, fencing, buildings and other site facilities as found.

LOCATION	LAND RENTAL RATE	
	£/ha	£/m
City of Edinburgh	40,000	4.00
Riccarton	40,000	4.00
Gogarbank	35,000	3.50
Newbridge	35,000	3.50
South Queensferry	16,000	1.60

LOCATION	LAND RENTAL RATE	
	£/ha	£/m
Midlothian	25,000	2.50
Loanhead (inc Borthwick, Dryden, Edgefield and Pentland Ind. Estates)	25,000	2.50
Seafeld (Bush Estate)	25,000	2.50
Bonnyrigg (inc Dalhousie and Sherwood Ind' Estates)	15,000	1.50
Dalkeith (inc Granny's Park, Hardengreen, Newbattle Abbey and Thornybank Ind' Estates)	15,000	1.50
Easthouses	15,000	1.50
Newtongrange (inc Butlerfield and Mayfield Ind' Estates)	15,000	1.50
Penicuik	15,000	1.50
Polton, Lasswade	15,000	1.50

West Lothian		
Camps, East Calder	20,000	2.00
East Mains Ind' Estate, Broxburn	20,000	2.00
Livingston	20,000	2.00
Whitehill Ind' Estate, Bathgate	20,000	2.00
Bathgate (exc Whitehill Ind' Estate)	17,500	1.75
Linlithgow	17,500	1.75
Broxburn (inc Albyn, Greendykes & Thistle Industrial Estates)	15,000	1.50
Mosshall, Blackburn	15,000	1.50
Murraysgate & Burnhouse, Whitburn	15,000	1.50
Loaninghill, Uphall	15,000	1.50
Armadale	12,500	1.25
Addiewell	12,500	1.25
Winchburgh	12,500	1.25

East Lothian		
Musselburgh West (ward 1)	25,000	2.50
Musselburgh (ward 1)	17,500	1.75
Macmerry	17,000	1.70
Tranent	17,000	1.70
Haddington	15,000	1.50
Cockenzie and Port Seton	14,000	1.40
Prestonpans	14,000	1.40
Wallyford	14,000	1.40
Dunbar	12,000	1.20
North Berwick	12,000	1.20

Other locations.....		
Small villages etc (dependent upon location and rental evidence)	7,500 – 12,500	0.75 – 1.25

2.2 Commercial Land Adjustments

Please refer to Appendix 1.

3.0 Quasi-Commercial and Non-Commercial Land

3.1 The following rental rates per hectare should be applied to any quasi-commercial, public, recreational or similar purpose where full or an occasional use is to be expected. Such activities can be wide and varied and may include private gardens and parks, sites retained for casual shows (but not the Royal Highland Show), pony grazings, sites for recreational war games, four wheel drive courses, field archery sites, sports grounds etc. Interpolate for intermediate locations as required.

Description	Central City	Peripheral City	Landward Areas Close to Principal Towns	Rural
Non- commercial Parks or amenity Land	150	100	75	75
Private Gardens	300	200	150	150
Pony Grazings	-	650	500	300
Quasi-commercial Land or Woodland, eg for Paintball or a Farm Park	-	500	500	500

4.0 Quasi-Agricultural Land

4.1 The following rental rates per hectare should be applied to agricultural land that does not qualify for agricultural exemption, for example, when used for research purposes.

Description	Location	Rental Rate Per ha
Arable land	City of Edinburgh	160
	East Lothian	160
	Midlothian	135
	West Lothian	110
Permanent pasture	All areas	75
Hill land	All areas	15

5.0 Buildings

5.1 Any buildings, which require to be valued along with land, should be dealt with in terms of the appropriate valuation instruction. Where a small building forms a *unum quid* with a substantial area of land it may not be appropriate to apply inverse quantum to the land value depending on the size and worth of the land in question. In such situations, consult with your Divisional Valuer.

6.0 Contractor's Basis: Capital Values for Land

6.1 Basic Rates

The following range of capital value land rates should be applied to valuations using the contractor's basis of valuation. The rates have been derived from an analysis of sale prices within the valuation area and also from established publications produced by the RICS, VOA and Estates Departments of the constituent authorities.

The rates quoted are in respect of the undeveloped site only. All rates are expressed in £/ha and interpolation will be required to reflect intermediate locations.

Subject Category	Central Edinburgh	Peripheral Edinburgh	East Lothian	Midlothian	West Lothian
Hospitals	£500,000	£500,000	£250,000	£250,000	£250,000
Industrials	£500,000	£500,000	£250,000	£250,000	£250,000
Public buildings	£500,000	£500,000	£250,000	£250,000	£250,000
Sewage works	N/A	£275,000	£175,000	£175,000	£175,000
Schools, Colleges & Universities	£500,000	£500,000	£250,000	£250,000	£250,000
School playing fields	£25,000	£25,000	£15,000	£15,000	£15,000

6.2 Contractor's Basis Land Adjustments

Please refer to Appendix 2.

7.0 Comparative Approach : Rounding of Values

7.1 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	1,000	25
1,001	5,000	50
5,001	100,000	100
100,001	250,000	250
250,001	500,000	500
500,001	1,000,000	1,000
1,000,001	5,000,000	5,000
5,000,001	9,999,999,999	10,000

COMMERCIAL LAND ADJUSTMENTS

The following additions and deductions have been incorporated into the Commercial Valuation System and require to be applied in a series of stages.

1.1 Surfacing

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

1.1.1 Condition

The condition of surfacing may be varied by applying the following allowances where appropriate.

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

1.1.2 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.

Description	Adjustment
Uneven surface	Deduct up to 10.0% of land value and / or surfacing rate.
Large areas of rough unserviced ground for future expansion.	Deduct 50.0% of the land value rate. In no case should the rate adopted be less than agricultural value.
Land with severe gradients or completely flooded thereby excluding any ordinary use.	Nil value.
Restricted access to site.	Up to 10.0%

1.2 Boundary Walls & Fences

Construction	Height	Addition (£) per linear metre based on RCG @ 5.00%	RCG reference
Chain link – mild steel mesh on steel posts with cranked arms	1.80m	1.20	33U2CV
	2.40m	1.55	33U2D5
Timber post & wire	1.20m	0.80	33U2BA
	1.40m	0.85	33U2BF
Un-climbable steel security fencing with steel palisade pales	1.80m	3.60	33U2Y3
	2.40m	4.10	33U2Y5
	2.70m	4.80	33U2YA
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.

1.3 Quantum

There is no evidence suggesting that an allowance should be granted as the size of the site increases. However, where it is felt that the suggested rates generate excessive value, any quantum allowance should be based on local evidence and discussed with your Divisional Valuer.

1.4 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 Replacement Cost Guide should be consulted or actual costs used, suitably adjusted to the antecedent valuation date.

1.5 Security Systems

Security systems comprising CCTV may be found in storage compounds. Such systems are rateable in terms of Class 2 of the Plant and Machinery Regulations provided that their purpose is to protect the lands & heritages. Advice should be taken from your Divisional Valuer where inclusion in value is being considered.

CONTRACTOR'S BASIS LAND ADJUSTMENTS

1.0 Adjustments Applied to the Land & Site Works Elements

All of the following allowances and adjustments will be made automatically within the CVS in accordance with the data which has been input.

1.1 The *Ebdon* Allowance

This is applied to the undeveloped value of the total site area only. The practice of making an allowance to undeveloped land value results from the case of *Imperial College of Science and Technology v Ebdon (VO) and Westminster City Council 1984 LT RA 84 page 213* in which it was held appropriate to make adjustment to site value for the fact that it is encumbered by buildings, structures or plant

With regard to the application of this adjustment within the CVS for R2010, this will be calculated automatically but valuers should know that the figure displayed represents the average percentage allowance for all the buildings comprising the *unum quid* as represented by the percentage difference between the Total Adjusted Replacement Cost and the Final Adjusted Replacement Cost.

1.2 Age Allowance

An age allowance will be applied to the value of site works.

1.3 Contract Size

The cost of any site works will be included in the calculation for contract size.

1.4 Professional Fees

The cost of site works if entered will be included in the calculation for professional fees.