

2010 REVALUATION

VP / O / 1 as amended

VALUATION OF OFFICES

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1 Introduction

- 1.1 This Practice Note deals with the valuation of most types of office and contains information on all the elements necessary to arrive at net annual value. For ease of reference, additional information concerning some of the aspects of office valuation has been provided as appendices.

2 Subjects Included

- 2.1 Offices used for professional, commercial or administrative purposes (unless excluded in terms of paragraph 3 below).
- 2.2 Miscellaneous properties to which the public resort eg Classrooms, Consulting Rooms, Funeral Parlours, some Post Offices, Salons, Showrooms, Studios, Surgeries **if these are, by reason of their physical characteristics and situation, suitable for valuation on the same basis as Offices and relevant rental evidence does not indicate a contrary approach to their treatment.**
- 2.3 Properties where “Class 4” planning use is applicable (see Appendix 6 – Class 4 Units).

3 Subjects Excluded

- 3.1 Retail shop premises – as defined in VP/S/1 – “Valuation of Shops”.
- 3.2 Premises attached to, or forming part of, a larger unit of valuation of a non-office character (eg factory offices).
- 3.3 Offices of public bodies which because of their location and nature, and absence of rental evidence, cannot be valued by direct comparison with private offices of comparable size and character. Local and public authority headquarters and offices if located in small towns or rural areas where such offices are not in demand, may more aptly be valued by reference to Scottish Assessors Association Practice Note 8 (Valuation of Local Authority Offices etc).
- 3.4 Banks, Building Society offices, Post Offices and other similar premises having some of the physical characteristics of retail shops (although perhaps unsuitable for shop use without structural adaptation) are excluded from this Instruction. However, where the main use of the premises is as an office, for example, a financial institution’s head office, the subjects will be valued under this scheme.
- 3.5 Licensed betting shops.

4 Description and Valuation Code

- 4.1 Any subjects referred to in paragraph 2.1 and 2.3 should be described as “Office” in the Valuation Roll, while those referred to in paragraph 2.2 should be described according to their actual use and on the basis of the list of standard Descriptions and Valuation Codes set out in Appendix 1.

5 Unum Quid

- 5.1 The unit of valuation must never exceed the unit of occupation but, on occasion, it will be justifiable to consider as one, accommodation elements which although physically separated are in one occupation and may be taken together for valuation purposes, for example, car parking.

6 Survey and Measurement

6.1 Survey and measurement of offices should be undertaken in accordance with the guidelines in Appendix 2 – Survey and Measurement.

7 Reduction Factors

7.1 The Comparative Principle of valuation as used for the valuation of offices attempts to recognise that some parts of a building are consistently more or less valuable than others. Office users consider the most valuable space to be the office element which may be of a considerably higher value than ancillary areas. In addition, accommodation situated on a basement, second or higher floor may have a lower value than ground or first floor space dependant upon the nature of the access, the quality of the office together with any amenity considerations.

Reference should be made to paragraph 8 regarding Storey Allowance and Appendices 3 and 4 regarding Office Classification.

7.1.1 Accommodation Reduction Factors

Office rooms/space – areas used as general office accommodation in keeping with the Classification.	1.0
Office rooms - used as such - but inferior to others in finish, quality or deficient in terms of planning, shape, natural light or services, and not already reflected in storey RF (eg basement floor).	0.9 - 0.7
Accommodation unsuitable for general office use:-	
(a) store rooms, cupboards and presses;	0.5
(b) stores and cupboards of inferior quality and restricted use;	0.5 – 0.2
(c) parts of switch rooms etc used for secondary purposes. Estimate the proportion of area so used and apply reduction factors to that proportion according to quality;	0.5 – 0.3
(d) switch rooms, plant rooms, boiler rooms (apart from secondary uses covered in (c) above) - reflected in basic rates applied, quality increments or enhanced reduction factors of areas served.	NIL
(e) small tea preparation areas where the finish is better than that of cupboard/storage space.	0.7
Toilets, showers and shower rooms should be measured and quality noted but a Nil reduction factor applied.	NIL
Prestige offices, boardrooms, display rooms etc which are superior in quality to the general standard of the office.	Up to 1.40
Canteens, dining rooms and welfare rooms of comparable quality to the general standard of the office should be valued at the full rate. Those that are superior or inferior should be adjusted within the range	1.25 - 0.70
Kitchens are usually expensive to provide having tiled floors and walls, extensive services and fixed units. If, however, they only match basic office quality 1.0 should be applied.	Up to 1.25

7.1.2 Computer Rooms, Strong Rooms and other specialised areas

Where areas/rooms have been specifically adapted for special use, such as computer rooms and strong rooms, every effort should be made to identify and cost additional elements, including items of rateable plant. This may include uninterruptible power supplies (UPS), environmental control, fire systems, high security features, raised and/ or reinforced floors etc. Where insufficient information is available to allow these elements to be accurately identified an enhancement of up to 1.25 may be applied depending on the degree of adaptation. Where such areas have become redundant, unless they are of office standard, a storage room reduction factor may be applied.

NOTE ~ This does not apply to purpose built data centres, which should be valued in accordance with the appropriate SAA practice note.

7.1.3 Entrance Halls

Where, in purpose built offices, entrance halls and lounges on the ground floor and crush halls at stair or lift points are much more generous than required for safety purposes and these add to the prestige and convenience of the office they should be reflected in valuation. The area to be added should be identified, after a deduction to reflect essential circulation space, and a reduction factor of 0.75 - 1.0 applied reflecting quality.

7.1.4 Basement Reduction Factors

In converted offices, each basement is assumed to have a dark internal stair of a standard inferior to that found between the floors above ground level, some inferiority in the quality of the accommodation compared to upper floors and generally poorer planning and layout. **All these features are reflected in the Storey Allowance (see paragraph 8.1).**

However, there may be circumstances where, due to physical features, individual areas within a basement are quite severely affected by poor/ no natural light, poor layout, access through rooms etc. In these cases, a reduction factor in the range 0.9 to 0.7 may be applied to that affected area.

In contrast, there may be instances where alterations have been carried out to improve the quality of some of the accommodation within a basement, for example, the installation of suspended ceilings, improved layout etc. In such cases a reduction factor up to 1.10 may be applied to such areas.

7.1.5 Sub-basement Reduction Factors

Similar to 7.1.4, sub-basements are assumed to have inferior access, quality and planning variations as outlined above. The Storey Allowance specified in paragraph 8 for sub-basements will accommodate the majority of situations, however the range of reduction factors to be applied to individual cases, as indicated for basements, can also be considered.

In extreme cases, where the quality and/or condition is very poor, and only rough storage use is possible, it would be appropriate to reduce the area to nil and to value the accommodation as a pertinent of the office at a rate reflecting its use, location and quality - or at a spot value.

7.1.6 Attic Reduction Factors

Third, fourth and fifth floors of converted offices are assumed to have an access stair of a standard inferior to that found between the floors below. It is usually narrower, returned and awkward. The ceiling height will generally be lower than on the main floor. Some degree of coving will be present in the principal rooms and layout will often be cramped. These factors will be reflected in the attic storey allowance reduction factors specified in paragraph 8.

7.1.6/In cases with more serious coving, the approach for the 2010 Revaluation will change as follows:-

The RICS Code of Measuring Practice advises that areas with a headroom of less than 1.5 metres should be excluded to arrive at the net internal area of an office.

Areas suffering from coving should now therefore be treated in the following manner:-

- exclude areas under 1.5 metres headroom from the internal area of the room; and
- include all areas over 1.5 metres headroom and apply a reduction factor of unity to this area.

For the avoidance of doubt, no further factor for coving should be applied to this area.

Where this method is used, it should be made clear on both the dimension sheet and in the valuation that the net internal area of the room has been arrived at this way.

This approach should be adopted where subjects are being resurveyed, or surveyed for the first time prior to entry in the Valuation Roll.

The bulk of valuations will clearly show the previous practice of reflecting coving by means of applying reduction factors. This methodology has been reproduced here for reference only.

To reflect more serious effects of coving, a reduction factor should be selected from the table below and be applied on a room by room basis to each net floorage area, in accordance with the oxtter height. In situations where the oxtter distance far exceeds the oxtter height ie the coving angle is unusually low then the coving allowance may be raised to the next class. The table below in addition to reflecting coving height gives examples of different styles of natural light usually found in coved rooms.

*Staff should match the extent of coving with the form of natural light in order to select an appropriate reduction factor. **Please note a further allowance for poor natural light is not appropriate.***

DEGREE OF COVING (oxtter height)	DORMER OR GABLE LIGHTING	STUDIO OR VELUX STYLE ROOF LIGHTING	SMALL ROOF LIGHT LIGHTING
1.8m or over	0.9	0.9 - 0.7	.4
Light 1.5m to 1.8m	0.8	0.8 - 0.6	.4
Medium 1m to 1.5m	0.7	0.7 - 0.5	.3
Heavy 0.6m to 1m	0.6	0.6 - 0.4	.3
Maximum below 0.6m	0.5	0.5 - 0.3	.2

7.1.7 Ground Floor Frontage Value

Where ground floor office accommodation is in a recognised shopping thoroughfare and/or has display windows or the characteristics of a showroom and these features would be of advantage to a hypothetical tenant, the value of the ground floor, either in part or entirety, may be increased, subject to the limit of the shop level of value, for that location, by the appropriate adjustment of the reduction factor. In such cases guidance should be sought from a Divisional Valuer.

8 Storey Allowance

- 8.1 Analysis of rental information has revealed a range of Storey Allowances varying with the Office Classification and whether a lift facility exists. In the case of converted Offices, consideration should be given to the age and nature of the lift.

The following reduction factors will be applied to each floor regardless of whether the subject is a single or multi-floor office.

8.1.1 Converted Offices - Storey Allowance

FLOOR STOREY CODE	STAIRS ONLY S	OLD LIFTS OL	MODERN LIFTS ML
Sub-basement*	0.45	0.50	0.60
Basement*	0.75	0.80	0.85
Ground floor	1.00	1.00	1.00
First floor	1.00	1.00	1.00
Second floor	0.80	0.85	0.90
Third floor*	0.70	0.75	0.85
Fourth floor*	0.60	0.65	0.80
Fifth floor*	0.50	0.55	0.75

*** These storey reduction factors assume that the quality of stair access which serves these floors is in line with that set out at paragraphs 7.1,4, 7.1.15 or 7.1.6 above. Where the stair access is superior to that noted the storey reduction factor may be enhanced accordingly.**

Where, in converted offices, the “old lift” is quite clearly no longer in use, probably due to the persistent need for maintenance and repair, the storey allowances for “stair only” should be applied.

In some lift served blocks the uppermost floor may only be accessed by a stair from the level below. This disability may be reflected by a 10% maximum allowance related to the reduction factor of the floor below. A similar allowance may be appropriate for mezzanine floors that are not directly served by the lift.

Mezzanine floors in buildings with stair access only, should be valued by interpolating between the RF the full floors for above and below.

8.1.2 Modern Offices - Storey Allowance

FLOOR STOREY CODE	STAIR ONLY S	MODERN LIFTS ML
Sub-basement	0.65	0.70
Basement	0.85	0.90
Ground floor	1.00	1.00
First floor	1.00	1.00
Second floor	0.90	1.00
Third floor	0.85	1.00
Fourth floor	0.70	1.00
Fifth floor and above	0.65	1.00

8.1.2/Rental evidence shows that the upper floors of office blocks benefiting from superior or unbroken views, can achieve higher levels of rent compared with floors below. Such offices may also have a private roof terrace and be less affected by traffic noise. Consideration should be given to applying a storey reduction factor greater than 1.0 to such floors.

In some lift-served blocks the uppermost floor may only be accessed by a stair from the level below. This disability may be reflected by a 10% maximum allowance related to the reduction factor of the floor below. A similar allowance may be appropriate for mezzanine floors which are not directly served by the lift.

Mezzanine floors in buildings with stair access only, should be valued by interpolating between the RF for the floors above and below.

9 Classification and Basic Rate

9.1 The valuation of all office accommodation within Lothian Region revolves around a system of Office Classification. Separate classifications exist for modern offices and converted offices and descriptions for each of these are outlined in Appendix 3 and Appendix 4. These should be read thoroughly before any final classification is made.

The basic rate to be applied to each class of office in any given location has been analysed from available rental evidence. If basic rates are required for new office locations then a Divisional Valuer should be consulted.

9.2 Inter-Class Treatment

During the process of classification it may be found that some properties will fit best between the specified classes either because their overall quality is above or below the specification that appears most apt, or because they are out-with the broad time-scales provided.

While inter-class adjustments have been part of the scheme of valuation for some time, the application of such an adjustment should only be made after careful consideration of all relevant information and advice from Divisional Valuers should be sought.

Where an adjustment under this heading is to be made the reasons for so doing should be clearly stated. At no time should the percentage applied be such as to effectively take the office down to the level of class below.

10 Quantum and Inverse Quantum

10.1 Quantum end adjustments to basic amount will be appropriate below and above certain limits and these are shown in Appendix 5 - Quantum.

The adjustment for quantum shall be based on reduced area. Where appropriate the separate reduced area for each building shall be aggregated to give the total reduced area for the purposes of calculating quantum.

11 Percentage Adjustments

11.1 In all cases, an adjustment under this heading should only be granted where it is felt the value of the whole office is affected, not just a smaller part. If the total adjustment exceeds 30%, a Divisional Valuer should be consulted.

11.1/ The reasons for each adjustment should be clearly displayed and, where a number of adjustments are merited, the various percentages will be added together before being applied to the initial value to arrive at the adjusted value.

The following adjustments reflect a range of factors that are commonly found.

11.2 Multi-floor Offices

The total value of a multi-floor office having internal access between floors by stair only, or by an old lift, is less than the total of the separate values of single floor offices formed from similar accommodation, other things being equal.

	<u>Old Lift</u>	<u>Stair Only</u>
Offices occupying two floors	-2%	-3%
Offices occupying three or more floors	-3%	-5%

This allowance should be applied in instances where full or substantial floors are in the same occupation.

11.3 Toilets

11.3.1 **Complete absence of toilets** : It is contrary to law that access to toilet facilities should be completely lacking in any office but where this circumstance exists the basic value should be discounted by -10%.

11.3.2 **Inferior toilets** : If the toilets are clearly inferior in regard to adequacy, finishes and fittings to the standard normally expected in the classification selected, an allowance may be given. This circumstance will be more commonly found in piecemeal refurbishments - up to -2%.

11.3.3 **Shared toilet** accommodation in itself does not warrant an end allowance. The allowance indicated should only be given in cases where quite clearly there is insufficient toilet facilities given the level of occupation and/or an occupier is so distanced from the toilet facilities that inconvenience clearly occurs eg 2/3 floors way – up to -3%.

11.4 Heating

Appendices 3 & 4 indicate the heating system expected to be found within each of the classes.

11.4.1 **No heating** : Premises should be treated as having “no heating” where there exists open fires, old types of gas fire, free-standing electric appliances etc. However, within the classification “Modern poor and Converted basic” it is assumed no heating exists and therefore no allowance should be granted.

The allowance under this heading is a maximum - 5%.

11.4.2 **Inadequate heating** : Where, apart from the heating provided, an office fits a certain classification, allowances should be made to reflect the inadequacy of the heating system in respect of that class - up to -2½%. This does not apply to the poor and/or basic class.

/....

11.4.2/ Conversely where a superior heating system has been installed in respect of the classification being placed on an office an addition is appropriate - up to +2½%.

11.4.3 **Partial heating** : The scheme of valuation assumes that where heating exists it is a full system, covering the major part of the offices concerned. No allowance is required where such areas as inferior storage, ancillary accommodation etc are not fed by the heating system.

Where it is found however that in the true sense only partial heating is in existence within an office, an allowance is appropriate. Taking -5% as the allowance for no heating, a proportion of this should be applied, depending on circumstance, for partial heating.

11.5 Shared Accommodation and Facilities

Where an office block or suite is in multi-occupation and there are communal kitchens, canteens, staff rest rooms, visitors lounges, reception areas etc which are not included in the areas of the individual offices the shared facilities should be valued at the rate appropriate to the accommodation having regard to its use, extent, quality and location - and then apportioned between the occupiers and added under the "Pertinents" heading on the valuation sheet.

Where the shared accommodation is of a limited nature and the classification of the office space has been set at the highest level, it may be prudent to assume such accommodation as deemed included in the rate being applied.

11.6 Natural Lighting

If the siting of a particular suite results in poor natural lighting in all or a substantial proportion of the rooms used as offices, a quality allowance over the whole unit, restricted to a maximum of -10% may be appropriate. Where an individual room is affected a modification of the reduction factor otherwise appropriate is in order.

However, remember that the storey allowances for basements and coving allowances for third, fourth and fifth floors within converted offices already acknowledge a degree of poor natural light.

It is anticipated that this allowance would apply in the rarest of cases and then only in respect of modern offices. Divisional Valuers must be consulted prior to application.

Under no circumstances should this allowance be considered where poor natural light conditions have been created by the erection of demountable partitioning.

11.7 Planning

Deductions from value for poor planning and layout should only be considered in the most extreme and obvious of cases, where an allowance of 10% would be appropriate.

Within the converted classes of office space, a degree of poor layout and planning is intrinsic to the property and therefore already reflected in the basic rate applied. By way of example, where a 4 storey converted double block is in single occupation and interconnecting access is only achieved on one or two floors, a -2½% planning allowance is reasonable.

Also within the city centre, modern offices are often constructed on confined sites which inevitably cause planning and layout problems, therefore an element of planning difficulties is reflected in the basic rate.

11.7/ Where staff are considering an end allowance under this heading they should avoid double counting by granting additional allowance for poor natural light. One of the effects of poor planning is the existence of poor natural light conditions. If extreme cases are found and both allowances are deemed appropriate, a Divisional Valuer must be consulted.

11.8 Amenity

Property which is physically of a reasonable standard may be less desirable than others because of some external feature which is not capable of being dealt with in the adjustment to basic rates in paragraph 9.

For example, the character of the access to an office, which may be a common stair shared with poor class dwelling houses, is a factor which might well merit adjustment where rental evidence shows this.

Much of the rental evidence for peripheral offices is derived from subjects which suffer from shared access and this has already been taken into account in the proposed rates. Accordingly no allowance should be made for access which is shared unless this is extremely detrimental.

11.9 Rear Blocks

An allowance should only be considered where the access from the front is so poor as to be detrimental to the beneficial occupation of the rear located offices. A maximum allowance of -5% is appropriate under this heading, but Divisional Valuers must be consulted prior to its application.

For properties which occupy a lane location, staff should refer to the Basic Rate Tables for guidance. If the location is not covered, a Divisional Valuer should be consulted.

11.10 Structural Condition

If premises suffer from a structural defect or a state of disrepair which is not in the normal sense remediable and is of such a nature as to limit the occupier's enjoyment of the property and the Valuer is of the opinion that a hypothetical tenant could be influenced thereby in his offer of rent, an appropriate allowance may be granted.

Subsidence in the building giving rise to sloping floors, ill-fitting windows, etc would qualify under this heading. Divisional Valuers should be consulted as to the extent of such an allowance.

12 Air Conditioning/ Mechanical Ventilation

It is essential that staff, when considering an addition under this heading, follow the guidelines indicated below.

Where air condition or mechanical ventilation is already reflected in the basic rate, no addition should be made eg superior or excellent classifications.

However, in situations where the basic rate does not reflect either air conditioning or mechanical ventilation, an addition of £7.00m² is to be added to the non reduced internal area of the part of the office covered. The rate of £7.00m² is to be added regardless of whether it is full air conditioning or a mechanical ventilation system.

13 Pertinents

13.1 Garages and/or stores

Where an office building is in a single occupation and there is included within the curtilage a private garage or outside store, this should be valued as a pertinent of the office at an appropriate rate per covered car space from the LVJB Valuation of non-domestic Lock-up Garages and Car Parking Spaces Practice Note (VP/C/1). Where several occupiers are entitled to share the garage or store and the parts to which they are entitled are clearly delineated and under their control, they should be valued as individual pertinents but, if there are no internal dividing partitions, an allowance of 10% may be granted. Where the parts are not specifically apportioned and the occupiers have only general use of the whole area, the garage or store should be valued as one pertinent and the value apportioned among the occupiers in proportion to their entitlement of use (eg number of car spaces).

13.2 Car Parks

These should be valued as pertinents of the office at an appropriate rate per car space from the LVJB Valuation of non-domestic Lock-up Garages and Car Parking Spaces Practice Note (VP/C/1).

14 Final Value and Rounding Off

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 and above		10,000

OFFICE DESCRIPTIONS & VALUATION CODES

The following descriptions and valuation codes should be applied to all subjects valued as an office on the Commercial Valuation System.

DESCRIPTION	VALUATION CODE
Office / Office & Theatre Workshop	CO
Sauna	COA
Serviced Office / Business Centre	COB
Showroom	COC
Computer Centre	COD
Bank	COE
Betting Shop	COF
Club / Office & Clubroom	COI
Funeral Directors	COJ
Police Station	COV
Laboratory / Research Centre	COL
Salon	CON
Shop	COS
Post Office / Sorting Office	COP
Restaurant	COR
Studio	COU
Workshop / Store	COW
Surgery	COY
Others including: Church, Classroom, Clinic, College, Consulate, Consulting rooms, Day Centre, Gallery, Library, Meeting Room, Mosque, Museum, Nursery, Nursing Home, School and Training Centre	COX

OFFICE & OFFICE TYPE PROPERTIES DATA & MEASUREMENTS TO BE OBTAINED ON SURVEY

1 Introduction

This is a general instruction on the survey details that should be obtained for offices and office type properties. Other detailed Instructions may be issued from time to time on the more specialised information required for individual subjects (eg doctors' and dentists' surgeries, etc)

2 Description

For example Office, Studio, Surgery, Consulting Room, Funeral Parlour, or other premises of miscellaneous commercial character if these are, by reason of their physical and situation characteristics, suitable for valuation on the same basis as offices.

3 Situation (Address)

4 Proprietor's, Tenant's and Occupier's Names

5 General Description

State whether purpose-built, adapted or converted and the use to which it was formerly put, if appropriate, (eg dwellinghouse). Give actual or estimated years of construction and adaptation or refurbishment. General indication of the class as defined in Appendix CLASSIFICATION. The extent of any significant improvement/modernisation should be noted.

6 Situation

6.1 Immediate Environment

Isolated; adjacent to similar properties, unit in large block in multi-occupation; overlooked by neighbouring properties or adjacent to multi-storey properties; situated in own grounds; set back from building line; entered over area, up or down steps from pavement or directly from pavement line; access from shared or common stair. Where access is shared with other occupiers, note cases where poor class dwellinghouses or inferior commercial enterprises may have an adverse effect upon the subject.

6.2 General Environment

Central, sub-central, peripheral or suburban site; on main thoroughfare; in main shopping area, predominantly office area, residential area, poor class tenement or mixed area, etc; relationship with subjects likely to attract trade.

7 /....

7 External Description

Give a full structural and external description of the building (eg four storey and basement steel framed building with natural stone front, glazed facing brick sides and rear; hardwood window frames, tinted glass, double glazing; pitched slated roof; concrete floors and fire resisting construction throughout).

8 Internal Description

Give a full floor by floor description of each subject, detailing materials and finishes. Floors (concrete, stone, timber, etc) with covering material; walls (brick, timber framed) finished in plaster, woodstrip, etc, demountable partitions; ceilings (plastered, plasterboard, suspended, acoustic tiled, etc); quality of skirtings, surrounds, doors (softwood, hardwood veneer). Note ceiling heights, quality of natural lighting and any factors particularly applicable to the portions being described which may have a bearing on value. In older offices' having timber floor construction, load bearing qualities should be noted. Attention should be given to rooms designed and constructed for a particular use and finished to a different standard, eg boardroom, strongroom, kitchen, dining room, computer room.

In the case of hairdressing salons, dentists' and doctors' surgeries, etc note adaptations for specialised use, eg extra wash basins, partitions to form cubicles or dark rooms.

All ancillary accommodation within the main building, ie dining rooms, canteen, store rooms, cupboards, workshops, toilets, entrance lounges, crush halls, etc should be noted and described.

9 Services

Water supply - cold only, hot and cold; electricity supply - extent of power and lighting points, quality of fittings, fluorescent or pendant, etc; gas supply; air conditioning, type, extent; heating - open fires, fixed electric radiators, gas fires, storage heaters, central heating (including type, extent, efficiency), etc; toilet accommodation - WC only, shared WC, outside WC, separate toilets for male and female staff, full description of toilet blocks, including numbers and quality of fittings, adequacy; passenger hoists - number, quality, capacity and floors served; sprinkler system.

10 Other Relevant Information

This will include notes on fire escapes, general and private car parking facilities, covered and open, use of shared accommodation and facilities (eg toilets, kitchens, canteens, reception rooms, conference rooms) and the number of occupiers entitled to use them. In cases of offices having private car parks, garages or outside stores, note and describe the accommodation provided, and indicate if parts in separate occupation are delineated or if there is merely general use by all occupiers. If the latter, the number of car spaces to each occupier.

11 Dwellinghouses

Where these are within the curtilage of office premises and are occupied in connection therewith, note details of accommodation, services, layout and condition and any other factors arising from association with the main subjects, eg difficulties of access, common use of rooms, passage or facilities, etc. The information should be recorded on a house survey record.

12 /....

12 Layout

Notes should be made of the general planning and layout of the office. Any disadvantages of layout not readily apparent from the plans should be emphasised.

13 Quality and Condition

Comments on the quality of the subjects other than those already noted under paragraphs 5 and 7, together with remarks on the condition of the property, particularly stressing any items of disrepair which would not normally be remediable and which are of such a nature as to limit the occupier's enjoyment of the property.

14 Measurement

14.1 Metric

Areas will be expressed in metric terms.

14.2 Net Floorage Areas

The measured area will be the 'net floorage area' of all office rooms and ancillaries (including crush halls, entrance lounges, toilets, kitchens and stores) measured within walls but excluding passages and other circulating space and ignoring temporary or moveable partitions. For the treatment of cove attics see 8.1.4 of main instruction.

14.3 If no plan is otherwise available, prepare a single line sketch plan of each floor showing main and permanent partition walls, temporary or demountable partitions, toilets, liftwells, staircases, etc. Show all accesses. Record ceiling height of each floor (ringed) and - where part of the property is of shop character - indicate on the ground floor sketch the main zone by a dotted line drawn parallel to the building line at the appropriate zone depth.

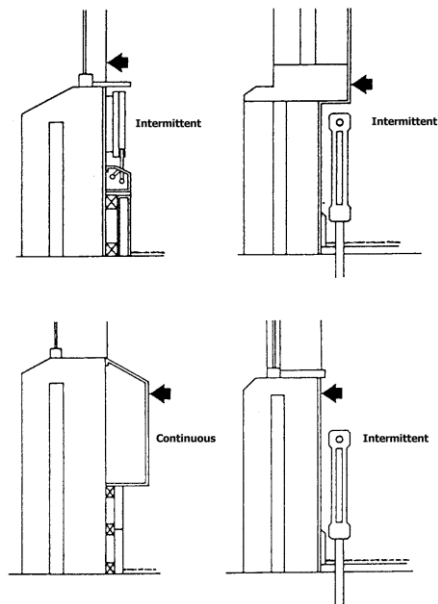
Prepare also a site plan where appropriate, showing car parking, private roadways and other site works, pertinents, etc.

In the case of parts of subjects which are of shop character, the measurements and survey details taken should be those recommended for shop property. In all other cases the measurements taken should be those necessary to determine net floorage area, ie the area of all office rooms and ancillaries (including crush halls, entrance lounges, toilets, kitchens and stores) measured within walls but excluding passages and circulating space and ignoring temporary or moveable partitions. In some modern office blocks passages and circulating space have been formed by demountable partitions and in such cases gross internal area should be measured, ie the area between the inside faces of the main walls, including the areas occupied by passages, circulating space and demountable partitions, but excluding the areas occupied by all other walls, stairs and liftwells. However, where passages and circulation space are not in the exclusive occupation of one occupier they should be excluded from the computation.

Where there is a dwellinghouse associated with the subjects, and any part of the floor area cannot be allocated exclusively to the office or to the house, the common area should be measured and facts on dual use noted.

14.4 /.....

14.4 The following diagrams are offered as a guide in respect of modern offices and the appropriate measurements which should be taken. At past Revaluations there has been confusion regarding wall-mounted heating systems however the following should clarify the position.



14.5 Floor Grills

For the avoidance of doubt, areas occupied by ventilation/heating grills, whether continuous or intermittently, should be included in the net internal floor area.

2010 MODERN OFFICE CLASSIFICATION

1 Modern - Poor (MP)

This classification will typically encompass offices built in the period 1940's to 1960's. Such offices will typically be found in peripheral locations and industrial estates. These will have been constructed cheaply and basically for the period. These offices will fall very short of the standard expected today. A comprehensive refurbishment of these offices would not normally be economically viable.

- They will form typically cellular office accommodation.
- Plain slab concrete or brick panels - sometimes sheet metal or other sheet panel in-filling between concrete structural members (sometimes cement rendered).
- Single glazed windows in galvanised metal frames - often with fairly small panes by present day standards.
- Internally - plastered or plasterboard lined walls and ceilings.
- Softwood doors, surrounds and skirtings of modest dimensions and quality.
- Exposed fluorescent light fittings.
- Functional but plain passenger lifts - perhaps showing signs of wear.

Examples:-
Leven Street

2 Modern - Basic (MB)

These offices were generally constructed during the late 60's and throughout the 70's. These offices were built to a good standard for the period. Although still basically sound, these offices will now appear extremely dated and will generally not meet the requirements of most tenants in today's market.

Offices of this age were typically built with open plan space. Such offices were built before the practice of providing raised access floors and will have markedly lower floor to ceiling heights than is found in more recent offices.

Note ~ Offices in this class are those of this period which have not been comprehensively refurbished. The majority of offices built in this period will have been refurbished. These offices will fall into the Modern Basic Refurbished class (MBR) - see next class.

Offices/....

2/ Offices of this class, will typically be found in more secondary locations.

- Most commonly brick or concrete cladding panel facades.
- The overall design and appearance will now look very dated.
- Usually concrete framed construction.
- Solid concrete floors (no raised access floors).
- Inconvenient location of power points, giving rise to visible trunking eg dado trunking, trunking from ceiling.
- Generally aluminium framed single glazed windows or similar, occasionally with the later addition of secondary glazing.
- Practical and functional arrangement of space with conveniently placed services, lifts, toilets etc. Sub-division of open plan space by single brick or more usually average quality demountable partitions.
- Usually suspended ceilings, although these will look dated by modern standards.
- Usually concealed strip fluorescent lighting, but occasionally surface mounted.
- Good distribution of natural light and good artificial light.
- Fair - good quality central heating system.
- Plain décor throughout - no special finishes. Carpet tiles or vinyl tiles.
- Semi-modern toilets with partial or full tiling.
- There may exist boardrooms and/or executive suites of superior finish will still appear old fashioned.
- It is possible that the entrance or other public space will have been cosmetically refurbished.

Examples :-

Typically large government offices of this period such as:-

Meadowbank House

Pentland House - Robbs Loan

44 York Place

3 Modern Basic Refurbished (MBR)

This class is designed to encompass offices originally built to a similar standard to Modern Basic - that is offices constructed in the late 60's and 70's, and that have subsequently been comprehensively refurbished to try and bring them up to an acceptable modern standard.

A/....

3/ A large proportion of offices built in the 60's and 70's will have received a comprehensive refurbishment scheme - This is especially the case in prime office locations such as the city centre, where you will find very few of such offices remaining in their original state.

- The refurbishment process will typically involve a thorough overhaul of the main fabric of the building. This would normally involve the replacement of all windows in the property, installing modern double glazed units meeting current standards. Occasionally, the entire external cladding will be replaced eg Canning Tower.
- Internally, raised access floors would normally be installed. Doing this can be problematic, due to the much lower floor to ceiling heights found in properties of that age. Consequently, new floor to ceiling heights are even further reduced. It is sometimes not possible to install raised flooring due to the limited floor to ceiling heights. In these cases more restricted under floor cabling can be provided ie running cables through shallow drills in concrete slab.
- Replacement of suspended ceilings with a more modern design.
- Replacement of lighting with good quality recessed lighting.
- Upgrading of toilet facilities, replacing sanitary ware and tiling with modern equivalents.
- Entrance/Reception areas upgraded. It is important to note however that offices of the 60's and 70's generally benefited from fairly modest entrance/ reception areas in terms of size.
- It would be usual for heating systems to be replaced with a good modern equivalent
- In some cases, ventilation systems will be installed.

In this category, there will be a range of offices, depending on the age of refurbishment and also the extent of the refurbishment. Valuer's judgement will need to be exercised in applying an appropriate rate reflecting these factors. In some cases, a 60's/70's office that has already been refurbished, may actually be reaching a point in time, where a further refurb is required eg Chesser House.

Examples

Chesser House - 500 Gorgie Road (Originally constructed early 70's - Refurbished 1990)

Canning Tower

Argyle House

4 Modern Good (MG)

This class is designed to cover speculatively built modern offices, constructed from the 1980s onwards till the present day. It is expected that most new offices built in the 1980s will fall into this class. In terms of offices built from the 1990's onwards, this class is intended to reflect plainer offices built to more functional standards. Later examples of these offices (ie from the 1990's onwards) will tend to be on a smaller scale, and will be less likely to be found in prime locations. They will be plainer in design, and lacking in architectural features and prestige. There will be a functional entrance and circulation space. Fittings and finishes will be to a good standard. Our own offices at 17A South Gyle Crescent. Earlier examples of this type of office, built in the 1980's, if not received some form of internal refurbishment, will now be starting to look slightly tired.

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4/

- Speculatively built offices to a good standard.
- More modest sized floor plates.
- Good quality basic construction.
- Raised access floors throughout most likely in all except the most basic examples in this class.
- Double glazed window units.
- Good general layout and arrangement of space and services, sub-divided by demountable partitions.
- Good quality recessed ceilings with good quality recessed lighting or similar.
- Good distribution of natural lighting in relation to the shape and size of the development.
- Good quality central heating system. Very small units may have electric heating.
- Ample and modern toilets - fully tiled.
- Small tea prep areas
- Possible existence of kitchen and dining facilities which are well equipped and of high quality.
- Modern lifts serving all floors.

Air conditioning: - Later and better examples of Modern Good offices will most likely have a ventilation or air conditioning system, but this is not something that offices of this class will necessarily have.

Examples

1 South Gyle Crescent

Flassches Yard

17A South Gyle Crescent

498 Gorgie Road

3 Jackson's Entry

As can be seen, there will be a range of offices in this class, with the better examples falling only marginally short of the Modern Superior Class. Again, Valuer's judgement should be exercised in applying an appropriate basic rate to reflect this.

5 Modern Superior (MS)

This class will cover quality speculatively built offices from the late 1980's onwards. It will also include the best quality offices built for owner occupation, including HQ type buildings.

These/....

5/ These offices are more commonly found in the main office locations, and will most commonly be built to a larger scale, with large floor plates. It is anticipated that most recent offices constructed in the main office locations will fall into this class. These will be constructed to a high standard, will be architecturally designed to provide impact and prestige. In city centre locations, they may have stone or reconstituted stone facades, however fully glazed walling is becoming increasingly common. They will have spacious entrance/circulation areas, and may include such features as atria.

- Good quality modern construction using quality finishes, stone/re-constituted stone or quality external cladding.
- Good quality and frequently spacious entrance halls
- Good quality double glazing throughout.
- Well planned layout and shape maximising natural light and position.
- Excellent access to all services by means of raised deck flooring, thus enabling maximum flexibility with space.
- Good quality lighting system.
- Good quality heating and ventilation system, with most likely good quality air conditioning.
- Large modern toilets and shower facilities, fully tiled in contemporary style.
- Frequently extensive monitoring and control systems covering heating, lighting, security and fire networks - operated from centrally located control room.
- Extensively equipped kitchens, sometimes with attractive dining rooms.

Air conditioning: - It would be expected that offices of this nature will have a full air conditioning system

Examples

Saltire Court - Castle Terrace

Earl Grey Street

40 Princes Street

24-25 St Andrew Square

Quartermile

Fountainbridge

Exchange

Most offices at Edinburgh Park would fall into this category.

HQ Type buildings

These are bespoke architecturally designed buildings designed for an owner occupier, and will typically be of a large scale. They will normally be of an extremely high standard of design and quality.

It is anticipated that the main HQ type buildings will fall into the MS class, however consideration should be given to enhancing the basic rate to reflect the quality of these properties.

The/....

- 5/ The main HQ type properties are as follows:-
Standard Life - Lothian Road
Scottish Widows - Morrison Street
Edinburgh Council - Market Street
Ageon - Edinburgh Park
RBS - Gogar

It is recognised that some offices, particularly those built pre 1970, do not fall readily into any of these categories. In these instances, a Divisional Valuer should be consulted.

Neal Skinner
November 2008

CLASSIFICATION – CONVERTED OFFICES

CLASSIFICATION - CONVERTED OFFICES

For the 2010 Revaluation, it is intended to rename the existing suite of “Refurbished” classes. Refurbished is seen as somewhat inappropriate and the decision has been taken to use the more appropriate “Converted” type, when describing offices in this category.

New classes have been adopted which should make classification simpler, more appropriate and more consistent throughout the department.

While this is a guide to assist in the application of the correct class, discretion should be used with each property, since the “tick list” will not cover all possibilities.

If in doubt refer to a Divisional Valuer.

1 Converted – Basic (Type “C” Class “B”)

Example - 13 Alva Street

This class will cover the poorest and most basic class of converted office, with any improvements having been largely piecemeal, or pre-1980. There may also be an inferior layout. Properties in this class will not have received any comprehensive refurbishment.

1.1 Criteria

- There will be have been piecemeal maintenance of the property, carried out as and when required.
- Single glazed windows, secondary glazing or replacement windows that may be out of character for the location.
- Basic services will be adequate and modernised to an acceptable standard. Surface wiring will probably be evident.
- Floors will be suspended timber (occasionally concrete), and will not be raised to accommodate power sockets or trunking.
- There may be suspended ceilings, normally restricted to the main office area, and probably showing some wear and tear There will have been minimal alterations to existing layout. Some rooms may have been sub-divided, often by the use of lightweight stud partitions, and frequently with disregard to finishes eg cornices cut, skirtings not rerun and non-traditional doors installed.
- Lighting may be a mixture of types, pendant and fluorescent strip.

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1.1/

- Any central heating is likely to be via an old system, (possibly utilising a replacement boiler), or via electric night storage heaters.
- Basements and attics will have received some attention, possibly enough to allow use mainly as office accommodation, but there may be a high proportion of storage and ancillary use. Access will be by stone or timber stair, often narrow.
- Décor will be of a fair standard, but dated. Circulation areas, public reception rooms and boardrooms, although of a higher standard than in the rest of the building, will appear old-fashioned and dingy. If these areas are markedly superior than other offices in the building, it may be appropriate to reflect this in a quality addition, rather than by adjusting class.
- Toilets may have been enlarged to accommodate cloakrooms and wash areas. There will be plain and functional fittings. Although there will have been an attempt to increase the number of toilets within the property, in general the number of toilets will fall short of what would be expected in today's market. Typically toilets will appear dated. There may not be separate male and female toilets.
- The original kitchen may still be present but with old or spartan fittings.

2 **Converted –Average (Type “C” Class “A”)**

Examples – 15 Alva Street, 11 Manor Place

This category will encompass the majority of the converted stock in the city's office market.

Typically but not exclusively converted dwelling houses, with the most common examples being New Town Georgian properties which have been refurbished on a one-off basis and cater for single or multiple (let floor by floor) occupiers.

This class covers offices which were (a) comprehensively refurbished by developers from the 1970's onwards, and are now showing signs of wear and tear, and are looking tired. It is now common for such offices to have received a further refurbishment, although this would most likely be fairly superficial, with it often being only redecoration, some upgrading to toilet facilities and electrical wiring, or were (b) comprehensively refurbished more recently (last 15 years), but where the refurbishment is more superficial or of a poorer quality - developers looking for a quick return. Such poorer quality refurbishment's more rapidly show signs of wear and deterioration. Such refurbishments will now be ripe for further superficial refurbishment, or will have undergone this recently.

2.1 **Criteria**

- Complete re-wiring and re-plumbing. The property will have been re-wired at time of refurbishment, although this may have been some time ago, and will not meet current requirements in terms of computer cabling etc. As a result, there will most likely be a surfeit of surface wiring/cabling which has been added piecemeal. You would not expect floor boxes in this class of office.
- Separate male and female toilets will have been installed at time of refurb. Sanitary goods will have been replaced, but will be of adequate quality. Walls and floors are unlikely to have been tiled.

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2.1/

- In a typical 4 or 5 storey townhouse, you would expect to find toilets on two floors only - perhaps basement and top floor.
- Adequate tea preparation areas plus space for some kitchen equipment e.g. fridge, microwave.
- Original features will have been retained, but with minimal attention. Cornices rerun where necessary and fireplaces retained but not necessarily replaced in order to recreate original style of building. Alternatively many features may have been removed to create a more modern styled environment. Woodwork, such as skirtings, doors and windows will most likely have just been painted in more recent refurbishments. It is unlikely that they will have been repaired and or replaced. As a result woodwork can very quickly show signs of wear. Woodwork in older refurbishments will also now show signs of wear.
- Good quality central heating systems and modern lighting systems.
- Basement and attics will have had **most** problems eradicated and the access to these areas will **probably** be as good as physical limitations permit. However, the quality of finish is unlikely to match that of the ground and first floors but this is more likely to be due to the original style of construction rather than standard of refurbishment.
- Original layout will largely remain, with the possible exception of combining two rooms to create large boardroom/ conference room and/or alterations to provide additional toilets etc.
- Attention will have been paid to circulation areas to create light, airy space in keeping with decor of rooms.
- Although modern lifts may be evident, they may often not be viable due to planning restrictions.

3 Converted – Good (Type “C” Class “G”)

Example - 43 Melville Street.

This class will cover good refurbishments carried out since the 1990's. They may now be showing minor signs of wear and tear, however, this is to be expected and does not detract from a property being placed in this class.

3.1 Criteria

- Total refurbishment of property (front and rear elevations) including chimneys, rainwater goods, stonework, and roof.
- Windows often, but not always replaced with units to match originals, also involving discreet use of double-glazing within the traditional frame.
- Repair of plasterwork throughout the building. Particular attention will have been given to cornices, panelling etc. Woodwork will not simply have been painted, but repaired and/or replaced where necessary to achieve an excellent finish.
- Complete re-wiring with excellent provision of power points and computer high specification cabling. You would not expect to find any surface wiring - all such problems should be eradicated. Increasingly common to find floor access points for cabling/power points.

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3.1/

- Complete re-plumbing with ample toilet facilities. These areas will be spacious and finished to a high standard with extensive use of wall and floor tiling. Separate male and female toilets would be the norm with a higher frequency of toilets - perhaps on 3 or more floors of a typical 4 or 5 storey townhouse.
- Adequate tea preparation areas plus space for some kitchen equipment eg fridge, microwave.
- Basement and attics will have had **all** problems eradicated and the access to these areas **will** be as good as physical limitations permit. However the quality of finish is unlikely to match that of the ground and first floors, but this is more likely to be due to the original style of construction rather than standard of finish. On occasions suspended ceilings will have been installed in basement areas, although these will be of modern metal design rather than acoustic mineral fibre.
- Central heating will be very good. Lighting will also be modern and of a high specification
- Special attention will have been paid to reception/circulation areas.

4 **Converted –Excellent (Type “C” Class “E”)**

Example 1-3 Charlotte Square

In general, these will be the very best refurbishments, usually carried out within the last 10 years. In many cases (but not always), they will have been carried out by owner occupiers. In these refurbishments, extra care and expense will have been taken to restore/replace period features, such as ornate plasterwork, fireplaces, woodwork, timber panelling etc. Finishes will be of an extremely high standard.

The difference between this class and Converted Good, will be the quality of finishes, and the level of attention paid to restoring/replacing period features. The most modern of wiring/computer cabling will be in place.

4.1 **Criteria**

- Good quality repair of building fabric, with replacement of exterior features, and re-roofing.
- Windows often replaced by units to match originals, also involving discreet use of double-glazing within traditional-type frame.
- New internal woodwork and repair of plasterwork to a high standard throughout. Particular attention will have been given to cornices, panelling etc.
- Complete re-wiring with full-access raised flooring for hi-spec cabling. The layout of this will be structured to the occupier’s requirements, rather than fitted in with the current structure.
- Plasterwork totally refurbished or replaced where necessary. Special attention will have been paid to ornate cornicing or freezes, with complete sections being replaced if required.
- Suspended ceilings will tend to be metal rather than mineral fibre tiles.

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4.1/

- Complete re-plumbing with ample toilet facilities and usually showers. These areas will be spacious and finished to a high standard with extensive use of wall and floor tiling.
- High quality tea-prep areas, and there may be a full-sized kitchen with modern equipment.
- Basement and attics are finished to a high standard, subject to space limitations. These areas will be fully operational as quality office space and will often have suspended ceilings. It is likely that some attempt at internal structural alteration will have been attempted so as to improve the quality and extent of office space.
- Circulation and reception areas will be finished to a higher quality, reflecting the wealth of the occupier.
- Excellent quality central heating systems. In more recent examples, air conditioning may be installed. Lighting will also be modern, and of a high spec.
- Any boardroom facilities will have a sense of opulence, utilising restored or reinstated fireplaces, hardwood finishes and chandelier lighting; or, alternatively, be very contemporary in style.
- The décor will be of a very quality, and well-maintained.

4 Converted – Unique (Type “C” Class “Q”)

This is a new category introduced to apply to those properties which although used as offices, are fairly unique in their surroundings and do not readily fit into one of the generally accepted categories of office classifications.

Example of this type of office may be flats in a tower block used as a community office, or a rural converted farm building.

This category could also be used to classify an office in a more central business location, but one which has had absolutely none, or very little adaptation, rendering it fairly unique in its surroundings.

QUANTUM SCALE FOR OFFICES 2010 REVALUATION

REDUCED AREA	PERCENTAGE INCREMENT
30 - 1,000	NIL
1,500	-1%
2,000	-2%
2,500	-3%
3,000	-4%
3,500	-5%
4,000	-6%
4,500	-7%
5,000	-8%
6,000	-9%
7,000	-10%
8,000	-11%
9,000	-12%
10,000	-13%
11,000	-14%
12,000	-15%
13,000	-16%
14,000	-17%
15,000	-18%
16,000	-19%
17,000	-20%
18,000	-21%
19,000	-22%
20,000	-23%
21,000	-24%
22,000	-25% max

INVERSE QUANTUM

REDUCED AREA	PERCENTAGE INCREMENT
30 and over	0%
29	1%
28	2%
27	3%
26	4%
25	5%
24	6%
23	7%
22	8%
21	9%
20	10%
19	11%
18	12%
17	13%
16	14%
15	15%
14	16%
13	17%
12	18%
11	19%
10 and below	20%

CLASS 4 UNITS

Certain properties have become commonly referred to as “Class 4 units”. This is actually a reference to the class of planning permission which allows use in the “light industrial to office” range. By implication therefore properties have been developed under the same planning use consent which span the spectrum of physical characteristics from full industrial specification, including those referred to as “hi-tech”, to full office specification.

In Lothian the existence of this planning class has frequently allowed properties of an office nature to be constructed in industrial locations and for industrial properties to be converted to office use. It is easy to appreciate therefore that the range of physical characteristics, uses and combination of uses that may arise is wide.

In each case it will be necessary for staff to arrive at a level of value which fully reflects the particular properties’ location and physical characteristics. Two basic approaches can be adopted, either employing the standard office scheme of value with suitable allowances to reflect location and/or quality, or employing the industrial scheme with suitable additions to reflect the quality and character of the property. Obviously, staff should be guided by any rental evidence which is available either for the specific property or other similar properties. To date rental evidence that does exist implies that a purpose built Class 4 unit, using facing brick, pitched roof etc but allowing a mixture of office and light industrial use where the internal finish clearly indicates those uses will closely align itself with an “office” level of value.

In less obvious cases where, for example, 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, a Divisional Assessor should be consulted.

SERVICED OFFICES (BUSINESS CENTRES)

Serviced office accommodation made available to let on a short-term basis is now becoming well established in the local office market. Within Lothian there are several different operators all of whom let accommodation which varies in terms of the length of occupation, the services provided and the amount of control imposed upon the users.

These Business Centres have been developed to cater for a variety of users such as start-up businesses, satellite offices of existing businesses or users with only an occasional requirement for office space who generally want to avoid start-up costs and/or committing to long-term leases.

The leasing arrangements are intended to be more flexible than normal to allow more frequent tenancy changes.

- **MAIN FEATURES**

The subjects comprise fully serviced office accommodation that can be let for periods ranging from 1 hour to 2 years – some properties having a maximum of 1 year let. Formal leases/licences are not normally granted for periods of less than 3 months.

The individual unit let, can be a single room or a suite made up of any combination of rooms, or the whole property. In modern properties partitions will be moved to suit the client's requirements.

The type of property utilised can be a modern purpose built office building or an existing 'office use' property with no additional adaptation carried out eg a New Town style office.

The properties are fully furnished with desks, chairs, telephones, computers etc.

The communal facilities, kitchens and toilets, are shared. There are generally conference/meeting rooms that remain under the day-to-day control of the operator and are available for hourly hire to both the occupiers and to the general public.

The following services are usually included in the 'rental' payments:-

Electricity, heating, rates and water charges, fax point, phone points, ISDN lines, cleaning and maintenance, building management and security, as well as reception facilities including telephone answering.

The operator pays the insurance for both the building and the operator's contents.

There are no separate meters for electricity etc.

24-hour access to the properties is often available to the users.

The operator staffs the reception during office hours. There is also normally a manager present. All visitors to the occupiers must check in at reception.

/....

- **UNIT OF VALUATION**

In order to determine the unit of valuation for the letting areas, the letting circumstances must be looked at on an individual basis. The decision to make a separate entry will be dependant on the terms of the written agreement as well as what happens in actual practice. In the opinion of Counsel, the *de facto* situation carries most weight.

The area occupied by the landlord will form an entry in the Valuation Roll.

As a general rule, where the office is let for a period of more than 3 months with an expectation of continuance and there is exclusive occupation by the user, a separate entry will be shown in the Valuation Roll.

The following opinion will be useful in determining whether the user enjoys exclusive occupation:-

“The fact that a landlord exercises some degree of control over the premises let will not prevent the user from being in rateable occupation provided that the control and use by the landlord does not interfere to any significant degree with the day-to-day use by the tenant of the subjects as offices, or involve use by the landlord as offices of the premises let. Accordingly, in cases where discreet, physically separate offices are let, to which the tenant has the keys, and the landlord’s reserved rights of use and access are in connection with normal property maintenance, building management, the provision of services or the like, there should be little difficulty in concluding that the tenant is in exclusive occupation. In marginal cases, whether the landlord resides in or retains occupation of part of the building; who retains keys to the building and the premises let; and whether the landlord provides services and furnishings, may assume more significance than would otherwise be the case.”

When any property that is entered separately on the Valuation Roll becomes vacant, it should continue to be treated as a separate unit of valuation provided it is not in use, nor kept available for use, by the landlord but is kept vacant for letting on terms which would result in the tenant being the rateable occupier.

Where offices are let out for very short periods or are vacant but held out as available for such use, they will be treated as being in the rateable occupation of the landlord and to be *unum quid* with the other parts of the building occupied by him.

- **VALUATION**

The rental/licence fees paid for Business Centres are inclusive of a variety of services which makes it difficult to determine the amount attributable solely to the property. The subjects also have a similarity of purpose to conventional offices. They will therefore be valued at the level of comparable office properties.

- **DESCRIPTION**

All offices which form part of Business Centres, including those entered separately are to be described as “Serviced Offices” in the Valuation Roll.