

TAYSIDE VALUATION JOINT BOARD



REVALUATION 2017

VALUATION OF OFFICES

1 APPLICATION

The following scheme applies to the revaluation of offices and office type accommodation in Angus, City of Dundee and Perth & Kinross Divisions.

The scheme will apply to all subjects which by reason of their physical characteristics and situation are suitable for valuation as offices, including, for example, studios, surgeries, consulting rooms and salons.

2 METHOD OF MEASUREMENT AND CALCULATION OF AREAS

2.1 The calculation of areas will be on a Net Internal basis and will conform to the RICS Code of Measuring Practice.

Net Internal Area (NIA)

The usable area within a building measured to the face of the internal finish of perimeter or party walls ignoring skirting boards and perimeter trunking and taking each floor into account.

Usable Area

The usable area within the property will be determined by **excluding** the following:

- 1) areas of toilets, bathrooms and associated lobbies;
- 2) areas of lift motor rooms, boiler rooms, tank rooms, fuel stores and plant rooms;
- 3) areas of stairwells, liftwells, and those parts of entrance halls, atria, landings and balconies which provide essential access¹ or are used in common with other occupiers;
- 4) areas of corridors and other circulation space where used in common with other occupiers or of a permanent essential nature²;
- 5) the areas occupied by internal structural walls, walls (whether structural or not) enclosing excluded areas, columns, piers, chimney breasts, other projections, vertical ducts, etc;
- 6) cleaners' cupboards (which will have a sluice or the like), cupboards, if accessed from excluded area³;
- 7) areas under the control of service or other external authorities; eg, meter cupboards;
- 8) areas below 1.50m in height.

NOTES

1 Essential Access

This is restricted to the area of essential access to the building or entrance halls, atria, landings, etc. Those areas in entrance hall/atria, etc, which are usable and whose use would not impede essential access should be included in NIA. If in doubt, consult with a senior member of staff.

2 Corridors of a permanent essential nature

The only corridors excluded from NIA, apart from areas used in common with other occupiers, are those of a permanent essential nature: ie, either

i) internal corridors between structural walls (usually found in older buildings). Note that the original brick/block walls which divide up older cellular office accommodation should be considered structural (unless there is clear indication otherwise) and the corridors providing access to the individual rooms should be considered to be of "an essential permanent nature".

ii) fire corridors. (If a fire corridor is claimed to exist which is defined by non-structural walls, attempt to establish whether it would be required by any hypothetical occupier; if so it should be regarded as of a permanent essential nature, otherwise it is deemed to serve the needs of the actual occupier and, not being permanent or essential, must be included in NIA).

3 *Storage areas of proportions larger than normal cupboard storage, regardless of location within the building, should be included when determining NIA.*

Diagrams illustrating the application of NIA can be found in the RICS Code of Measuring Practice.

2.2 It should be noted that when analysing any rental evidence it is not appropriate to exclude demised usable space which has subsequently been converted by a tenant to any of the exclusions listed above. The demised premise is the area let as described in the lease.

2.3 Any difference in value to comparable subjects as a result of such tenant's improvements should be carefully considered by the Valuer before amending the Valuation Roll (eg, the installation of additional toilet facilities by the tenant causing minor differences in value between like subjects).

3 CLASSIFICATION

The classification scheme for offices is based primarily on character. Age clearly will come into this as will location to some extent. Offices have initially been allocated to one of four groupings (Classes A-D) based on the character of the building in question. It should be noted that the dates mentioned are for guidance only. The four classes are as follows:

- A - Modern (post 1960) purpose built offices.
- B - Stone built, or brick interwar and pre 1960 offices (Conversions or purpose built and including tenements).
- C - Houses or parts of houses used as offices.
- D - Non Permanent.

Further subdivision will allow correct placing within the group or class. For example, a modern purpose built office will be within Class A. Its placing within one of the three subdivisions of that class (A1, A2 or A3) will depend on its age and type, quality of construction and finish.

Note that whilst it is anticipated that a class B1 office for example will be superior in quality and so more valuable than a class B3 office in the same location, it should not be assumed that Class A offices will all have a greater value than Class B. Values may frequently overlap.

3.1 Sub Groups

3.1.1 Class A Modern (Post 1960)

3.1.2 Class A1 Prestigious modern offices with a high standard of finish: double glazing (often with tinted glass), good central heating, excellent artificial lighting and good modern toilet facilities. They may be set within landscaped grounds. In Dundee and Perth, the typical A1 office is the modern, speculatively built office. This will include a large modern headquarters building. In Angus it is a smaller, modern, purpose-built office with a high standard of finish.

A class of A1+ *May appear during the period of the quinquennium if a higher specified building is erected during that time. Analysis of the rental evidence may determine a higher rate than A1.*

3.1.3 Class A2 Modern offices where the standard of finish though good is less than that of A1. Often double glazed with central heating or equivalent, good lighting and modern toilet facilities with adequate provision for both sexes. Likely to have been erected since 1975 but could be earlier if refurbished.

3.1.4 Class A3 Poorest or plainest type of post '60s purpose built office, eg, single glazed metal framed windows, without suspended ceilings; often inadequate or dated heating system, eg, underfloor; adequate lighting and adequate toilet provision. Generally ageing and unlikely to have been built after 1975.

3.2.1 Class B Stone, Interwar and pre 1960

- 3.2.2 Class B1** Good quality stone and brick purpose built offices also including good conversions of mills and warehouses, etc. Converted or refurbished to a high standard since 1985. Should have been rewired, replumbed, and the heating system modernised. New fittings should be of good modern standard. Quality plasterwork and woodwork may also be in evidence. Stone cleaning may also have been carried out.
- 3.2.3 Class B2** Main group of purpose built or converted stone or inter war buildings which have been improved over the years to maintain a generally good standard. Should have reasonably modern wiring, plumbing, and heating system and with adequate toilets for both sexes. May include earlier or modest refurbishments and adaptations to office use. This category includes former large town houses well adapted to office use.
- 3.2.4 Class B3** Pre-1960 stone or brick offices which have had little adaptation over the years. Basic finish internally and with limited toilet provision. This category includes the poorer town house with little adaptation.
- NB** *Class B2 and Class B3 may appear similar from an external appraisal but the actual class is dependent on the degree of refurbishment/modernisation.*
- 3.2.5 Class B4** Tenements and the like which are used as offices with little or no adaptation. Basic finish internally. Assumed to be without fixed heating system.
- 3.3.1 Class C** **House Conversions etc**
- 3.3.2 Class C1** Houses or parts of houses used as offices, surgeries, studios etc well adapted to office use. Should have been rewired, replumbed and have a modern heating system.
- 3.3.3 Class C2** As class C1. Should have reasonably modern wiring, plumbing and heating systems and some adaptation.
- 3.3.4 Class C3** This class refers to the poorest of house conversions with only modest refurbishment and little or no adaptation from a dwelling house.
- NB** *Class C office classification is dependent on condition and quality rather than age. A Class C office will be located away from recognised commercial areas.*
- 3.4.1 Class D** **Non-Permanent**
- 3.4.2 Class D1** Modular offices providing accommodation equivalent to Class A2/A3.
- 3.4.3 Class D2** Non-permanent, eg, good cabin type structures with toilet facilities and fixed heating.

3.4.4 Class D3 Non-permanent - poor types, very basic, no toilet facility or fixed heating.

4 UNIT OF VALUATION

The unit of valuation will include the whole of any suite of offices occupied by a single occupier, the rooms being physically contiguous and having internal mutual access. The necessity to use a common stair or passage, to pass between subjects otherwise adjoining, will indicate that the subjects are not unum quid.

5 BASIS OF VALUATION

The valuation should be arrived at by applying an appropriate rate per square metre to the area calculated for each floor with variations in the rate for those parts of inferior or superior quality, construction or date of erection, e.g. rear wings inferior in quality to main building.

6 BASIC RATES

The basic rates per m² of net internal area, summarised in Appendix A, should be applied to first floors. For other floors the rate shown should be adjusted in accordance with the table of floor relationships (Section 7.1). There may be special cases in the built-up areas where particularly poor or unusual situations are encountered which justify modification of the normal rate.

7 FLOOR RELATIONSHIPS

The rates for floors other than first floors will be obtained by adjusting the basic rate in accordance with the following table of floor relationships where departure from the guidelines may be appropriate, Valuers must consult with a senior member of staff.

7.1 Offices with no passenger lift facilities

Main Floor	Class	Angus Ratio	Dundee/ Perth Ratio	Attic Floors	All Divisions Ratio
Ground	Classes A1-A3	100	100		
	All Other Classes	100	110		
First		100	100	1A	90
Second		85	85	2A	75
Third		65	65	3A	55
Fourth		55	55	4A	50
Fifth		50	50	5A	45

The adjustment factor for ground floors entering direct from the street by prestige entrances, where the front elevations are of dressed stone with quasi-display front (not shop front) should be enhanced to take into account the style and character of the subject. The increase above the normal ground floor rate will be dependent upon character, location and local rental evidence, with particular attention being paid to comparison with shop values in the vicinity. Where the office has a shop front, it may be more appropriate to value the property in direct comparison with shops.

7.2 Offices with adequate and modern passenger lifts

For classes A1, A2 and A3 all floors should be taken at a ratio of **100**. For all other classes in Dundee and Perthshire all floors served by the lift should be taken at a ratio of 110.

7.3 Notes

7.3.1 Inadequate Passenger Lifts

Some buildings may have passenger lift facilities which are inadequate and not up to modern standards. Each case should be treated on its own merits by reducing the rate which would have applied if it had an adequate lift.

7.3.2 Passenger Lift not serving all floors

Where a passenger lift does not serve all floors, each case should be treated on its own merits. However, as a general guide, a ratio of 90 for the floor immediately above the floor last served by the lift, 75 for the next floor and 60 for the following floor, may be appropriate.

7.3.3 Goods Lifts/Hoists

In terms of the plant and machinery regulations these are included in the definition of lands and heritages and consideration should be given to the overall value they add to the office subject.

7.3.4 Disabled Access

The nature of disabled access to office type subjects ranges from small ramps to stair lifts and dedicated passenger lifts. It is assumed that the modern office and adapted office will have some facility to ease disabled access and the presence or absence of such facilities will assist the Valuer in determining the appropriate classification.

7.3.5 Basements

The reduction factors for basements may require variation within wide limits to allow for variety of character, eg, suitability of access, quality or daylighting, etc, and each basement should be judged on its own merits.

8 CENTRAL HEATING

The basic rates per m² assume that there are central heating installations or adequate fixed heating in all classes except B4 and D3. In any case where the heating is inadequate a deduction of up to 5% may be made. Where there is a modern central heating system installed in a Class B4 or D3 office an addition of up to 5% may be made. However, in such cases the Valuer should consider whether the correct classification has been applied.

9 AIR CONDITIONING

Where air conditioning has been installed within an office subject, details of the specification of the system are required, eg, full air conditioning with heating, cooling and filtration plant and with a note of the maximum and minimum temperatures achievable; or a basic air conditioning system provided only by locally installed units. For full air conditioning a maximum of £7/m² should be added to the basic rate by using the appropriate "Rate Adjustments" field.

10 STRONG ROOMS

In the majority of cases the strong room of an office will comprise a strong room door fitted to an existing cupboard or store with little or no reinforcement to walls, ceiling and floor. In these cases the strong room should be valued at the same rate as the rest of the office accommodation. Where there is a purpose-built strong room with complete reinforcement similar to those installed in banks and its existence is of value, apply an enhancement of 10% to the internal area of the strong room. If only present because of historical use, then value at the same rate as the office accommodation.

11 ADDITIONS

Following the identification of the unit of valuation it may be appropriate to consider the valuation of pertinents.

11.1 Car Parks

The provision of car parking within the curtilage of office premises should be dealt with by valuing the car park at an appropriate rate per car space, having regard to the level adopted for public car parking, the availability and cost of public parking and rents where available.

11.2 Garaging

Depending on their character and location, garages should be valued in accordance with the recommendations laid down for the valuation of commercial garages and lock-up garages, but care should be taken to ensure that the rate applied is reasonable in relation to the rate applied to the office. Those of a basic nature may attract a value akin to a lock-up garage, whereas more substantial garages may be of a size and character and in a location that justify comparison with miscellaneous workshops or stores valued on the basis of Part 4 of the instructions for the valuation of industrial subjects, etc.

11.3 Outbuildings

Outbuildings which are used for storage and other purposes related to office use should be valued at a rate related to the office rate. It may be appropriate to adopt rates from the Industrial Part 4 scheme of value.

12 DEDUCTIONS

These may affect the subjects as a whole, i.e. including the pertinents and car park, the office buildings only or a particular floor or floors. The following are some of the factors which could justify making deductions. It should be borne in mind that certain inherent disabilities may already have been taken into account in the classification of the office and so the overall effect of applying the appropriate deductions should be considered.

12.1 Toilet Accommodation

In terms of the Offices, Shops and Railway Premises Act, 1963, offices should have appropriate toilet and washing facilities, or access to appropriate toilet and washing facilities, and the determination of basic rates from the rental evidence takes into account the provision of these facilities. Adjustment is therefore only necessary where this is not the situation and any allowance for inadequate or non-existent toilet facilities should be made by an appropriate deduction from the valuation.

12.2 Poor or No Natural Light

12.3 Poor Access

Offices which are physically of reasonable standard may be less desirable because of the character of their access, such as a poor dingy common stair, shared with poor class dwelling houses or inferior commercial premises.

12.4 Poor Planning and Layout

13 ADJUSTMENTS FOR SIZE (QUANTUM)

Ground and first floor basic rates for Dundee and Perth & Kinross Divisions shown in Appendix A are for offices which have a total area between 40m² - 249m².

Where the total area of the office is outwith that range, adjustments for size (quantum) should be made in accordance with the following scales, **but see note at 13.1 below**. Adjustments for size (quantum) should be applied after making any adjustments for factors which affect only the office building or particular floors therein and before making additions for pertinents and car parking and applying any end adjustment.

There may be exceptional circumstances where rental evidence indicates that the standard adjustments are inappropriate.

13.1 Quantum Adjustment Table

For offices with total area less than 40m² or in excess of 249m² the undernoted adjustments should be made.

NB For Class A offices with total area in excess of 39m² in the main areas of Perth and Dundee quantum adjustments will not normally be applied until the total area exceeds 1000m². Valuers may, if circumstances dictate, allow for quantum in the 250-1000m² range. If in doubt, consult with a senior member of staff.

Scales of Quantum for Angus Division are stated separately.

Quantum Table – Dundee & Perth

Total Area (m ²)		Adjustment
From	To	
1	9	+25.0%
10	19	+20.0%
20	29	15.0%
30	34	+10.0%
35	39	+5.0%
250	500	- 2.5%
501	1000	-5.0%
1001	2000	-7.5%
2001	3000	-10.0%
3001	4000	-12.5%
4001	5000	-15.0%
5001	6000	-17.5%
6001	8000	-20.0%
8001	10000	-22.5%
10000	15000	-25.0%

Quantum Table - Angus

A & D Class Quantum	
Total Area	Quantum
Up to 50 m ²	15%
50 m ² to 75 m ²	10%
75 m ² to 100 m ²	5%
100 m ² to 150 m ²	0%
150 m ² to 250 m ²	0%
250 m ² to 400 m ²	-5%
400 m ² to 500 m ²	-10%
500 m ² to 750 m ²	-15%
750 m ² to 1000 m ²	-20%
1000 m ² to 1500 m ²	-25%
1500 m ² to 2000 m ²	-30%
2000 m ² +	-30%

B Class Quantum	
Total Area	Quantum
Up to 25 m ²	25%
25 m ² to 45 m ²	20%
45 m ² to 55 m ²	15%
55 m ² to 65 m ²	10%
65 m ² to 80 m ²	5%
80 m ² to 125 m ²	0%
125 m ² to 150 m ²	-2.5%
150 m ² to 175 m ²	-5.0%
175 m ² to 200 m ²	-7.5%
200 m ² to 225 m ²	-10.0%
225 m ² to 250 m ²	-12.5%
250 m ² to 275 m ²	-15.0%
275 m ² to 300 m ²	-17.5%
300 m ² to 350 m ²	-20.0%
350 m ² to 500 m ²	-25.0%
500 m ² +	-30.0%

**2017 REVALUATION
REVALUATION OF OFFICES
FIRST FLOOR BASIC RATES TO NAV
PERTH & KINROSS DIVISION**

	Perth		Kinross & Milnathort	Main Burghs	Other Small Burghs & Large Villages	Small Villages	Landward
	Main 2M	Outlying 2O	5	6P	7P	8P	9P
CLASS							
A1	£105	£105	£100	£100	£90	£85	£70
A2	£95	£95	£95	£95	£85	£75	£65
Serviced Offices	N/A	£110	N/A	N/A	N/A	N/A	N/A
A3	£80	£80	£70	£65	£55	£55	£50
B1	£105	£95	£95	£90	£75	£75	£55
B2	£95	£85	£85	£80	£70	£60	£45
B3	£85	£75	£65	£60	£60	£45	£45
B4	£70	£50	£45	£45	£40	£30	£25
C1	£80	£80	£65	£65	£55	£50	£45
C2	£65	£65	£45	£45	£40	£35	£30
C3	£40	£40	£35	£35	£30	£25	£25
D1	£65	£55	£40	£40	£35	£30	£30
D2	£50	£45	£35	£35	£30	£25	£25
D3	£30	£30	£30	£30	325	£20	£20

**2017 REVALUATION
REVALUATION OF OFFICES
FIRST FLOOR BASIC RATES TO NAV
DUNDEE DIVISION**

LOCATION	1M	1C	1S	1T	1B	1O
CLASS						
A1	£125	£125	£125	£125	£125	£100
AS1	£140	N/A	N/A	N/A	N/A	N/A
A2	£115	£115	£80	£105	£115	£80
AS2	N/A	N/A	£130	N/A	N/A	£130
A3	£85	£85	£70	£65	£85	£65
B1	£120	£120	£110	£105	£115	£85
B2	£105	£80	£75	N/A	£105	£65
B3	£55	£55	£50	N/A	£70	£47
B4	£40	£40	£35	N/A	£40	£35
C1	£85	£85	£80	N/A	£115	£70
C2	£80	£80	£75	N/A	£75	£65
C3	£60	£60	£55	N/A	£55	£50
D1	£90	£90	£70	N/A	£90	£65
D2	£65	£65	£52	N/A	£65	£50
D3	£40	£40	£35	N/A	£40	£35

Explanation of abbreviations

1M – Main office area

1C – City Centre (Location – 05WBC & 05WBK)

1S – Secondary

1B – Central Broughty Ferry

1T – Tech park or similar

1O – Outlying

Office classifications A to D as before but note

AS1 – **Class A1 serviced offices** eg River Court, West Victoria Dock Road, Dundee

AS2 – **Class A2 serviced offices** eg District 10, Greenmarket and Castlecroft Bus Cntr, B Ferry

**2017 REVALUATION
REVALUATION OF OFFICES
FIRST FLOOR BASIC RATES TO NAV
ANGUS DIVISION**

LOCATION	Monifieth	Large Burgh	Small Burgh	Well located landward	Village/Landward	Remote
A1	£100	£100	£85	£80	£70	£65
A2	£75	£75	£65	£80	£65	£60
A3	£60	£60	£50	£50	£60	£55
B1	£90	£90	£75	£75	£55	£50
B2	£65	£65	£50	£50	£45	£40
B3	£60	£60	£35	£35	£35	£30
B4	£60	£60	£35	£35	£35	£30
C1	N/A	N/A	N/A	N/A	N/A	N/A
C2	N/A	N/A	N/A	N/A	N/A	N/A
C3	N/A	N/A	N/A	N/A	N/A	N/A
D1	£65	£55	£45	£38	£35	£33
D2	£50	£50	£40	£33	£30	£28
D3	£35	£45	£35	£28	£27	£23