



# Orkney & Shetland Valuation Joint Board



## 2010 REVALUATION – LOCAL PRACTICE NOTES

### SHETLAND

These Local Practice Notes give guidance and instruction to valuers for valuing subjects on the “Comparative Method” of valuation where local rental evidence has been used to determine rates applied and adjustments made to the value of properties. In the main this covers shops, offices, industrial subjects and other similar types of properties. The report also covers local ground rates for some minor subjects valued on the Contractors’ Basis. Allowances to halls, museums and interpretive centres are shown where clarity is needed to show local interpretation.

#### 1) RETAIL

##### LERWICK SHOPS

LOCATION	ZONE A RATE
COMMERCIAL STREET	£140/m2 - £70/m2
TOLL CLOCK SHOPPING CENTRE	£120/m2 - £95/m2
ESPLANADE & HARRISON SQUARE	£140/m2 - £85/m2
COMMERCIAL ROAD	£125/m2 - £90/m2
NORTH ROAD	£95/m2 - £90/m2
REFORM LANE	£90/m2
MOUNTHOOLY STREET	£110/M2 - £90/m2
HARBOUR STREET	£85/m2
FORT ROAD	£78/m2
SOUTH ROAD & CARLTON PLACE	£70/m2
KING HARALD STREET	£60/m2
OVERSOUND ROAD	£60/m2
NORSTANE, KANTERSTEAD, NORTH LOCHSIDE & THORFINN STREET	£47.50/m2

##### COUNTRY SHOPS

LOCATION	ZONE A RATE
FOULA, FAIR ISLE, FETLAR & SKERRIES	£11.50/m2
UNST & YELL	£16.00/m2
NORTH ROE, OLLABERRY, SULLOM, URAFIRTH, HILLSWICK, SANDNESS, AITH, SKELD, NESTING, VIDLIN, WHALSAY, BRESSAY, LEVENWICK & FLANDERSTON	£18.00/m2
WALLS, BIXTER, WHITENESS, BIGTON, BURRA, TOLOB & CUNNINGBURGH	£30.00/m2
VOE, WEISDALE, DUNROSSNESS, SANDWICK	£36.00/m2
BRAE & SCALLOWAY	£47.50/m2
SUB POST OFFICES	£11.50/m2

**ZONING:** 9 Metre zone depths to be used for all retail properties. Up to a maximum of three zones to be used.

**STORAGE AREAS:** Storage area are to be valued the same as retail areas where the finish is the same, but may be modified by **up to 10%** according to quality of finish.

**FLOOR DIFFERENTIALS:** If the ground floor has 3 zones, then first floor/ basement will be taken at  $\frac{1}{4}$  rate.

FLOOR	RATE
	3 ZONES
BASEMENT	$\frac{1}{4}$
GROUND	1
1 <sup>st</sup> FLOOR	$\frac{1}{4}$
2 <sup>nd</sup> FLOOR	15%

**ATTIC FLOORS** are to be measured to 5ft height (**NOT TO BE CONFUSED WITH DOMESTIC 6ft HEIGHT**).

**SUB- POST OFFICES IN RURAL LOCATIONS:** Where they are located in rural areas and no other form of retailing exists, value at £11.50/m<sup>2</sup> otherwise value on the appropriate retail rate/m<sup>2</sup> for its location.

**QUANTUM: -**

AREA (M2)	ADJUSTMENT
<= 15 m2	+ 10%
>=16 m2 <= 19 m2	+ 5%
>= 20 m2 <= 119 m2	0%
>= 120 m2 <= 239 m2	- 5%
>=240 m2 <= 319 m2	- 7.5%
>= 320 m2	- 10%

**Quantum levels apply to the reduced area.**

**QUALITY:** - Most shops in Shetland are in a good overall condition, however, there are some shops, particularly in rural locations, which fall short of this

condition and it is suggested that up to a – 5% allowance may be given in these circumstances.

**POOR LAYOUT:** - Poor layout such as stepped sales areas may receive up to 2.5%.

**SUPERMARKETS** – Valued on the comparative basis using rents of similarly located supermarkets throughout Scotland. Kirkwall and Lerwick thought to be broadly comparable with Stornoway in the Western Isles.

## **2) WORKSHOPS, STORES, AND FACTORIES ETC**

Areas will be on a **GIA** basis.

### **RATES / M 2**

<b>LOCATION</b>	<b>RATE 2010</b>
LERWICK	£40
DALES VOE	£34
BRESSAY	£30
SCALLOWAY	£30
LAXFIRTH/ VEENSGARTH	£26
WEISDALE/CUNNINGSBURGH	£25
WHITENESS/BURRA	£25
QUARFF/SELLANESS/BRAE	£23
VOE/GULBERWICK	£19
NESTING/BIXTER/AITH	£21.50
WETHERSTA/SANDWICKTRONDRA	£20.50
VIDLIN/SKELD	£21
WALLS/SOUTH NORTHMAVINE /SANDNESS	£17
NORTH NORTHMAVINE/DUNROSSNESS	£15
UNST/YELL/WHALSAY	£14
FETLAR/SKERRIES	£6.50
FAIR ISLE/FOULA	£5.50

**CONSTRUCTION ALLOWANCES:** As a result of the above, construction allowances will need to be recalculated. They are currently as follows: -

<b>TYPE</b>	<b>ALLOWANCE</b>
STONE	- 5%
MARLEY SLAB	- 10%
SINGLE BLOCK (4")	- 10%
C/ASB	- 25%
C/IRON	- 25%
TIMBER/LINED	- 20%
TIMBER/UNLINED	- 25%
NISSEN	- 35%
INS.PROFILE SHEET (No dado wall)	- 2.5%

## **AGE AND CONDITION ALLOWANCE – As per SAA recommendations**

### **FOOD PROCESSING FACTORIES**

These are constructed to a higher standard due to tightening of E.C. regulations rates. Care should be taken to ensure that areas within the building with a higher standard of finish on production areas etc are taken at a higher rate/m<sup>2</sup> by pro-rating the affected areas at 1.25 times the normal level for the area. (See below under “Other Deductions /Additions”.

### **OTHER DEDUCTIONS/ ADDITIONS**

1. **UNINSULATED ROOFS** are given a 5% deduction with the exception of a nissen building.
2. **One wall open to yard** - 50%
3. **Slatted walls** - at discretion up to 10%
4. **Tiled floors** - up to 5%
5. **Internal offices** - Offices, and related areas such as corridors, toilets and stores –1.5 times x the floor rate. If office area relates to more than 15% of the total area, the offices should be valued on the Office Scheme.
6. **Main areas where finish is superior** such as in modern fish factories 1.25 times.
7. **Superior Heating** + 2.5%
8. **Superior Lighting** + 2.5%
9. **Cold Stores and Chills** + 1.25 times
10. **Garage Showrooms** at 1.5 times the main workshop level.
11. **Open Slatted Walls** UP TO - 10%
12. **Non-Commercial Use** – For buildings in non-commercial use, e.g. hobby-type use, boathouses – deduct 50%.

### **FLOOR DIFFERENTIALS**

<b>FLOOR</b>	<b>PERCENT</b>	
	<b>NO LIFT</b>	<b>LIFT</b>
BSMT	75%	85%
GROUND	100%	100%
MEZZ	50%	50%
1 <sup>st</sup> FLOOR	75%	85%
2 <sup>nd</sup> FLOOR	50%	60%

## EAVES HEIGHT

HEIGHT	PERCENT
2m	-10%
3m	-5%
3.50 – 6.00 m	0%
6.01 – 7.00 m	+ 5%
7.01 – 8.00 m	+10%
8.01 – 9.00 m	+ 15%
9.01 – 10.00 m	+ 20%
10.01 – 11.00 m	+ 25%
11.01 – 12.00 m	+30%

## DISABILITIES

In each case, normally give up to 5%. There may be instances where we should stretch this to 10% but this is considered highly unlikely.

1) POOR EAVES HEIGHT	UP TO – 5%
2) POOR ACCESS	“
3) POOR SHAPE AND LAYOUT	“
4) VARIATION IN FLOOR LEVELS	“
5) LIABLE TO FLOOD	“

## CAR PARKING

Most car parks in the town are separately entered in the Roll in their own right. Offices, which have their own private car parking, have additions in the valuation to cover for car parking. A car parking space is assumed to be about 12m<sup>2</sup>.

## QUANTUM

AREA	ALLOWANCE
<50	+10%
51-60	+5%
61-70	+4%
71-80	+3%
81-90	+2%
91-100	+1%
101-250	0
251-265	-1%
266-280	-2%
281-295	-3%
296-310	-4%
311-325	-5%
326-340	-6%
341-355	-7%
356-370	-8%
371-385	-9%
386-400	-10%
401-450	-11%
451-500	-12%
501-550	-13%
551-600	-14%
601-650	-15%

651-750	-16%
751-850	-17%
851-950	-18%
951-1050	-19 %
1051-1150	-20%
1151-1250	-21%
1251-1350	-22%
1351-1450	-23%
1451-1550	-24%
1551-1650	-25%
1651-1750	-26%
1751-1850	-27%
1851-1950	-28%
1951-2050	-29%
2051-2150	-30%
2151-2250	-31%
2251-2350	-32%
2351-2450	-33%
2451-2550	-34 %
2551-2750	-35%
2751-3000	-36%
3001-3250	-37%
3251-3500	-38%
3501-4000	-39%
4001-4500	-40%
4501-5000	-41%
5001-5500	-42%
5501-6000	-43%
6001-6500	-44%
6501-7000	-45%
7001-7500	-46 %
7501-8000	-47%
8001-8500	-48%
8501-9000	-49%
9001-10000	-50%
>10000	AT DISCRETION

## GROUND & SURFACING

### A). GROUND

LOCATION	RATE/M2
	2010
LERWICK	£1.75
COMMUTING	£0.75
REMOTE MAINLAND – GOOD	£0.50
REMOTE MAINLAND POOR	£0.25
GOOD ISLAND	£0.123
POOR ISLAND	£0.062

## **B). SURFACING**

<b>TYPE</b>	<b>RATE/M2</b>
	<b>2010</b>
UNTREATED	0
HARDCORE	£0.90
TARMAC	£1.75
CONCRETE	£1.75

Allowances may be given for older and /or poorer quality surfacing.

### **FENCED COMPOUNDS**

These should be valued by adding together the Rate/m<sup>2</sup> for the ground and its surfacing and applying a Rate/m run for the fencing from the COST GUIDE at 5% decapitalisation rate.

### **LARGE INDUSTRIAL COMPLEXES**

End allowances may be given on complexes on the grounds that a hypothetical tenant would negotiate less for a large sprawled site than the accumulation of the units in valuation. Maximum -5%

## **3). OFFICES**

### **A). LERWICK**

<b>TYPE</b>	<b>RATE/m<sup>2</sup></b>
1. Modern purpose-built	<b>£110</b>
2. Refurbished/ Improved	<b>£110</b>
3. Old Unimproved	<b>£100</b>
4. North Ness Offices	<b>£125</b>
5. Toll Clock	<b>£140</b>

Offices located in peripheral areas of the town may be taken at up to a maximum of 10% less than town centre rates.

## B). RURAL AREAS

LOCATION	Type	RATE/m <sup>2</sup>
Remote Islands	NEW/REFURBISHED	£19
Unst & Yell	“	£23
Central Mainland	“	£ 48
South Mainland	“	£ 36
Sellaness	“	£ 130

## FLOOR DIFFERENTIALS

FLOOR	% RATE
BASEMENT	90 – 100
GROUND	100
FIRST	90 – 100
SECOND	65 – 75
THIRD	50 - 55

Where office suites have accommodation on more than one floor, use the lower floor differential. e.g. ground and first use 100 for ground and 90% for first.

## CAR PARKING SPACES

Car parking spaces should be added to the value where they are exclusive. Use the ground rate/m<sup>2</sup> and surfacing rate/m<sup>2</sup> as found in the Factories, workshops and stores report above. Lerwick is £1.75/m<sup>2</sup> ground + £1.75/m<sup>2</sup> for tarmac = £3.50/m<sup>2</sup>. (A car parking space is assumed to be 12 m<sup>2</sup>).

## 4). CONTRACTORS' PRINCIPLE VALUATIONS

### GROUND

LOCATION	RATE//Ha
LERWICK	£200,000
SCALLOWAY	£150,000
MAINLAND	£100,000
ISLANDS	£40,000

MINIMUM SITE VALUE - £ 100

## AGRICULTURAL/ QUASI-AGRICULTURAL LAND

LOCATION	RATE/ACRE
HILL GROUND	£50 - £150
GRAZING	£200 - £300
ARABLE	£450 - £500
GOOD ARABLE	£600 - £1,000

## HALLS, MUSEUMS, INTERPRETIVE CENTRES

### REMOTENESS ALLOWANCES

LOCATION	PERCENTAGE DEDUCTION
NOSS	-75%
REMOTE ISLANDS	-50%
UNST, YELL, FETLAR, WHALSAY	-45%
MAINLAND –EXCLUDING SCALLOWAY & LERWICK	-40%
SCALLOWAY	-30%
LERWICK	-20%