

## Revaluation 2017

# Public Buildings Committee

### Practice Note 6 Valuation of Lighthouses & Lighthouse Stations

#### 1.0 Introduction

1.1 This Practice Note applies to the valuation of Lighthouses and their pertinents.

#### 2.0 Basis of Valuation

2.1 Subjects covered by this Practice Note are valued on the Contractor's Basis.

#### 3.0 Survey and Measurement

3.1 Building areas should be calculated on a gross external basis (GEA).

#### 4.0 Valuation

4.1 Valuations should be carried out in accordance with SAA Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations).

4.2 Due to the size and nature of Lighthouses and Lighthouse Stations the recommended unit cost rates include adjustment for contract size, professional fees and external works.

#### 5.0 Estimated Replacement Cost (ERC)

5.1 Due to the individual nature of each location, actual construction costs may vary considerably. It is therefore recommended that these actual costs, be used where available, adjusted as necessary to April 2015 levels.

#### 5.2 Unit Cost Rates

5.2.1 **Major lights** are all, apart from three, towers of the traditional interlocked stone type and are virtually all over 100 years old, the earliest still in use being over 200 years old. They are sited in strategically important locations requiring navigational light. There are generally ancillary buildings consisting of workshops, stores, plant houses etc., apart from at a few sea rock lighthouse towers. The former living accommodation in tower lighthouses is now used for maintenance purposes. In

many cases, due to automation, ancillary buildings are now unused and empty. Checks should be made to see if these have been let or sold to 3<sup>rd</sup> parties and the Valuation Roll entry amended if required. The only non-traditional major lights are at Firths Voe, which is a cast iron tower, Haskeir, which is a GRP (Glass Reinforced Plastic) tower and North Rona, which is also a GRP tower.

### 5.2.2 Lighthouse Towers

Traditional construction, 100 to 200 years old and in good structural condition. Including service plant.

Tower £10,000 per metre height

### 5.2.3 Ancillary Buildings

Brick, stone or concrete workshops, stores and plant buildings. Including service plant. £700 per m<sup>2</sup>

5.2.4 **Minor lights** are generally of local navigational importance. They are of modest height and are in the nature of automatic beacons. They are site specific and vary greatly in nature and appearance. The foundations, main structure and power generating plant are rateable. They are generally powered by mains electricity or solar power. A variety of constructions have been used over the years. The earliest ones are stone towers, cast iron towers, or brick structures. Later ones are concrete columns and GRP towers. Since 1985 “standard towers” have been used wherever possible. These comprise aluminium lattice sections, which can be bolted together to form a tower of the required height.

As detailed above a variety of structures have been used over the years. The cost is mainly determined by location and, consequently, varies greatly. Where circumstances preclude the use of a “standard tower”, a GRP tower or concrete column is used.

### 5.2.5 Standard Towers

These consist of 2.2m wide x 2.2m deep x 2.1m high aluminium lattice sections, clad with GRP panels. They can be one, two or three sections high. A 1.2m high handrail section is placed on the top.

#### Structure Cost (Including handrail section.)

|                      |         |
|----------------------|---------|
| Single Section Tower | £17,750 |
| Two Section Tower    | £28,750 |
| Three Section Tower  | £39,750 |

#### Power Supply Cost

|              |         |
|--------------|---------|
| Average Cost | £20,750 |
|--------------|---------|

#### Erection Cost

This varies greatly according to the situation.

|                    |         |
|--------------------|---------|
| Accessible Sites   | £27,500 |
| Inaccessible Sites | £55,000 |

## 5.2.6 Other Structures

There has been no standardisation of other structure types as each is built specifically for its situation. The last minor light GRP tower was erected in 2002 at Sgeir Bhuide at a total cost of £180,000. The last concrete column was erected at Rumble Rock in 2001 at a total cost of £300,000.

In the last 5 years the Northern Lighthouse Board have lit some previously unlit beacons, either with a platform on an existing structure or a new pole and platform structure with access, as an aid to navigation.

Approximate costs for these structures are £10,000 structural element plus £50,000 installation in the case of an existing structure. £30,000 structural element and £60,000 for installation in the case of a new pole and platform. A further £10,000 cost for equipment to either type was incurred, but at least some of this element is likely to be non-rateable.

When available, updated actual costs adjusted for obsolescence should be used. When no costs are available, reference should be made to the Rating Cost Guide.

## 5.3 Adjustments to ERC

As outlined in section 4.0 above, no further adjustments in respect of contract size or additions for professional fees should be made as these are already reflected in the rates recommended.

## 6.0 Adjusted Replacement Cost (ARC)

6.1 In applying age and obsolescence allowances reference should be made to guidance in SAA Basic Principles Committee Practice Note 2 (Contractors Basis Valuations). In particular it should be noted that allowances in respect of age in excess of 50% should only be given to buildings (other than lighthouse towers) and plant in exceptional circumstances. It is recommended that due to the exposed nature of these structures the buildings table of allowances is used throughout. Lighthouse towers themselves should be granted an all-encompassing age, condition and obsolescence allowance of -65%.

6.2 Further allowances of a functional and technical nature should be considered in accordance with SAA Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations).

## 7.0 Land

7.1 Local evidence should be used to derive an appropriate land rate.

## 8.0 Decapitalisation Rate

8.1 The appropriate statutory decapitalisation rate should be used.

## **9.0 End Allowance**

- 9.1 Any factors or circumstances which might affect the value of the occupation of the lands and heritages as a whole should be reflected at this stage. However, in this consideration it should be noted that by their very nature subjects covered by this Practice Note are situated in remote and hard to access locations. So any form of allowance considered for these factors should be carefully reviewed to ensure that it is appropriate.