

Revaluation 2017

Industrial Properties Committee

Practice Note 9

Valuation of Natural Mineral Water Abstraction Rights

1.0 Introduction

1.1 Subjects dealt with.

This Practice Note applies to the right to take water and includes all mineral waters bottled, whether abstracted from borehole, spring, artesian well, river, loch, or other source.

2.0 Basis of Valuation

- 2.1 The right to take water was accepted as a rateable item by the Lands Tribunal for Scotland in the Campsie Spring (Scotland) Ltd -v- Assessor for Dunbartonshire and Argyll & Bute Valuation Joint Board case in 2000, and passing royalties were accepted as an appropriate measure of rent.

3.0 Valuation

- 3.1 The elements normally included in the valuation include:

The right to take water. In the absence of local evidence a rate of 0.23 pence per litre should be applied to the volume of water bottled of 20 million litres per annum and above. The rate per litre below 20 million litres per annum may vary and due to local considerations could be significantly in excess of that applicable to larger producers.

In the absence of local evidence it is recommended that a rate of 0.25 pence per litre should be applied to volumes of water bottled of or below 15 million litres per annum.

Where volumes are between 15 million and 20 million litres per annum it is suggested that the Net Annual Value be interpolated in line with the following table. Further interpolation should be carried out as required.

VOLUME (litres bottled)	pence/litre bottled	Suggested Net Annual Value
20 million	0.23	£46,000
19 million		£44,300
18 million		£42,600
17 million		£40,900
16 million		£39,200
15 million	0.25	£37,500

The royalty rate (or where appropriate, a rate based on local evidence) shall be applied to the volume of water abstracted for bottling in the year to 31/03/15. It may be appropriate to look at the volumes bottled in other years in order to determine the maintainable volume.

Rateable Plant should be valued by reference to the Scottish Assessors' Association Basic Principles Practice Note 2 (Contractor's Basis Valuations).

Associated buildings should be valued by reference to the Scottish Assessors' Association Industrial Properties Committee Practice Note 1 Valuation of Factories, Warehouses, Workshops and Stores and/or local evidence.