



Revaluation 2017

Commercial Properties Committee

Practice Note 16 Valuation of Timeshare Subjects

1.0 Introduction

The Council Tax (Dwellings) (Scotland) Regulations 1993 removed timeshare accommodation from the definition of 'dwelling' and these properties were entered in the Valuation Roll from 1st April 1993.

It is now common practice to have individual entries in the Valuation Roll for each timeshare unit.

The most recent developments in the timeshare market do not confer a title; instead the purchaser has a holiday certificate which grants them a right to occupy a room of a defined grade on a set week or within a range of weeks. In these cases it is the trustees that are in rateable occupation rather than the individual owners of weeks.

2.0 Basis of Measurement

The units should be measured on a gross external area (GEA) basis. Care should be taken to ensure that rental evidence is analysed on the same basis.

3.0 Basis of Valuation

The method of valuation for timeshare units is by application of the Comparative Principle using a valuation rate per square metre. The Lands Valuation Appeal Court in the case of *Assessor for Highland and Western Isles Valuation Joint Board v Barratt International Resorts Ltd 1997* found that the basis of valuation "should be comparison with rents passing for short assured tenancies of similar houses."

Rents from domestic properties held on short assured tenancies should be adjusted to reflect the landlord's repair and insurance liabilities in line with the Rating hypothesis and, if necessary, also adjusted to reflect furnishings. This approach was upheld in the most recent case *Trustees for Coylumbridge Highland Lodges Club v Assessor for Highland and Western Isles Valuation Joint Board LT 2009*.

In order to arrive at the Net Annual Value of each timeshare unit, where appropriate the basic rate should be adjusted to reflect the quality of the resort and the facilities available at that location using the following table:

Facilities

4* or 5* resort with leisure facilities & 18 hole golf course	1.30
4* resort with leisure facilities	1.20
3* resort	1.1
Limited facilities	1

4.0 Pertinents

Management/central facilities should be valued separately and will be the subject of separate entry in the valuation roll as these are usually not in the same rateable occupation. Restaurants, bars etc should be valued on a turnover basis with reference to the SAA Commercial Properties Committee Practice Note 17(Licensed Premises). Other facilities e.g. sports and leisure, should be valued with reference to the appropriate SAA Practice Note.