

Revaluation 2023

Commercial Properties Committee

Practice Note 17 Valuation of Self-Catering Accommodation

1.0 Introduction

- 1.1 This practice note applies to the valuation of self-catering units excluded from the definition of dwellings by Schedule 2, paragraph 2 of the Council Tax (Dwellings) and Part-Residential Subjects (Scotland) Regulations 1992 as amended by The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2021.

Self-Catering Accommodation is defined as:

“2. Any lands and heritages –

a) which are not the sole or main residence of any person; and

b) which –

i) are intended by a relevant person to be made available for letting, on a commercial basis and with a view to the making of profit, as self-catering accommodation for short periods amounting in the aggregate to 140 days or more in the financial year, where the interest of the relevant person in the lands and heritages enables them to be let for such periods, and

ii) have in practice been so let in the financial year for a total of 70 days or more of the period of 140 days described in head (i).”

- 1.2 This practice note does not apply to Serviced Apartments or similar type subjects which have additional facilities and services e.g. 24 hour staff provision, daily cleaning, provision of breakfast and a concierge or similar service. Such subjects should be valued in line with guidance given in Commercial Properties Committee Practice Note 20 Valuation of Hotels and Accommodation Subjects.

2.0 Basis of Valuation

In the absence of local rental evidence, self catering accommodation should be valued using rates per bed space derived from an analysis of rents and receipts from properties throughout Scotland. The results of this analysis have been translated into a table of rates per bed space with the rate selected for a property being dependent on its property type, quality and location.

3.0 Structure Classes

The following categorisation of structure classes is recommended for use throughout Scotland.

L1	Luxury	Exceptional property built or modernised to a very high standard, e.g. historic buildings, castles or other excellent quality properties
H1	Very Good House	A modern house (built 2000 onwards) or an older property which has been modernised / refurbished
H2	Good House	Older house with limited modernisation / refurbishment
C1	Very Good Chalet	A modern chalet (built 2000 onwards) or an older chalet which has been modernised / refurbished
C2	Good Chalet	Older chalet with limited modernisation / refurbishment
F1	Very Good Flat	A modern flat (built 2000 onwards) or an older flat which has been modernised / refurbished
F2	Good Flat	An older flat with limited modernisation / refurbishment

4.0 Location

The following location factors are recommended for use throughout Scotland. Occupancy rates and tariffs may assist in the correct determination of location.

A	Principal city locations
B	Superior/popular holiday location
C	Good holiday location
D	Less popular locations not generally associated with tourism

5.0 Calculation of Bed Spaces

5.1 Bed Count

- Double/twin room counts as 2 bed spaces.
- Family room counts as 2 bed spaces.
- Bunk beds count as 1 bed space, unless the room can clearly take 2 single beds.
- Bed settees, or similar, should be discounted unless they provide the only sleeping accommodation. In such a scenario, count as 2 bed spaces

It may be necessary to vary the above count in situations where there are very large family rooms, small double / twin rooms or an excess of public rooms (2 bed spaces for each additional public room). The count is subject to the provisions of 5.2.

5.2 Quantum Reduction Factors

No reductions should be made where there are sufficient bathrooms/shower rooms and additional public rooms within the property for the number of spaces. The norm is to be taken as one bathroom/shower room and one public room for up to 6 bed spaces. The quantum reduction factors below **only apply** if there are more than 6 bed spaces but no additional bathrooms/shower rooms and no additional public rooms.

7 th and 8 th bed spaces	Take at 0.50 each
9 th and 10 th bed spaces	Take at 0.25 each
Larger units	Valuer's discretion

6.0 Valuation Rates per Bed Space

In the absence of available local evidence, the following rates per guest place are recommended for Revaluation 2023.

			PRINCIPAL CITY LOCATIONS	SUPERIOR / POPULAR HOLIDAY LOCATION	GOOD HOLIDAY LOCATION	LESS POPULAR LOCATION
			A	B	C	D
STRUCTURE CLASS						
EXCELLENT	LUXURY	L1	£3000	£1800	£1200	£1050
VERY GOOD	HOUSE	H1	£1650	£725	£650	£575
GOOD	HOUSE	H2	£1550	£675	£550	£525
VERY GOOD	CHALET	C1		£725	£650	£575
GOOD	CHALET	C2		£675	£550	£525
VERY GOOD	FLAT	F1	£1650	£725	£650	£575
GOOD	FLAT	F2	£1550	£675	£550	£525

7.0 Additions to Value

Additions to value can be made for specific on-site facilities e.g. games rooms, swimming pools, tennis courts or boating facilities etc. These should be reflected by way of a percentage addition to value. It is anticipated that the general range for additions will be 5% to 10% with a maximum of 25%.

No addition should be made for laundry rooms or for reception offices.

Additional facilities which are unum quid with the property being valued, such as car parking, shops and public houses should be valued in accordance with the appropriate Scottish Assessors' Association Practice Note, as a pertinent.

8.0 Deductions to Value

Disadvantages include site specific issues such as lack of quality, poor access, basic amenities or poorer location in relation to the general surrounding area. It is recommended that the percentage will not exceed 20% and will **only be granted under exceptional circumstances**.