

## **Revaluation 2023**

### **Miscellaneous Properties Committee**

#### **Practice Note 19 Valuation of Football Grounds, etc**

#### **1.0 Introduction**

- 1.1 This Practice Note applies to the valuation of all Football Grounds excluding those operated within The Scottish Professional Football League. It may also be used as a guide in relation to other similar subjects, such as rugby grounds.

#### **2.0 Basis of Valuation**

- 2.1 The ground, clubhouse, car parking and ancillary buildings should be valued on the Comparative Principle. Where appropriate, additions for site improvements such as fencing, terracing and enclosures should be valued using the Contractor's Basis of valuation.

#### **3.0 Valuation**

##### **3.1 Site Area**

- 3.1.1 If no local rental evidence is available a rate of £900 per hectare to Net Annual Value. These rates reflect the provision of basic drainage and a level grass playing surface of average quality.

##### **3.2 Site Improvements**

- 3.2.1 It is envisaged that the rate applied to the site, derived from local rental evidence, will be for a developed site and will already reflect the provision of a grass surface drainage etc. Accordingly no further addition for the cost of site preparation, cultivation and seeding of grass pitches will normally be required.

Where actual costs are available, additions for site improvements should be made by the application of the Contractor's Basis of valuation, in accordance with the recommendations of the SAA Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations).

In the absence of actual costs, details of site improvement costs are contained in the SAA Miscellaneous Properties Committee Practice Note 9 (Valuation of Sports Grounds). Where appropriate, the costs detailed in that Practice Note should be adopted to arrive at the Estimated Replacement Cost.

### **3.3 Ancillary Items**

- 3.3.1 The valuation of groundsman's huts, stores and other ancillary items should be derived from local evidence, having regard to location and, where appropriate, extent of use.

### **3.4 Age and Obsolescence**

- 3.4.1 In applying age and obsolescence allowances to buildings and ancillaries covered by this Practice Note, reference should be made to guidance in the SAA Basic Principles Committee Practice Note 2 (Contractors Basis Valuations). Table A at Appendix 1 should be used for buildings and Table C at Appendix 1 should be used for ancillary items such as fencing etc. A notional date should be adopted where appropriate.

### **3.5 Decapitalisation Rate**

- 3.5.1 The appropriate statutory decapitalisation rate should be applied to the Adjusted Replacement Cost of site improvements and ancillaries valued on the contractor's basis.

### **3.6 End Allowances to Items Valued on the Contractor's Basis**

- 3.6.1 In some instances, the application of the Contractor's Basis of valuation to site improvements and ancillary items may produce results which are high in relation to the other elements of the valuation. Where this occurs further adjustment may be required at the "stand back and look" stage of the valuation and an allowance of up to 50% may be applied to those elements valued on the Contractor's Basis.

### **3.7 Clubhouses and Pavilions**

- 3.7.1 Where there is a clubhouse or pavilion present, this should be valued in accordance with the SAA Miscellaneous Properties Committee Practice Note No. 5 (Valuation of Sports Clubhouses and Pavilions).

### **3.8 Car Parking**

- 3.8.1 Car parking should be added at an appropriate rate in accordance with local rental evidence. It is recommended that any addition for car parking should not normally exceed 10% of the value of the subjects.

## **4.0 End Adjustments**

- 4.1 It is accepted for this category of subject that, by virtue of poor location, historic over provision or otherwise, there may be circumstances in which extent of the use of the club is such that it would affect the rental offer made by the club.

Where such circumstances are identified, at the valuer's discretion, this may be reflected by way of an appropriate end allowance of up to 50%. The maximum allowance of 50% should, however, only be considered in the most extreme cases.

The allowance should be applied to the total value of the subjects, including the clubhouse, provided that the clubhouse is in keeping with, and appropriate to the sporting facilities. It should be borne in mind, however, that, as the chosen site value might already reflect location and the typical occupier, further adjustment to that element of the valuation may not be appropriate.

The allowance should not apply to the clubhouse in circumstances where the principal use of the clubhouse is other than as an adjunct to the sporting facilities – e.g. where the clubhouse is predominantly a licensed social club.

## **5.0 Comparison with League Football Grounds (SPFL)**

- 5.1 Resultant values may be checked against the values proposed for SPFL Football League Grounds.