

NON DOMESTIC REVALUATION 2003

CLASS 321

CLUBS

(REGISTERED AND UNREGISTERED)

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1.0 DESCRIPTION

- 1.1 This practice note deals with the valuation of clubs. There is no definition of the word "club" in the Registration of Clubs (NI) Order 1987. A club is basically a voluntary association of people who wish to promote some common object such as social intercourse, sport, a hobby or pastime. The two common types are members clubs and proprietary clubs with members clubs further subdivided into registered and non-registered clubs. Only members' clubs can qualify for registration under The 1987 Order.

Registration under The 1987 Order applies to all members clubs irrespective of whether they are sporting/non sporting in character. All clubs must comply with the requirements of The Order before they can be used for the `sale' of intoxicating liquor. Furthermore, the distinction between sporting and non-sporting is provided for in The Order.

Membership of clubs in Northern Ireland is popular with some 25% of the adult population belonging to a club of the type mentioned.

a. Members Clubs

The contractual relationship, which is the foundation of a members club, exists between the members themselves. The rules of a members club represent the contract terms, which exist between the members.

b. A Proprietary Club

As the term implies this type of club such as a snooker club, health studio etc. is one, which is owned by a proprietor.

c. A Registered Club

So called because it is registered under the 1987 Order for the supply of intoxicating liquor to its members. Article 19 of The 1987 Order clearly states that the registration does not make club premises licensed premises, but the Article does ensure that the supply of intoxicating liquor to a member or guest is not deemed to be an unlawful sale under the 1990 Licensing Order.

2.0 DISTRICT RESPONSIBILITIES

District Valuers are responsible for the inspection, survey and valuation of all such properties in their Districts.

3.0 4TH REVAL BASIS OF VALUATION

- 3.1** Research showed that little or no rental evidence is available for this class of property. The reality is that most clubs are owner occupied.
- 3.2** The profits method is not appropriate for members clubs as they are not run for profit but for the benefit of the members. An English case backs up this contention. In *Aberman Ex-Servicemen's Social Club and Institute Ltd V Aberdare UDC* (1947 KBD 40R & IT 576) - a case that related to a members club - it was held that profit from trading in alcoholic liquor is not a relevant consideration in assessing the value of a members club. (The Court reserved their opinion as to whether it would be relevant to the valuation of the proprietary clubs).
- 3.3** In view of the foregoing, at 4th Reval the Contractors Method of Valuation was used to ascertain values for purpose built clubs. For those properties which are not purpose built, but are properties of various types and descriptions utilised for club purposes, then these are generally best compared with the values of nearby properties having the same physical characteristics, albeit a different use, for valuation purposes e.g. 1st floor offices with minimal adaptation in a High Street situation used as a club.

4.0 5TH REVAL BASIS OF VALUATION

As for 4th Reval. Basically, compare with similar generic classes of property and follow the same relevant procedures whenever possible. The properties in this class should fall into one of three basic categories as follows, given in the order of likelihood:

Category A

Properties exhibiting the same or similar characteristics as bulk class properties nearby or elsewhere. These should be valued in accordance with that bulk class tone (in the interests of relativity). In Districts where bulk class comparisons are likely to be in high value areas, such as central Belfast, care is needed to ensure that a reasonable relativity, in terms of overall price/sq m, is maintained with Category B & C premises. In Belfast during 4th Reval, this adjustment was effected by making a deduction, typically 25-30% on prevailing office or shop pricings, to account for the fact that some adaptation would be required to the Club premises before it would revert to such bulk class uses. This straightforward approach can be recommended as a means of adjustment where appropriate, however, note that if the property is truly of equivalent standard in every way to adjoining bulk class comparisons, so that the hypothetical tenant of either class could readily occupy either property, then no such adjustment is considered necessary.

Category B

Properties having the appearance and physical characteristics of a Hall. In the interests of consistency, these should be valued on the Contractors basis in accordance with the 5th Reval scheme prepared for Class 321 Halls. That scheme provides a pricing matrix, which reflects and analyses all aspects of the Contractors valuation, including the appropriate decapitalisation rate. The pricings and guidance given can therefore be applied directly, without any further adjustment, to the GEA information about the subject property. A copy of the matrix is at Appendix 1 for ease of reference. See also note with ref to S&R treatment at para 5.0 below.

Category C

It is hoped the majority of this class will have been covered under Categories A and B above. However, if properties are encountered which are of a superior and stand-alone nature similar, for example, to Golf, Yacht or Rugby Clubhouses, these should be valued on the Contractors basis in accordance with the scheme covering sporting hereditaments clubhouses and pavilions. Again, this incorporates the appropriate decapitalisation rate. Site values should be assessed in accordance with land values for Contractors based assessments shown in Appendix 2.

5.0 VALUATION APPROACH

Appointments should be made with the club secretary to inspect. The following points should be checked/referenced on inspection.

For Category A properties the basis of measurement should be NIA, but still noting the site area, age, repair, amenities, number of rooms and use with a note on the general finish of the building.

Areas of purpose built clubs to be valued on the Contractors Basis (Categories B and C) should be calculated on a gross external area basis (GEA). Note should be made of the area of the site, age and repair of structure, amenities, layout, number of rooms and the general finish of the property for its age and type. However note that where S & R treatment is proposed then an NIA survey may be required to enable apportionment of the various rooms. (This probably already exists on current files, but if not, retaining any existing S & R treatment in the same proportion as at 4th Reval should suffice for the purposes of initial 5th Reval assessments).

6.0 FORMS OF RETURN

Usually not applicable.

7.0 CONTACTS

In the first instance enquiries should be directed to the District Valuer of the relevant VLA office.

APPENDIX 1

Quality	Location			
	Remote	Village/Rural	Urban edge	Urban Centre
Poor	5	8	12	15
Poor/average	7	10	14	17
Average/good	9	12	16	20
Good	11	15	20	25
Excellent	15	20	25	30

Figures quoted are price per m².

Broad definitions of Quality Factors

Poor – Old, traditional construction, out-dated lacking basic facilities, fallen into disrepair requiring substantial expenditure.

Light construction past its 'sell-by' date.

Poor/Average – Traditional construction, all basic facilities available. Functional but requiring modernisation. Likely to be over 50 years old.

Average/Good – Traditional construction, between 20 and 50 years old with no serious defects having been well maintained. Plain older hall modernized.

Good – Functional traditional build, 20 years old, well maintained, good order. Older hall extensively renovated.

Excellent – High quality design, high specification, modern.

5th REVALUATION

LAND VALUES FOR CONTRACTORS BASED ASSESSMENTS

The table below sets out the lands values to be adopted by valuers in most situations when dealing with contractors based assessments.

It is recommended that valuers apply one of the levels stated below as considered appropriate to the circumstances. Interpolation between the stated figures is not recommended. Where a scheme of valuation distinguishes between developed and undeveloped/surplus land the latter should be valued at the figure of £15,000 per acre.

TYPE OF SITE	DESCRIPTION	VALUE TO BE APPLIED PER ACRE
RURAL REMOTE	Land in remote locations with minimal adaptation from agricultural land.	£5,000 to £7,500
RURAL	Site essentially rural in nature. Land use limited to subject use and/or agricultural or amenity.	£15,000
STANDARD	Standard or average site within most provincial towns. Poor areas within Greater Belfast.	£100,000
GOOD	Sites within superior areas of provincial towns. Good sites within Greater Belfast.	£200,000
PRIME	Prime sites within the Greater Belfast area.	£300,000