

NON DOMESTIC REVALUATION 2003

CLASS 831

CUSTODIAL CENTRES

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1.0 INTRODUCTION/DESCRIPTION

- 1.1 This Practice Note sets out the basis of valuation for hereditaments within Class 831, Sub Class "Custodial Centre". It includes Prisons, Young Offenders Centre.
- 1.2 The hereditaments involved in this sub class are relatively few in number.

2.0 DISTRICT RESPONSIBILITIES

- 2.1 In view of the likely sensitivity a coordinated approach to the inspection/valuation of these properties, involving a limited number of people is considered appropriate.

3.0 4TH REVAL BASIS OF VALUATION

- 3.1 The method of valuation is based on the contractor's test.

4.0 5TH REVAL BASIS OF VALUATION

- 4.1 The contractor's test is to provide the principal method of valuation for this class of property. This is to be applied in line with the statement by the Joint Professional Institutions Rating Valuation Forum.
- 4.2 Referencing of hereditaments valued on the contractors test, should be on the basis of gross external area (GEA).
- 4.3 The costs are based on GEA for the various types of structure. See Appendix 1.

5.0 VALUATION APPROACH

5.1 Costs

- 5.1.1 The costs as shown in Appendix I shall be taken to represent the ERC for the key categories of buildings.

5.2 External Works

- 5.2.1 An addition for external works should be made on the following basis:

- (a) High Security Establishments:
 - Wall and Fence: 20%
 - Wall only: 17.5%

(b) Medium Security Establishments: Wall: 15%
Fence: 10%

(c) Low Security Establishments: 8 to 10%

5.3 Professional Fees

5.3.1 Professional fees and charges will be added to the total cost at the rate of 12% in all cases. This reflects the higher design costs.

5.4 Plant & Machinery

5.4.1 Any rateable plant should be assessed in accordance with the appropriate Plant and Machinery regulations.

5.5 Contract Size

5.5.1 The aggregate of building costs, rateable plant and machinery costs and external costs should be subject to contract size adjustment as set out below.

Contract Size	Adjustment
Below £750,000	+ 10%
£750,000	+ 5%
£1,000,000	+ 2½%
£1,500,000	+ 1%
£2,000,000	NIL
£3,000,000	- 2%
£4,000,000	- 3%
£5,000,000	- 4%
£6,000,000	- 5%
£8,000,000	- 6%
£11,000,000	- 7%
£14,000,000	- 8%
£17,000,000	- 9%
£20,000,000	- 10%

5.6 Age & Obsolescence

5.6.1 Obsolescence allowances shall be made for individual buildings within a hereditament. Allowance will be made according to the following age related scale. However care should be exercised in certain situations in respect of obsolescence allowances, as most prison accommodation will have been refurbished to some degree with the older Victorian buildings being virtually reconstructed.

Year of Construction	Allowance
1700	50%
1950	45%
1955	40%
1960	35%
1965	30%
1970	25%
1975	20%
1980	15%
1985	10%
1990	5%
1995	2½%

5.7 Land Value

- 5.7.1 Land value will be added at the appropriate rate based on local evidence. As with all contractors based schemes some steer/consistency will be necessary for land values.

5.8 Decapitalisation Rate

- 5.8.1 The appropriate decapitalisation rate (5.5%) should be applied.

5.9 Review/End Allowance

- 5.9.1 It is important that the final value applied to such subjects is realistic and to bear in mind that cost does not equal value. An end adjustment may be applied. It should not duplicate adjustments made elsewhere, in particular questions of obsolescence addressed earlier.

6.0 DOMESTIC PORTION

- 6.1 The Rates (Amendment) (NI) Order 1998 deals with the rating of Prisons and in particular defines that part of a Prison which is deemed to be used wholly for the purposes of a private dwelling.

In Schedule 5 to the principal Order (definition of “dwelling house”) (a) after paragraph 4 there shall be inserted – “4A – (1) subject to subparagraph (2), a hereditament or part of a hereditament shall be deemed to be used wholly for the purposes of a private dwelling if –

(a) it constitutes, or forms part of a prison; and

(b) it is used as one or more of the following:-

(i) a cell (other than a special punishment cell);

- (ii) *a common recreational area (other than a sports hall or an uncovered area);*
 - (iii) *a library;*
 - (iv) *a chapel;*
 - (v) *a kitchen;*
 - (vi) *a dining room;*
 - (vii) *toilets;*
 - (viii) *personal washing facilities;*
 - (ix) *a laundry for the exclusive use of prisoners;*
 - (x) *a storage area which is within a cell block and which is used in connection with other premises covered by this head;*
 - (xi) *a corridor linking premises covered by this head; and*
 - (xii) *a boiler or plant room which to any extent serves other premises covered by this head.*
- (2) *Without prejudice to sub paragraph (1), so much of the prison in question which is used as a kitchen, dining room, toilets or personal washing facilities provided for the exclusive use of persons employed in that prison shall not be deemed to be used wholly for the purposes of a private dwelling”,*
- (c) *in paragraph 5 at the end there shall be added –*
- “(d)”prison” includes a young offenders centre provided under section 2 (a) of the Treatment of Offenders Act (NI) 1968 and a remand centre provided under paragraph (b) of that section but does not include a naval, military or air force prison”.*

6.2 The decision as to which parts of a prison should be considered as dwellings, should already have been resolved. Fresh consideration should only arise as a result of new construction or material change to an existing establishment.

7.0 CONTACTS

7.1 For further information and advice contact:

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APPENDIX I

RATES TO BE ADOPTED

The Rates/m² to be applied relate to GEA and reflect cost of buildings only. Therefore, additions will be made for site works, professional fees and for land value. The only other adjustment is for contract size.

(i) Cell blocks, Secure Units and Gatehouse Buildings

In the following it is assumed that, by and large, the cost of construction will increase with the level of security.

Type	Rate/m ²
High Security/Modern Medium Security	£1,585
Other Medium/Low Security	£1,320
'System Built'	£1,055
'Army Camp' style	£880
Secure Corridors: 50% of appropriate rate above.	

(ii) Other Accommodation

Again, it is assumed that, by and large, the cost of construction will increase with the level of security. At lower category prisons and for accommodation built outside the wire, the costs below lean heavily on MOD information.

Type	Rate/m ²
All buildings 'within the wire' built to higher specifications	67% of cell block rate
Kitchens	£880
Hospital/Healthcare	£705
Offices/Visits/Clubs, etc	£615
Gymnasia/Sports Halls	£550
Workshops/Industrial/Educational	£530
Stores	£420
Temporary Buildings	£350
Farms and Gardens/Outbuildings	£220

