

**NON DOMESTIC REVALUATION 2003**

**CLASS 252**

**POST OFFICE PROPERTIES**

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## 1.0 DESCRIPTION

This scheme relates primarily to the following Classes/ Sub Classes/ Types of property:-

a) Class 252	Sub Class PT OFF Sub Class OFF	Type CO Type CO
b) Class 253	Sub Class PTOFF* Sub Class SHOP	Type Type TS, MS, SM**
c) Class 281	Sub Class WRHSE Sub Class CMSTO	

\* Relates to those hereditaments within Class 253, valued on the basis of a shop, but in use solely as a Post Office.

\*\* Relates to those hereditaments within Class 253, where a Post Office function, although present, is not the primary use.

## 2.0 DISTRICT RESPONSIBILITIES

District Valuers are responsible for the valuation of all such hereditaments in their districts, as they fall to be valued in accordance with locally established tones.

## 3.0 4<sup>th</sup> REVAL BASIS OF VALUATION

The general principle adopted for 4<sup>th</sup> Reval was to value each hereditament initially on a CAV basis, by reference to the prevailing levels for shops, offices or warehouses, taking into account its location and making an end allowance, where applicable for non-retail frontages, when valued on a shop basis or uplifting the value applicable to the ground floor public office, when the property was valued on an office basis, to reflect its geographical location in a prime or secondary retail location.

In respect of standalone sorting offices or local depots (parcels) these were generally valued relative to values for local warehouses. However, where the sorting office was attached to the main branch office it tended to be valued relative to local office values, not as warehousing.

## 4.0 5<sup>th</sup> REVAL BASIS OF VALUATION

Post Office Properties should be valued by application of the comparative principle using the rate per square metre derived from the analysis of local rental evidence.

As the structural characteristics may vary for such premises, instances will be found of similarity with Shops or with Offices for main Branch Post Offices and Sub-Offices, with Sorting Offices and Depots being more aligned with Warehouses. Most important is the correct identification of the source of demand for the particular hereditament and whether comparison should be made more appropriately with Shops, Offices or Warehouses. In deciding the most appropriate category the situation and physical characteristics of the premises are the two most important criteria.

#### **4.1 Inspection Procedures**

Measurement of buildings should be in accordance with the appropriate category of the Code of Measuring Practice for Rating Purposes and primarily be based on an Net Internal Area (NIA). The survey should be adopted for zoning, where a shop based valuation is applicable, or overall for offices and warehouses.

### **5.0 VALUATION APPROACHES**

The Valuation approaches to be adopted for the various properties in this scheme should be implemented as follows.

#### **5.1 Premises to be valued by comparison to Shops**

To be used where the 'Branch Office' is situated in a prime town centre location, and the property market is dominated by shops. The Branch Office may be 'standalone' or attached to an old style Sorting Office or Transport Workshops.

The following stepped method of valuation should be adopted:-

- a) The ground floor of the Branch Office should be zoned and valued by comparison with adjoining shops.
- b) The values adopted for the upper floors should follow the Shop Model and Pricing, with care being taken to adjust for better quality, finish and repair, where appropriate.
- c) Where there is no internal access to the upper floors, but a separate access from the street to the upper floors exists, they should be valued in accordance with their actual or most suitable use (eg Class 252 offices).
- d) Adjustment for varying degrees of non-retail frontages. If the frontage is clearly a decorative façade and the property located in a high rental value area, it is likely that no reduction in rental value would be warranted. If, however, the frontage is a genuine structural wall, either block or brick, with part curtain walls, small windows,

stepped entrance then an allowance of up to 15% should be considered by individual valuers given the local market conditions. If an allowance in excess of this 15% is considered justified then the basis of the valuation would need to be re-examined and a valuation based on Offices may be more appropriate.

- e) Where old style Sorting Offices or Transport Workshops exist on the same site as the Branch Office, then these should be valued on a basis relating to Class 281 (Warehouses, Stores, Non-Industrial Workshops) making the necessary adjustments for location, access, construction, quality, repair etc).

## **5.2 Premises to be valued by comparison to Offices**

Location is the major factor governing the valuation of properties falling within this group and attention should be paid to the following locational factors :-

- a) ' Branch Office' (Stand alone or with sorting offices/transport workshops), situated in secondary locations in Urban Centre where the local property market has a general mix of both retail and office properties, but it itself would not have the characteristics to fall comfortably into Class 253 (Shops).

As an initial step do two quick valuations comparing the subject to both shops and offices. A dramatic variation in value between the two approaches will alert the valuer to a possible problem. In most cases it is likely that the 'office' value will be considerably lower than the 'shop' value.

Given that the location may still be primarily retail then the first thoughts are to value by reference to shops adopting existing allowances, but the physical characteristics of the subject property, together with purely localised supply/demand characteristics, may drive one to the conclusion that vacant and to let, the subject has more in common with the local office market and should be valued with reference to the local office levels, albeit with an uplift to reflect its more prominent location. The choice as to when to value a property in this location as a shop or an office has to be responsibility of the individual Valuer taking all the individual facts and circumstances into consideration and arriving at a balanced valuation.

- b) 'Branch Office' (Stand alone or with sorting office/transport workshops), situated in secondary locations in urban centres where the local property market is without doubt dominated by the local office/institutional level of values, then the use of the comparative method relating solely to Class 252 (Offices) should be the most appropriate method of valuation.

It should be noted that very few of these ' Branch Office ' properties remain in the form described above. Such properties are occupied by Consignia, the new name for the corporation formerly known as "The Post Office". An Occupier Change from Post Office to Consignia is required in each instance. Consignia's policy is to re-locate Branch Offices in Provincial Towns in High Street Shops/Supermarkets or in Shopping Centres with the removal of sorting and delivery services to out-of-town warehouse properties.

In re-locating Branch Offices Consignia loses its legal interest and they become Sub-Offices joining the existing network of sub-delivery and sub-post offices located throughout the province owned or tenanted and operated by individual sub postmasters themselves and in which Consignia has no legal interest.

### **5.3 Premises to be valued by comparison to Warehouses**

The basis of assessment of premises structurally similar to warehouses, eg. Mail sorting offices, warehousing, stores, vehicle repair workshops etc and usually located in industrial/commercial estates but sometimes to the rear of old branch offices in provincial towns should be derived from rental evidence and/or the levels of value adopted for comparable warehouse properties on adjoining sites. No addition should be made for post office occupation.

### **5.4 Premises occupied as Sub-Post Offices**

This scheme deals specifically with properties operating as post offices which are owned and operated by Consignia.

There are, however, other outlets providing post office facilities throughout the province, and known as sub-post offices. These types of property of which there are many varieties are operated by sub-post masters under franchise arrangement with Consignia, but in which Consignia has no legal interest.

There are two main categories of sub-post office:-

- a) Those located within a shop, supermarket, or mini supermarket. In the past such properties operating as sub-post offices have mainly been restricted to shops in rural areas, villages and secondary locations in major towns. However in more recent times they have become commonplace in shopping centres and stand-alone supermarkets. In the majority of cases the primary use of the hereditament will not be that of the post office, but as a retail shop and as such the hereditament should be valued as Class: 253 sub-class: Shop and type: TS, MS, SM, relative to other shops in the locality without any additional value for its use as a post office. To identify a secondary use as a post office, the abbreviation PO should be added to the general description of the property.

- b) Located within a hereditament where the primary use is domestic. In this situation the post office may be located in a room of the house or in an outbuilding attached to the house and its presence indicated solely by a post office sign above the entrance. In recent years there has been many instances especially in the more remote rural areas where such hereditaments have closed and reverted back to domestic use as part of the house.

Although such hereditaments should continue to be valued as Class: 252 (offices) Sub-class: PT Off, valuers should be mindful that in most situations such properties exist solely to serve the local community. Demand on a “vacant and to let” basis for any other office use will be low, and any additional rate burden imposed on the occupier in these primarily domestic hereditaments should not be excessive, as the only alternative use is domestic. In such situations the property should be valued in the first instance relative to other offices in the area, with the valuer using his local knowledge to take account of such factors as accessibility, location and local demand, to arrive at a fair NAV.

## **6.0 FORMS OF RETURN**

No Forms of Return needed.

## **7.0 CONTACT NAME**

Any queries or request for further information should be referred to Norman Baird, Valuation & Lands Agency, Boaz House, 19 Scarffe’s Entry, Omagh, BT78 1JG, Tel: 028 8225 4758, Fax: 028 8225 4880, E-mail: [norman.baird@dfpni.gov.uk](mailto:norman.baird@dfpni.gov.uk).