

**NON DOMESTIC REVALUATION 2003**

**CLASS 261**

**SELF CATERING ESTABLISHMENTS**

## INDEX

<b>SUBJECT</b>	<b>PARAGRAPH</b>
<b>Introduction and Definitions</b>	
<b>DESCRIPTION</b>	<b>1.0</b>
<b>Legislation</b>	<b>1.1</b>
<b>Rateability</b>	<b>1.2</b>
<b>DISTRICT RESPONSIBILITIES</b>	<b>2.0</b>
<b>4<sup>TH</sup> REVAL BASIS OF VALUATION</b>	<b>3.0</b>
<b>General</b>	<b>3.1</b>
<b>5<sup>TH</sup> REVAL BASIS OF VALUATION</b>	<b>4.0</b>
<b>General</b>	<b>4.1</b>
<b>Guest Place</b>	<b>4.2</b>
<b>Rate per Guest Place</b>	<b>4.3</b>
<b>Reception, Laundry, Games Room</b>	<b>4.4</b>
<b>Shop, Restaurant, Marina, Swimming Pool etc</b>	<b>4.5</b>
<b>INSPECTION PROCEDURES AND MEASURING PRACTICE</b>	<b>5.0</b>
<b>Appointments</b>	<b>5.1</b>
<b>Inspection Criteria</b>	<b>5.2</b>
<b>VALUATION APPROACH</b>	<b>6.0</b>
<b>FORM OF RETURN</b>	<b>7.0</b>
<b>CONTACTS</b>	<b>8.0</b>
<b>Specialist District</b>	<b>8.1</b>
<b>Regulating Body</b>	<b>8.2</b>
<b>FORM OF RETURN</b>	<b>Appendix 1</b>

## INTRODUCTION AND DEFINITIONS

This is an important and growing holiday accommodation providing sector. Unlike guesthouses and B&B establishments, these units normally contain no element of proprietor's living accommodation.

In the main these hereditaments contain guest accommodation in self-contained units but other diverse elements may be present, eg marina, swimming pool, tennis court, restaurant, shop etc.

Within these notes the following definitions apply.

- Tourist** - means a visitor to Northern Ireland, a person spending his/her holiday in Northern Ireland or a person travelling for pleasure within Northern Ireland.
- Tourist Accommodation** - means overnight sleeping accommodation for tourists provided by way of trade or business.
- Self-Catering** - establishment meeting the criteria set out in Schedule 4 categories of Tourist Establishment (Statutory Criteria) Regulations (NI) 1992.

## **1.0 DESCRIPTION**

### **1.1 Legislation**

#### **1.1.1 Northern Ireland Tourist Board**

All premises providing or offering to provide tourist accommodation must be certified by the Northern Ireland Tourist Board (NITB) under the Tourism (Northern Ireland) Order 1992. NITB carries out an annual inspection and allocates premises to one of five "statutory categories" depending on the facilities provided. In addition a 1-4 star rating system, based on standards and facilities provided, has been introduced.

#### **1.1.2 Rating**

The new Valuation List (Time and Class of Hereditament) Order (NI) 1995 states that "All hereditaments other than dwelling houses... are hereditaments in relation to a new Valuation List".

#### **1.1.3 The Rates (Amendment) (Northern Ireland) Order 1996**

Self-catering accommodation which is let commercially is rateable under the amendment to schedule 5 paragraph (2B) of the Rates (NI) Order 1977 enacted by the above legislation. In order to be rated non-domestic under this sub-paragraph the accommodation must be:

- self-contained;
- available for letting commercially (ie with a view to making a profit but see 1.4 below);
- available for short periods totalling 140 days or more a year.

### **1.2 Rateability**

Units of self-catering accommodation will be entered in the Valuation List as Other in the occupation of the individual or business running the enterprise. Accommodation must be made available on a commercial basis for not less than 140 days; second homes, which may be let occasionally, fall within the definition of domestic property and are not subject to revaluation.

In addition to commercially operated short stay self-catering accommodation, as already described, other types of self-catering holiday accommodation may be rateable as non-domestic. These include:

- Hostels.
- Holiday cottages run on a non-commercial basis (such as those used by clubs or by charitable organisations).
- Holiday flatlets providing accommodation which is not self-contained.

Where this accommodation is not commercially let, the 140 day rule in Schedule 5 paragraph (2B) of the Rates (NI) Order 1977 does not apply. For it to be rateable, as non domestic, it merely needs to be wholly or mainly used for the provision of short stay accommodation to individuals whose sole or main residence is elsewhere - as set out in Schedule 5 paragraph (2).

## **2.0 DISTRICT RESPONSIBILITIES**

Districts will be responsible for the inspection, survey and valuation of hereditaments.

## **3.0 4<sup>TH</sup> REVAL BASIS OF VALUATION**

### **3.1 General**

There was limited rental evidence. The approach to valuation relied mainly on the profits basis. Accounts information obtained by way of the forms of return was analysed to provide indicators of balance available as rent. Cognisance of the levels adopted for similar type properties such as Houses in multiple occupation was also taken.

## **4.0 5<sup>TH</sup> Reval Basis of Valuation**

4.1 Valuation of this type of hereditament will be as per methodology successfully used at 4<sup>th</sup> Reval. There is limited direct rental evidence.

As at 4<sup>th</sup> Reval the approach will be to build up valuations from a common factor the guest place and make additions for other facilities, which are revenue producing:- eg shop, restaurant or significantly value enhancing:- eg swimming pool. Analysis of information, from whatever source, will result in the production of tables setting out value ranges per guest place against locational and quality factors. Quality factors should align with the star ratings.

### **4.2 Guest Place**

The basic unit of measurement for these types of establishment is the guest place. In arriving at the number of guest places, children's cots and fold down beds should be ignored. Bunks (ie 2 beds) should be taken as one space.

### **4.3 Rate per Guest Place**

A rate/guest place will be arrived at from the analysis set out at 5.1. This rate/guest place will reflect locational and quality factors.

### **4.4 Reception, laundry, games room**

Where no separate charge is made these facilities will be reflected in the rate/guest place.

#### **4.5 Shop, restaurant, marina, swimming pool etc**

An addition will be made for those facilities by direct comparison with similar bulk class properties (with allowance for location) or other revenue producing parts by an addition to guest place rate as is the case with the caravan parks scheme.

### **5.0 INSPECTION PROCEDURES AND MEASURING PRACTICE**

5.1 Inspection should be by way of prearranged appointment with the proprietor.

The main elements in these hereditaments are:-

1. Self-catering units.
2. Ancillary facilities, eg laundry, shop, office etc.
3. Leisure facilities eg swimming pool, tennis court, cafe etc.

#### **5.2 Inspection Criteria**

##### **5.2.1 Self-catering units**

GEA - Inspection should confirm FOR details/NITB details; discrepancies should be noted.

##### **5.2.2 Ancillary Facilities**

GEA - With the exception of shops which should be NIA. Occupier should be confirmed and, where different from the operator, lease and rent details sought if not given on the FOR.

##### **5.2.3 Leisure Facilities**

GEA - With exception of the cafe which should be treated as a shop (NIA). Facilities such as swimming pools and marinas should be surveyed on the basis set out in other non-bulk class research.

##### **5.2.4 General**

The survey should represent the whole complex and its layout indicating present boundaries where possible.

### **6.0 VALUATION APPROACH**

Remains as detailed in paragraph 4.0.

### **7.0 FORM OF RETURN**

Draft Form of Return attached – Appendix 1

## **8.0 CONTACTS**

### **8.1 Specialist District - Londonderry**

For information contact Noel Maybin, Room 117, Waterside House, 75 Duke Street - Tel: 028/71319077.

### **8.2 Regulating Body**

Northern Ireland Tourist Board  
Mr William Loughed, (Quality Assurance Manager),  
St Anne's Court, 59 North Street, Belfast BT1 1NB. Tel: 028  
90231221.

**APPENDIX 1**

**FORM OF RETURN FOR SELF-CATERING ESTABLISHMENTS**

## SCHEDULE

### PART 1: OWNERSHIP AND OCCUPIER DETAILS

Name and address of self-catering unit/s	
Name and address of owner	
Name and address of operator (if different)	

### PART 2: STATUTORY CATEGORY AND STAR RATING (TICK AS APPROPRIATE)

Self-catering establishment		Star rating/s		(Where more than one please specify under part 3)
Hostel				

### PART 3: ACCOMMODATION DETAILS

Purpose built			Converted					
Type:	Cottage (Trad)*		Villa		Bungalow		Chalet	
	Cottage (Mod)		Apartment		House		Caravan	

\* Over 50% of original structure remains.

Please supply details of the various TYPES OF UNIT in your complex.

Description/ Name	No	Kitchenette	Bath/Sh	Living Room	Single B/room	Double B/room	Others	No of Persons

Total Units

**PART 4: DETAILS OF COMPLEX**

<b>A. Are the units described above part of a COMPLEX?</b>
<b>B. If so, please specify any COMMUNAL FACILITIES available for the use of guests, eg dining facilities, TV/recreation room, outside sports facilities, laundry, shop, café, bar etc.</b>
<b>C. Does the tariff quoted include use of any SPORTING RIGHTS, such as fishing or shooting rights? If so, please give details.</b>
<b>D. Please give details of any FACILITIES open to the general public.</b>
<b>E. If any of the facilities on the complex are let please specify:-</b>  Name of occupier: _____  Rent and lease details: _____

**PART 5: OCCUPANCY DETAILS**

<b>During what period(s) of the year are the premises open for business?</b> _____
<b>State the total possible occupancy during the 2000 season. (Please express as the total number of unit weeks available, ie No of units x No of weeks).</b>
<b>State the actual number of unit weeks occupied during the 2000 season.</b> _____
<b>NB: Weekend lets and mid week breaks should be taken as half weeks.</b>

**PART 6: RECEIPTS INFORMATION**

<b>Are you registered for VAT</b>	<b>Yes</b>		<b>No</b>	
<b>How many years has the business been established</b>				<b>Years</b>

Please provide details from your trading accounts for each of the last 3 financial years indicated below and state your accounting period. If you were not trading continuously or the accounts do not relate to a whole year, state the number of weeks concerned. Alternatively you can send copies of your trading accounts.

<b>Year Ending</b>	<b>Day</b>	<b>Month</b>	<b>1999</b>		<b>2000</b>		<b>2001</b>	
			<b>No of Weeks</b>		<b>No of Weeks</b>		<b>No of Weeks</b>	
<b>Receipts (excluding VAT)</b>			<b>£</b>		<b>£</b>		<b>£</b>	

Please provide breakdown of above receipts

<b>EXPENDITURE</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Wages and National Insurance			
Heat/Light			
Repairs and Maintenance			
Insurance			
Rates			
Advertising			
Telephone, stationery and postage			
Television and video rent and licences			
Bank etc interest charges			
Professional fees			
Travelling expenses			
Depreciation of: Contents Buildings			
Sundries			
<b>TOTAL EXPENDITURE</b>			

  

	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>NET PROFIT/LOSS</b>			

**PART 7: Other information: Please use the space below to provide any other information which you feel may be relevant to the rating assessment of your premises:**

**Declaration: I confirm that to the best of my knowledge the above information is correct.**

<b>Signature:</b> _____	<b>Date:</b> _____
<b>Name:</b> _____	<b>Position:</b> _____
<b>Address:</b> _____ _____	
_____	<b>Tel No:</b> _____

**Thank you very much for completing this form. Please return it in the pre-paid envelope provided. If you require any assistance with completion of this form please contact 71319077.**