

NON DOMESTIC REVALUATION 2003

CLASS 299

TELECOMMUNICATIONS MASTS

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1. SHARED MAST SITES	

1.0 DESCRIPTION

1.1 This practice note relates to the valuation of radio and telecommunications sites, together with their associated masts, towers, poles and buildings. It also includes roof top sites used for similar purposes.

1.2	Class 299	Commercial Unclassified
	Sub Class	Communications Station
	Code	COMS
	Type	Relay Station
	Code	TR

1.3 The most common uses of this class of hereditament are the following:

- Transmission of VHF television.
- Transmission of VHF/FM and AM radio.
- Mobile telecommunications networks.

1.4 It is important to note that those masts, towers, buildings etc linked to the main operational systems of NIE, BT, Mercury and Cabletel (NI) Ltd are not valued as separate hereditaments but are part of the cumulo entries for those bodies. BT Cellnet (now MM02) sites are valued separately; although owned by BT it operates as an independent company.

1.5 The principal occupiers of telecommunications sites in Northern Ireland are the mobile telephone operators, namely Vodafone, BT Cellnet (MM02), Orange and One-2-One (now T-Mobile), and the established radio and television networks. There are also sites in the use and occupation of the Police Authority, Fire Authority, Ambulance services, Civil Aviation Authority, Met Office, Crown Departments and a range of organisations linked to the transport and traffic sectors.

1.6 Water Service have a network of masts in connection with its telemeter operations. Most are part of the cumulo entry for Water Service, but valuers should be aware that many masts are leased to the telecommunication companies for the operation of mobile phones and these lessees should be valued separately.

1.7 Some sites used by telecommunication companies may be in the occupation of separate companies not themselves involved in the operation of the networks. For example, Crown Castle International is a company established to provide sites and related infrastructure to the companies actually operating the networks or broadcasting the signals.

2.0 DISTRICT RESPONSIBILITY

- 2.1 The inspection, referencing and valuation of these properties will be carried out at District level.

Local land values will significantly determine the assessments, although the research District (Craigavon) may be consulted on any exceptional matters pertaining to certain sites.

3.0 4th REVAL BASIS OF VALUATION

- 3.1 There was no scheme to cover telecommunication masts for the 4th Revaluation. The number of mast sites, particularly to serve the mobile phone industry, was limited to a small fraction of the existing amount, and list entries tended to be confined to the established companies eg BCC, IBA (now NTL).

- 3.2 The majority of these sites have been valued on the Contractor's Basis to include land value, site buildings and plant and machinery.

- 3.3 Several hundred mobile phone masts and poles have been valued in the 4th list since the last Revaluation. Generally these have been done on a partial Contractor's Basis mirroring the approach adopted in Great Britain. Essentially this is a hybrid approach with the bulk of the valuation comprising a site rental value supplemented by the discounted cost of the buildings, site works and plant and machinery.

4.0 5TH REVAL BASIS OF VALUATION

- 4.1 Valuations of these properties will comprise two parts. A site rental will be assessed by reference to local comparisons. The Contractor's Basis should be used to assess the plant and machinery, buildings and site works.

5.0 INSPECTION PROCEDURES

- 5.1 The following basic details of mast sites should be obtained at inspection in order to maintain a consistent approach to valuation.

1. Area of site.
2. Site improvements, such as hard standings, roadways, fencing and gates.
3. Buildings, which may range from permanent block structures to portakabins or lightweight huts. Measurement on the basis of Gross Internal Area (GIA) to accord with the Cost Guide.

4. Masts, towers or other structures with particular note as to the height of the structure and the nature of construction.
 5. Means of supply of communications signal to the mast ie cable or radio link. Is the mast itself used to transmit the signal (mast radiator) or is it used to support antenna or dishes for that purpose?
 6. Length of cables connecting processing unit to mast receiver/transmitter.
 7. The number and location of supporting wires and the estimated size of their supporting foundations.
 8. Additional rateable items eg stand-by generator, transformer, and distribution board on larger sites.
 9. Note of any site towers and their separate equipment.
 10. Photograph and site plan.
- 5.2 Roof top sites normally comprise a shorter mast (stub mast), typically less than 5 metres in height with an associated cabin. In many instances the supporting structure will be de minimus.

Particular note should be taken of any rooms within the building that may be used to cater for equipment linked to the masts.

6.0 **LEGISLATIVE BACKGROUND**

- 6.1 The rules governing the rateability of Plant and Machinery are found in Part III of Schedule 12 of the Rates (NI) Order 1977, updated by the Valuation for Rating (Plant and Machinery) Order (NI) 1997.
- 6.2 The following items are rateable under Class 3.

- e. “cables, fibres, wires and conductors, or any system of such items, or any part of such items or such system, used or intended to be used in connection with the transmission of telecommunication signals, and which are comprised in the equipment of and are situated within premises;

In this paragraph -

“premises” means any hereditament which is used, or intended to be used, mainly or exclusively for the processing or the transmission of communications signals excluding any part of such a hereditament within which there is equipment used mainly for the processing of communication signals;

“processing of communication signals” means the conversion of one form of communications signal to another from or the routing of communications signals by switching; and

“equipment used mainly for the processing of communications signals” includes:

- that part of any associated cable, fibre, wire or conductor which extends from the point of conversion or switching to the first distribution or termination frame or junction; and
 - that part of any associated cable, fibre, wire or conductor which extends from the last distribution or termination frame or junction to the point of conversion or switching;
- f. poles, posts, towers, masts, mast radiators, pipes, ducts and conduits, and any associated supports and foundations, used or intended to be used in connection with any of the items included within paragraph (c).

6.3 Under Class 4, Table 3, masts (including guy ropes) and towers for radio or communications signals are named items. To be rateable within Class 4 Table 3 the mast or tower must be a structure or in the nature of a structure.

6.4 The following items of plant and machinery are non-rateable:

- a. Aerials and microwave dishes, unless they are mast radiators.
- b. Under Class 3 any cables, fibres etc within the buildings used to process the signals.
- c. The general bulk of the transmissions and switching equipment, distribution frames and air conditioning or coding equipment which is mainly used to work the non-rateable equipment.

7.0 **BASIS OF VALUATION**

7.1 The valuation will comprise a site rental value with an addition where appropriate for rateable plant and machinery and buildings. The addition for buildings and plant and machinery is likely to be carried out by the Contractor’s Basis using the standard decapitalisation rate.

7.2 Some of the larger established sites with conventional offices and workshops, and some roof top sites with rooms within associated buildings may lend themselves to rental valuations. It is at the discretion of valuers, but the vast majority of sites will be assessed by the Contractor’s Basis.

7.3 Care should be taken to avoid double counting when assessing buildings or rooms as these may already be included in the site rent, particularly with roof top sites.

7.4 **Site Rents**

All Districts should assess the site rental on the basis of local market evidence. Site values vary according to the characteristics and location of the site. A remote hilltop site with line of sight to only a small local population suitable only for a television relay station is of much less value than an urban site closer to a main road suitable for cellular telephone operators.

It is important to ensure that the site value reflects the full value of the site including site sharing arrangements. (See Appendix 1). The traditional television and radio stations often have reciprocal agreements where they share at their competitor's site without paying any rent or with sharing fee.

Ground level sites for pole structures are often smaller than sites for masts, and the rents are lower. Many of these poles are on infill sites within the cellular networks and are not suitable for sharing. Such reductions should not be applied to roof top sites which tend to attract higher rents than the ground level sites.

7.5 **Contractor's Basis Additions**

The rateable value of any buildings, site improvements and plant and machinery not included in the rental element must be added to the rent.

When valuing roof top masts, consideration must be given to their height and complexity. Whilst there may be added difficulties inherent in their construction, they will be shorter than ground masts and lack foundations and comfort.

7.6 **Obsolescence**

Changes in technology have rendered many of the larger buildings on mast sites to some extent obsolete. Some of the sites established by the BBC and IBA for the transmission of television signals frequently include substantial buildings of which significant portions are redundant.

Masts may also be obsolete, where they are incapable of accommodating modern aerials. Where a new mast has been erected beside an old one and the aerials are being migrated to it prior to demolition of the latter, an allowance may be applied in valuing the old mast on the proviso that the new mast can

accommodate all the aerials on the site and the intention to demolish is clearly proven. Some obsolete masts are left on site because the cost of removal is uneconomic.

Claims of obsolescence should be treated with caution. There may be a demand for surplus space from actual or potential users of the mast in the form of site shares. Care should be taken to avoid over-generous end allowances.

8.0 FORMS OF RETURN

8.1 Forms of return are required to obtain details on leases, rental values of sites and any site sharing.

9.0 BEACON PROPERTY DESCRIPTIONS

9.1 Beacon Type 1: Lamp Post Type Pole



Light duty poles similar in construction to street lamp posts with a base diameter not exceeding 0.4 metre, and heights usually in the range of 10-12 metres with the aerial concealed in a small tube at the top of the pole. These are generally microcell sites installed on public highway verges or pavements.

9.2 Beacon Type 2 : Ground Level Pole & Column Masts



Self supporting metal poles and columns are used mainly by the mobile phone operators. Most are less than 20 metres in height with the majority being in the range of 12-15 metres high. Valuers should distinguish between the more modern column mast sites and the older pole sites.

Modern Column Mast Sites

Most are medium duty columns and have a base diameter of 0.35 – 0.50 metre and may taper towards the top. Some columns may have a headframe for aerials and ladders or climbing pegs included. They tend to be sited in standard compounds with equipment cabins.

9.3 Beacon Type 3 : Ground Level Lattice Masts



Lattice masts are generally constructed from angle iron or tubular steel braced sections secured to a square or tripod base. Triangular or circular headframes supporting sector arrays of aerials and microwave dishes are common as are rest platforms and safety ladders.

Larger Masts

Some masts will be of heavier duty pylon tower construction with more detailed bracing sections and additional platforms and ladders. There may be secondary support masts and guy wires leading to extra support foundations. Such masts will require individual analysis and assessment and, in the case of more established sites, may involve the application of obsolescence allowances as noted at 10.6.

Site Rental Values for Larger Masts

The evidence for site rents is based primarily on the smaller mast sites used by the mobile phone operators. Larger masts of similar construction and base width should be valued at similar rental levels. The more established broadcasting sites occupied by the BBC and IBA(NTL) tend to be much larger and valuers must exercise discretion as to appropriate values for specific locations. For example, the large masts overlooking Belfast occupy key sites and merit enhanced site rentals.

9.4 **Beacon Type 4: Roof Top Sites**

Roof top sites will include typical stub masts up to 5.0 metres in height, poles, supporting aerials and microwave dishes around the roof perimeter along with safety rails, ladders and platforms. There may be an equipment cabin or a room within the building for use in connection with the mast. In some instances the equipment may be minimal and not warrant any uplift on the basic site rent value.

10.0 **CONTACTS**

10.1 For further information and assistance, refer to the scheme author

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APPENDIX 1 - SHARED MAST SITES

A shared mast site comprises a site on which are located a mast, equipment cabin and cabling all in the occupation of an operator (the host), who allows other operators (the site sharers) to place aerials on the mast and possibly to locate processing equipment in the cabin. Usually the site sharers have their own cabins. The host may be a tenant of the land and the landowner may receive, as part of his rent, a portion of the sum paid to the host by the site sharer.

The host operator will generally be in rateable occupation of the site, mast and cabin. Only if a sharer has a separate cabin should he be regarded as occupying any buildings on site.

Site sharers should be regarded as being in rateable occupation only of the cables connecting their aerial/dish to their processing equipment, together with any buildings of which they are in exclusive occupation. Only cables outside the buildings are rateable.

VALUATION

The enhanced site rent will vary from site to site, and on occasions there may be no additional rent paid to the landlord for the site sharing.

The additions for site sharing are not set in stone and valuers should follow the evidence in the locality. Where a high site rent has been returned, valuers should take care to ensure that any addition made for site sharing does not result in duplication. If a site rent is high, it may already reflect sharing or the potential for sharing.

The site sharer's rateable liability is restricted to the value of the cables, plus any separate buildings or cabins in the site sharer's occupation. No element of site rent is included in the site sharer's assessment.