



Universities UK

# Revaluation 2005

## Memorandum of Agreement

**GeraldEve**

**SCOP**  
*promoting higher education colleges*

**Valuation Office**  


## **REVALUATION 2005**

### **MEMORANDUM OF AGREEMENT**

#### **Valuation for Non-Domestic Rating of Higher Education Institutions in England & Wales**

This Memorandum for Guidance on the method of valuation has been accepted by the Chief Executive of the Valuation Office Agency, Universities UK and the Standing Conference of Principals (SCOP). This Memorandum has been drawn up with reference to current statute law and relevant case law.

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## 1.0 Higher Education Institutions (HEIs)

- 1.1 Higher Education is normally understood to refer to courses of study which lead to degrees, diplomas, or similar advanced qualification of a higher standard than is available through "Further Education". The term HEI includes Universities and Colleges of Higher Education whose Principals are represented on the Standing Conference of Principals (a list of SCOP Colleges is attached as **Appendix 1**).
- 1.2 It is confirmed that the acceptance of this Memorandum applies to all Universities and University Colleges, and to SCOP Colleges. It is, however, recognised that for application to Oxford and Cambridge Universities this Memorandum requires specific adaptation which is the subject of a separate rider, in accordance with **Appendix 7**.
- 1.3 In the case of buildings which were designed and built as all or part of a College of Further Education and have not been significantly modified, regard should be had to the appropriate guidance for the valuation of such colleges.

## 2.0 Identification of Hereditaments

- 2.1 The normal approach should be applied to the identification of hereditaments and no attempt should be made to aggregate property which on normal rating principles constitutes more than one hereditament.
- 2.2 Identified hereditaments will be either wholly non-domestic, wholly domestic or composite in accordance with statutory provisions. Where a hereditament is composite, no value should be ascribed to the domestic use of property (including use for accommodating students and resident staff). It should not be assumed that such accommodation is absent, but rather that it forms the subject of a separate and contemporaneous lease held by the same occupier of the non-domestic part. Account should be taken of the presence or absence, and of the disposition of such domestic accommodation to the extent that the value of the non-domestic part is affected.
- 2.3 Identified hereditaments should be placed in the following categories:
- (a) **Category A Contractor's Basis Hereditaments** — All those hereditaments consisting of purpose-built and other adapted buildings occupied by an HEI and for which as a hereditament an HEI is the only possible hypothetical tenant because of "rebus sic stantibus" or planning restrictions. HEI centres, complexes and campuses will fall into this Category.
  - (b) **Category B HEI Living Accommodation** — All Halls of Residence, hostels and other living accommodation. This will be regarded as domestic property, and will not be entered in Rating Lists, except to the extent that it should be considered to be non domestic in accordance with **Appendix 6**.
  - (c) **Category C Miscellaneous Hereditaments** — All other non-domestic or composite hereditaments occupied by HEIs where a rental method of valuation is appropriate.
- 2.4 This categorisation should **not** affect the identification of hereditaments, and property should **not** be grouped into hereditaments comprising property of only one category unless this forms a natural unit of assessment in accordance with normal rating principles. It follows that a hereditament in Category A

or C may contain some property for which a different category will be appropriate; in such cases an overall judgement should be made as to the correct category for the hereditament as a whole. Where a hereditament is composite and therefore contains Category B property with either Category A or C, see paragraphs 4.1 and 6.0 below.

### 3.0 Basis of Measurement

- 3.1 Cost information is derived from a Gross Internal Area (GIA) basis and referencing details should be compatible. The definition of GIA should be as provided in the "RICS/ISVA Code of Measuring Practice" (4th Edition) and measurements should be taken in accordance therewith.
- 3.2 **Link Walkways** — Link blocks and subways which contain no areas which are used for any purpose other than for passage between adjoining blocks should be left out of the costing exercise. This omission is justified because their presence is dictated by the absence of a uniform design and denotes an attempt to reduce the drawbacks of dispersal which would not have arisen if the hereditament had been designed as an integral whole. Exceptionally the GIA of link blocks or subways should be included where they are original components of a unified design.

### 4.0 Valuation of Category A Hereditaments

- 4.1 **Estimated Replacement Cost (ERC)** — The ERC of all the buildings comprising the hereditament should be determined by reference to the unit costs for the relevant building use classifications set out in **Appendix 2** Table 1 according to the use to which they are or would usually be put. However, any building which includes domestic property as defined in the Local Government Finance Act 1988 should have its ERC reduced in proportion to the relevant floor areas.
- 4.2 The cost of the site works/externals should be added in accordance with Table 2 set out in **Appendix 2** which also contains, in Table 4, a detailed but not exhaustive list of uses falling within each of the particular classifications. Where a particular use is not specifically shown, or where a building is put to a variety of uses, valuers should use their judgement in deciding which classification to adopt. In coming to a conclusion on classification, predominant use will generally be a prime consideration but building construction style may also be appropriate.
- 4.3 Unit building costs vary from place to place and the unit prices incorporated in **Appendix 2** Table 1 relate to a location factor of 1.00. These rates should be adjusted according to where the hereditament is located and the location factors in **Appendix 3** should be used unless local circumstances dictate otherwise. For Greater London, a two-tier approach has been retained with different factors prescribed for 'inner' and 'outer' London. Boroughs constituting 'inner' London are identified in **Appendix 3**. For certain HEIs, located in Boroughs defined as 'inner' London, but where the HEI would be content to locate the notional alternative hereditament in a nearby 'outer' Borough without suffering any operational detriment, consideration may be given to adopting the 'outer' London location factor.
- 4.4 **Contract Size Adjustment** — The aggregate of locationally adjusted building costs and external costs should be subject to contract size adjustment as set out in Table 1B. The allowance will be determined by the cost of the whole hereditament including that of domestic and exempt areas.

- 4.5 **Professional Fees** — An addition for professional fees should be made in accordance with Table 3 of **Appendix 2**.
- 4.6 **Holiday/Conference Letting within a Category A Hereditament** — The valuation approach outlined above should be computed in accordance with **Appendix 6**.
- 4.7 **Adjusted Replacement Cost (ARC)** — Adjustments to the ERC of each building may be required to reflect disabilities relating to physical and functional obsolescence, and/or the adequacy of services such as lifts in multi-storey buildings. The appropriate allowance to be made is a matter for the valuer to determine, but in general the scales in **Appendix 4** should be used.
- 4.8 The age related scale 4a is intended to apply to all structures. Where buildings have been modernised valuers will need to consider whether such works have affected the building so as to place it in a different age band. Valuers should note that the scale does not provide for allowances in excess of 50% without specific justification.
- 4.9 **Site Value** — The site of the hereditament will be separated into two elements:-
- (a) **Developed parts** — That part of the site comprising the HEI buildings together with their immediately adjacent grounds (e.g. circulation space, courtyards, attached gardens, etc) shall be considered to be within its operational curtilage. It should be possible in nearly all cases for this operational curtilage to be ascertained without difficulty. Valuers should apply common sense in drawing this boundary. The precise area of this curtilage need not be determined, although it may be necessary for the ascertainment of the undeveloped areas (see next sub paragraph). The value of the operational curtilage land will be determined by taking a percentage of the total ARC of the buildings. The relevant percentage will vary according to location and the various rates are shown in **Appendix 5**. The percentage represents the value of a site for HEI use. Using a percentage of ARC will automatically apply any allowance which has been given to the buildings. It is not intended that there should be abrupt changes in the approach to site value between the locational groupings shown in **Appendix 5**, and shading of these percentages should be applied close to their boundaries. It is not generally intended that shading should occur between urban and edge of city/town.
- (b) **Undeveloped parts** — The remainder of the hereditament's site will be valued according to its use. Generally local levels of amenity value/sports field value (indicative values £10,000 to £30,000 per ha) will be appropriate.
- 4.10 **Total ARC** — The ARC of the buildings is added to the site value to form the total ARC of the hereditament.
- 4.11 **Decapitalisation Rate** — The ARC of the hereditament shall be decapitalised to an annual equivalent by taking 3.33%.
- 4.12 **End Allowances** — Any advantages or disadvantages which might affect the value of the occupation of the hereditament as a whole should be reflected at this stage. An adjustment under this head should not duplicate adjustments made elsewhere, e.g. in arriving at the developed site value by adopting a percentage of ARC rather than the ERC. Recognition has already been made in broad

terms of any disadvantage caused by the land being encumbered by older buildings which may be larger than their modern substitute.

- 4.13 Allowances under this head may be considered for dispersal, bad site layout, piecemeal development, surplusage and any other relevant matters. In considering these points the presence or effects of any Category B buildings should not be discounted.

## **5.0 Valuation of Category B Hereditaments**

- 5.1 The valuation approach to the non-domestic use of living accommodation is set out in **Appendix 6**.

## **6.0 Valuation of Category C Hereditaments**

- 6.1 This Category should be valued by reference to direct rental evidence or by comparison with similar rented property. Where the planning situation is unclear and there is only a possibility that the property is not restricted to HEI use, a deduction of up to 50% from the unrestricted rental value may be made. In such cases where planning consent for alternative use is less likely, there is greater probability that the Contractor's Basis provides a better method of valuation and the hereditament may therefore fall within Category A.
- 6.2 A composite hereditament should have its Rateable Value adjusted to exclude the value attributable to the domestic use of property within it.
- 6.3 Category C hereditaments rarely contain property used for holiday/conference lettings; see **Appendix 6**.

## **7.0 Let-outs**

- 7.1 Non-domestic premises which are let by the HEI in such a way as to require separate assessment should be assessed by the most appropriate method of valuation; this will normally be by reference to rental evidence. Where part of a Category A hereditament is so let out as to require a division of the original assessment, the ERC of the part remaining in the HEI's occupation should be reduced by the proportion of the cost attributable to the let-out part, and the contractor's basis valuation accordingly amended.

## APPENDIX 1

### SCOP Colleges

American Intercontinental University - London  
Anglo-European College of Chiropractic  
The Arts Institute at Bournemouth  
Bath Spa University  
Birmingham College of Food, Tourism & Creative Studies  
Bishop Grosseteste College  
The British School of Osteopathy  
Buckinghamshire Chilterns University College  
University of Chichester  
Cumbria Institute of the Arts  
Dartington College of Arts  
Edge Hill  
University College Falmouth  
Harper Adams University College  
Liverpool Hope University  
Liverpool Institute of Performing Arts  
Newman College of HE  
North East Wales Institute of Higher Education  
Norwich School of Art and Design  
Ravensbourne College of Design and Communication  
Rose Bruford College  
Royal Agricultural College  
The College of St Mark and St John  
St Martin's College  
St Mary's College  
The Tavistock and Portman NHS Trust  
Trinity and All Saints College  
Wimbledon School of Art  
University of Worcester  
Writtle College  
York St John University College

For a current list of SCOP Colleges please refer to website: [www.scop.ac.uk](http://www.scop.ac.uk).



## APPENDIX 2

### Unit Costs, External Works, Professional Fees and Building Use Classification

**Table 1a Unit Costs (Non-Sports)**

Age	Science Research	Other Principal Buildings
pre 1960	£1,488	£935
1961 - 1964	£1,313	£825
1965 - 1970	£1,225	£770
1971 - 1975	£1,138	£715
1976 - 1980	£1,138	£715
1981 - 1985	£1,313	£825
1986 - 1990	£1,575	£990
1991 - 2002	£1,663	£1,045
2003 onwards	£1,750	£1,100

**Table 1b Unit Costs (Sports)**

Age	Wet Sports Facilities	Dry Sports Facilities
All Ages	£1,300	£700 with changing facilities £500 without changing £400 tennis halls

#### Notes

- (i) Special treatment may be warranted where a building was designed many years before completion.
- (ii) Buildings which have undergone extensive modernisation, to such an extent that it is not appropriate to treat them as dating from their original construction date for the purposes of Table 1a above, should be treated as dating from an intermediate point between the date of original construction and the date of modernisation, having regard to the extent of modernisation.

Age	Hutted & Portable Buildings (including workshops)	Greenhouses (other than Research)
All Ages	£500 per sq m (less 12.5% if unheated)	£150 per sq m

**APPENDIX 2**  
**(continued)**

**Table 2 External Works Addition**

Classification	Description	Percentage Addition
Restricted Site	Typically situated in or close to city centres with plot ratio of more than 100%	2-4% (depending on extent & quality of works)
	In exceptional circumstances where Plot Ratio is typically over 800%	Minimum Down to 1%
Intermediate Site	May include access roads, footpaths, car parking, etc. — as a guide plot ratio typically between 50 - 100%	4-7% (depending on extent & quality of works)
Extensive Site	Those with extensive network of roads, paths, external lighting, car parking and extensive landscaping — as a guide plot ratio typically less than 50%	7-12.5 % (depending on extent & quality of works)

**Notes**

1. The plot ratio is the building GIA expressed as a percentage of the total site area (including building footprint).
2. An appropriate percentage addition should be chosen from the above ranges to reflect the extent of external works within the hereditament using plot ratio as an indicative guide only.

**Table 3 Professional Fees**

Applicable to Unit Costs & External Works	
Professional Fees	12.5 %

## APPENDIX 2 (continued)

**Table 4 Building Use Classification**

### **1) Science Research**

Highly specialised scientific laboratory used for post graduate research including a high proportion of one or more of the following attributes :-

- Containment level 2 or above
- Clean Room class 100 or below
- Substantial foundations with or without isolation from the main structure to ensure vibration free operation of scientific machinery

It is anticipated that this category will seldom apply to buildings constructed (or substantially rebuilt) before 1990.

Examples within University departments may include nanotechnology, epidemiology, medical research involving animals or pathogens, laboratories for animal experimentation, etc.

### **2) Other Principal Buildings**

All buildings which do not fall into other categories

### **3) Hutted and Portable Buildings**

Broadly those buildings generally intended to have a relatively short life, (although they may have outlived original expectations), and of inferior construction compared to standard building construction.

Where a temporary building is built to a standard superior to that which is normal for that type, consideration should be given to allocating it to group (2).

### **4) Greenhouses and Simple Timber Structures**

Those greenhouses used purely in connection with raising plants for ornamental purposes, without climate control, and used neither for research nor public admission. Timber structures within this category will be of the simplest type, used as stores and/or garages, and with no heating.

### **5) Workshops**

These will be more substantial structures than in group (4), typically with light steel frame, 100mm brickwork infill to 1.0m height, profile 6 corrugated sheet cladding above. Translucent sheet glazing. Electric power, water toilets. Central heating. Such buildings are likely to have been built after 1975. Older workshops may be constructed from different materials.

## **APPENDIX 2**

**(continued)**

### **6) Sports Buildings**

These fall into four main categories

- (i) wet facilities consisting of pools and surrounds, with associated plant rooms and changing
- (ii) dry facilities consisting of halls with changing and associated plant rooms
- (iii) dry facilities without changing
- (iv) tennis halls

### **7) Minor Buildings**

Small buildings such as meter houses, sheds and stores with individual GIAs of less than 26 sq m should not be costed, as they are reflected within the addition for external works.

## APPENDIX 3

### Location Factor and Contract Size Adjustment

**Table 1 Location Factor**

NB The Regions referred to are administrative areas and are not significant boundaries.

#### NORTHERN REGION

Cleveland	0.91
Cumbria	0.95
Durham	0.91
Northumberland	0.94
Tyne & Wear	0.91

#### YORKSHIRE AND HUMBERSIDE REGION

Humberside	0.90
North Yorkshire	0.91
South Yorkshire	0.90
West Yorkshire	0.88

#### EAST MIDLANDS REGION

Derbyshire	0.93
Leicestershire	0.93
Lincolnshire	0.93
Northamptonshire	0.98
Nottinghamshire	0.92

#### EAST ANGLIA REGION

Cambridgeshire	1.04
Norfolk	0.97
Suffolk	1.01

#### GREATER LONDON

Inner London*	1.26
Outer London	1.17

#### SOUTH WESTERN REGION

Avon	0.96
Cornwall	0.93
Devon	0.94
Dorset	0.97
Gloucestershire	0.96
Somerset	0.94
Wiltshire	0.96

### APPENDIX 3 (continued)

#### SOUTH EAST REGION (EXCLUDING LONDON)

Bedfordshire	1.08
Essex	1.08
Hertfordshire	1.13
Kent	1.12
Surrey	1.16
East Sussex	1.12
West Sussex	1.10
Berkshire	1.10
Buckinghamshire	1.09
Hampshire	1.06
Isle of Wight	1.07
Oxfordshire	1.05

#### WEST MIDLANDS REGION

Hereford & Worcester	0.95
Shropshire	0.94
Staffordshire	0.93
Warwickshire	0.98
West Midlands	0.96

#### NORTH WEST REGION

Cheshire	0.94
Greater Manchester	0.95
Lancashire	0.95
Merseyside	0.96

#### WALES

Clywd	0.90
Dyfed	0.95
Powys	0.92
Gwent	0.95
Gwynedd	0.91
Mid Glamorgan	0.95
South Glamorgan	0.96
West Glamorgan	0.93

\* Inner London Boroughs comprise the following : Camden, City of London, City of Westminster, Greenwich, Hackney, Hammersmith and Fulham, Islington, Royal Borough of Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets and Wandsworth.

## Table 2 Contract Size Adjustment

The adjustment for contract size should be made having regard to the total ERC (after adjustment for location but before the addition for fees) in accordance with the following scales:-

ERC £	ADJUSTMENT
Up to 0.5 million	+ 10% max
0.75 million	+ 5%
1.0 million	+ 2.5%
1.5 million	+ 1.0%
2.0 million	ZERO
3.0 million	- 2%
4.0 million	- 3%
5.0 million	- 4%
6.0 million	- 5%
8.0 million	- 6%
11.0 million	- 7%
14.0 million	- 8%
17.0 million	- 9%
Over 20.0 million	-10% max

NB Intermediate figures may be interpolated

## APPENDIX 4

### Allowances

#### SCALE 4a

##### Obsolescence Allowances (Excluding Sports Buildings)

The following scale is intended to provide a degree of uniformity of allowance. It is not intended that a rigid age-based system of allowances should be applied, derived by interpolation between the dates in each age band. The allowances are intended to reflect the typical range of obsolescence commonly found in structures erected or substantially modernised during different periods. It is consistent with the terms of this guidance that an HEI building constructed towards the end of a particular age-band can merit the maximum allowance for the age-band, if justified by a relatively high degree of physical and/or functional obsolescence. Similarly, a building of considerable age may require no allowance if its running and maintenance costs are no greater, and its fitness for its use no less than would be the case with a new building.

Date built or modernised	Percentage deduction (see notes)
pre 1945	50% Maximum (1)
1945 - 1959	41 - 50% (2)
1960 - 1964	36 - 40% (2)
1965 - 1979	21 - 35% (2) & (3)
1980 - 1984	15 - 20% (3)
1985 - 1989	11 - 14%
1990 - 1993	7 - 10%
post 1994	0 - 6%

#### Notes

1. It would not normally be appropriate to make an allowance in excess of 50%, since few pre 1945 buildings are likely to exist in their original form. Most will have been the subject of modernisation programmes and will have been improved to a standard comparable with a more recent age-band. Higher allowances should therefore only be granted in exceptional circumstances, on particular facts, for example where a building suffers from accumulated lack of maintenance and/or has not been the subject of any refurbishment.
2. For permanent system-built structures constructed between 1937 and 1974, the above maximum allowances may be increased by up to a further 7.5%, where the condition of the premises is markedly worse, and/or the maintenance/running costs markedly higher than would be expected for other HEI buildings of the same age.
3. For temporary buildings ie those originally intended to have a relatively short life the deductions in the above scale may be increased by a factor of 0.5 and the existence of physical/functional obsolescence in certain post 1989 buildings may have to be reflected by a deduction not exceeding 10%.



**APPENDIX 3**  
**(continued)**

**Obsolescence Allowances for sports buildings**

<b>Year built</b>	<b>Allowance percentage</b>
2005	0.0%
2004	0.5%
2003	1.0%
2002	1.5%
2001	2.0%
2000	2.5%
1999	3.0%
1998	3.5%
1997	4.0%
1996	4.5%
1995	5.0%
1994	6.0%
1993	7.0%
1992	8.0%
1991	9.0%
1990	10.0%
1989	12.0%
1988	14.0%
1987	16.0%
1986	18.0%
1985	20.0%
1984	22.0%
1983	24.0%
1982	26.0%
1981	28.0%
1980	30.0%
1979	32.0%
1978	34.0%
1977	36.0%
1976	38.0%
1975	40.0%
1974	42.0%
1973	44.0%
1972	46.0%
1971	48.0%
1970	50.0%
prior to 1970	by agreement

## SCALE 4b

### Multi-Storey Building Allowances

**Table 1 - Buildings with inadequate\* or no passenger lifts**

Floors	Percentage Deduction
2 main floors	Nil
3 main floors	2.5% overall
4 main floors	10.0% overall
5 main floors	17.5% overall
8th main floor and above	22.5% for 8th floor and above 17.5% overall below 8th floor

**Table 2 - Buildings with adequate\* passenger lifts**

Floors	Percentage Deduction
4 main floors or less	Nil
5 - 7 main floors	7.5% overall
8th main floor and above	12.5% for 8th floor and above 7.5% overall below 8th floor

### Notes

\* In determining the adequacy or otherwise of lifts it is recognised that lift provision is rarely ideal, and normal deficiencies (such as the inability to cope fully with peak time movements of students) are addressed within the allowances in Table 2. It is also recognised, however, that in some instances lift provision may be inadequate to cater for the number and size of floors served and in such circumstances the allowances up to those in Table 1 should be applied.

## APPENDIX 5

### Site Values

**Table 1 Developed Land**

Location	Percentage of ARC Urban	Edge of City
<b>Central London</b> W1, W2, W8, W11, SW1, SW3, SW5, SW7, SW10, WC1, WC2, EC1, EC2, EC3, EC4	25%	N/A
<b>Inner London</b> SW6, SE1 (north), W6, W9, W10, W12, W14, NW1, NW8 (See Note 1)	25%	N/A
<b>Remainder of London and Inner Home Counties</b> N1, E1, E2, SE1 (south), Inner Home Counties & Heathrow M25 Belt incl. Oxford & Cambridge City Council Areas (See Notes 1 and 2)	20%	10 %
<b>Remainder of SE England</b> (See Note 3)	12.5%	7.5%
<b>Remainder of England &amp; Wales</b> (incl. Isle of Wight)	8.75%	5%

#### Notes

- SE1 (north) includes land between the River Thames and Hercules Road, Baylis Road, The Cut, Union Street, Newcomen Street, Snowsfields, Crucifix Lane and Druid Street and SE1 (south) comprises the remainder.
- The Inner Home Counties are for this purpose defined as the following Local Authority areas:
 

Hertfordshire	Hertsmere, St Albans, Three Rivers, Watford, Dacorum
Buckinghamshire	Chiltern, South Bucks, Wycombe
Berkshire	Slough, Windsor and Maidenhead, Bracknell, Wokingham, Reading
Surrey	Surrey Heath, Runnymede, Spelthorne, Elmbridge, Woking, Guildford, Waverley
Oxfordshire	Oxford
Cambridgeshire	Cambridge

3. South East England is defined as the following counties excluding the Local Authority areas in Note 2 above:

Bedfordshire, Buckinghamshire, Berkshire, Oxfordshire, Hertfordshire, Essex, Kent, East and West Sussex, Surrey, Hampshire, and the Bournemouth area.

**Table 2 Undeveloped Land**

Typical rate £10,000 to £30,000 per hectare.

## APPENDIX 6

### Valuation of Category B Hereditaments

#### 1.0 Hereditaments wholly used for domestic purposes

1.1 Hereditaments which are wholly used for domestic purposes do not need to be valued for rating purposes.

#### 2.0 Hereditaments wholly or mainly used for holiday and/or conference letting

2.1 When such property is used in whole or part for the provision of holiday or conference accommodation for short periods (or a succession of short periods) to persons not associated with the HEI, it must be valued, since property so used may be non-domestic. When Category B hereditaments have to be valued for such use their value should be found in accordance with the paragraphs below.

2.2 Where the holiday/conference use/short course use is of self-catering accommodation which is available for letting for periods totalling less than 140 days in the preceding year, it will be regarded as domestic property (s. 66 (2B) LGFA 1988). In all other circumstances property used for these purposes should be valued on the following basis:

- a) The first 500 bednights notified for each hereditament shall be regarded as de minimis and are not required to be valued.
- b) Where more than 500 bednights are notified, the following relevant prices per bednight should be applied to the number of additional bednights notified.

Accommodation	Price Per Bednight
Non En-Suite Accomodation	£2.07
En-Suite Accomodation	£2.40

- c) Appropriate allowances (if any) should be made by reference to **Appendix 4**.
- d) Where the living accommodation remains in assessment for the whole year, whether as a separate hereditament or as part of a larger hereditament (whether or not a composite), no further adjustment is needed and the result of steps (i) and (ii) produces the appropriate RV. However where the hereditament containing the living accommodation falls to be entered in the Rating List only for the duration of the holiday/conference/short course use, the following formula:

$$\frac{\text{Number of bednights notified}}{\text{Number of days used}} \quad \times \quad 365$$

should be applied to the relevant bednight prices, in order to produce the appropriate RV to be entered only for the duration of the holiday/conference/short course use.

2.3 For the purpose of this appendix short courses should be regarded as courses taking place within vacations or for durations not exceeding 100 days for persons who have main residences elsewhere.

## APPENDIX 7

### Oxford and Cambridge Universities

#### 1.0 Introduction

1.1 The provisions of other parts of the Memorandum apply to the Universities of Oxford and Cambridge, subject to the adaptations in this appendix.

#### 2.0 Unit Costs, External Works, Professional Fees and Building Use Classification

2.1 In place of the Unit Costs in Table 1a of Appendix 2, the following costs apply.

**Table 1 – Unit Costs and Building Use Classification**

Age	Science Research	Museums & Ceremonial Buildings			Other Principal Accommodation	
	(1)	Principal Accommodation (2a)	Secondary & Functional Accom. (2b)	Below Ground Storage (2c)	Standard (3a)	Basic (3b)
Pre 1960	£1,488	All ages	£1,190	All ages	£1,190	£935
1961-1964	£1,313	£3,100	£1,050	£925	£1,050	£825
1965 - 1970	£1,225		£980		£980	£770
1971 - 1975	£1,138		£910		£910	£715
1976 - 1980	£1,138		£910		£910	£715
1981 - 1985	£1,313		£1,050		£1,050	£825
1986 - 1990	£1,575		£1,260		£1,260	£990
1991 - 2002	£1,663		£1,330		£1,330	£1,045
2003 on	£1,750		£1,400		£1,400	£1,100

#### Notes

- 1 Science Research as defined in Table 4 of **Appendix 2**
- 2 Museums & Ceremonial Buildings (ie buildings used in connection with University ceremonies and/or of particular historical or architectural importance to the University)
  - a) Principal Accommodation available to the public and/or members of the University
  - b) Secondary galleries and functional accommodation primarily available for use by members of the department
  - c) Below Ground Storage

- 3 Other Principal Accommodation as defined in Table 4 of **Appendix 2**, but excluding those libraries which fall into the Museums and Ceremonial Category above
- a) Standard — This Rate should be applied to the standard accommodation of this type in Oxford & Cambridge Universities
  - b) Basic — Where the accommodation is manifestly similar in construction to that of other Universities covered in the main memorandum then this rate should be used

2.2 The cost of external works and professional fees should be added in accordance with Tables 2 and 3 of **Appendix 2**.

### 3.0 Location Factor

3.1 No location factor is to be applied to any of the unit costs mentioned in Table 1 of this appendix. Where unit costs have to be applied to buildings/elements which do not fall within any of the categories covered they should be adjusted to a location factor of 1.0.

### 4.0 Site Values

4.1 In place of **Appendix 5** the following capital values shall be ascribed to Developed Land in accordance with Table 2.

**Table 2**

Site Values Zone	Capital Value per hectare
Central	£4,500,000
Intermediate	£3,750,000
Edge	£3,000,000

### Notes

- (i) The overall average allowance applied to the buildings by way of age related build cost adjustment, scale 4a obsolescence allowances and scale 4b multi-storey allowances should be applied to the developed land values produced by the above table.
- (ii) Care should be taken, particularly in the case of intermediate and outer sites to identify only the amount of land actually required for the developed buildings.
- (iii) It is intended that this approach to valuation of developed land at Oxford & Cambridge Universities should produce site values broadly consistent with those indicated by the percentage of ARC approach adopted in the main Memorandum for other HEI's in the two cities concerned.

## **5.0 End Allowance**

- 5.1 The application of an end allowance should be considered in accordance with the principles set out in paragraphs 4.10 and 4.11.



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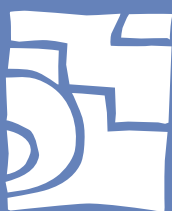
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