



Revaluation 2017

RVJB Guidance Note

Valuation of Day Nurseries

1.0 Introduction

This Guidance Note deals with the valuation of day nurseries.

The provision of day care for children has evolved from small family run units, which were often part of the provider's home, to those operated from larger dedicated properties. Day nurseries generally offer a full time service for up to 52 weeks of the year and day care will be offered typically during business hours from 8am to 6pm. Ordinarily this service will be offered to a range of ages from babies up to age 12.

Rental levels are influenced by a number of factors however, in general, the type of building in which the nursery is located does not appear to be an influencing factor, although size of accommodation will clearly determine the child numbers possible.

The specific location of the nursery is perhaps not of paramount importance, however, close proximity to parents places of work and locations within residential areas are obviously desirable.

2.0 Basis of Valuation

2.1 Subjects covered by this Guidance Note are valued by application of the Comparative Principle, except in the following circumstances:-

Local Authority Nursery Schools adjacent to, or within the grounds of school properties, or forming part of the school property which provide pre-school education for the associated school, should be valued in terms of SAA Public Buildings Committee Practice Note 5 – Valuation of Schools.

3.0 Comparative Approach

- 3.1 Nurseries operate from a wide variety of property types ranging from modern purpose built units to adapted properties including former residential properties and converted church halls.
- 3.2 Those nurseries situated in properties which, by virtue of their character or location or both, have an obvious alternative use, will have to compete with other potential occupiers.

Rental analysis has shown that in these instances, the landlord will expect to receive a rent equivalent to the character of the property. In such situations the property should be valued in line with prevailing rental levels for the appropriate alternative use. This is most commonly to be found in retail, office and industrial type properties/locations. As such those day nurseries which can be categorised as such should be valued in line with the prevailing retail, office, industrial rental levels.

- 3.3 Those nurseries situated in properties which, by virtue of their character, or location or both, have no obvious alternative use.

Rental evidence exists within the RVJB area for day nurseries with no obvious alternative use. Those day nurseries should be valued in accordance with this instruction. An analysis of this rental evidence has provided the following recommended valuation rate:-

In those situations, a rate of £80 per square metre should be applied to the Gross External Area (GEA).

4.0 Valuation

- 4.1 The rate per square metre should be applied to the Gross External Area (GEA) of the property.
All accommodation on each floor should be included and each floor taken at unity.
The rate to be applied to the GEA is **£80** per square metre.