

NON DOMESTIC REVALUATION 2003

CLASS 299

AIRPORTS

INDEX

SUBJECT	PARAGRAPH
DESCRIPTION	1.0
DISTRICT RESPONSIBILITY	2.0
4TH REVAL BASIS OF VALUATION	3.0
5TH REVAL BASIS OF VALUATION	4.0
VALUATION	5.0
CONTACTS	6.0

1.0 DESCRIPTION

1.1 This report refers to the following hereditaments in Northern Ireland:

- Belfast International Airport
- Belfast City Airport
- City of Derry Airport
- St Angelo Airport, Enniskillen

2.0 DISTRICT RESPONSIBILITY

2.1 District offices will be responsible for the inspection and survey of the airports within their respective districts.

2.2 The valuation of all hereditaments within this sub class will be carried out by the Lisburn District.

3.0 4TH REVAL BASIS OF VALUATION

3.1 The contractors test was the accepted basis of valuation.

4.0 5TH REVAL BASIS OF VALUATION

4.1 It is recommended that the valuation of Airports will be carried out by the use of the Contractors test, subject to allowances set out below and any appropriate modification to reflect the trading position.

4.2 Unit of Assessment

(a) This should include everything within the perimeter fence and any other contiguous hereditament but excluding any property so let out as to be capable of separate assessment whether on ground lease, lease or exclusive licence. Advertising rights within the terminal buildings, where let on a concession type agreement will be reflected in the main assessment.

(b) Those areas within the terminals that are occupied on “concession” agreements will be included in the main assessment subject to the following proviso:-

There must be sufficient control exercised by the airport operator over the concessionaires as to demonstrate de facto that the airport operator is in paramount occupation. This control, must not exist merely in the legal document, but there must be some overt act by the airport authority which clearly demonstrates that they have

exercised such control as to show that they are in paramount occupation. An example of such control would be a price regulation policy by the airport operator.

5.0 VALUATION

5.1 Land – the value of the site will be comprised of four distinct elements:

- (1) Land under terminal buildings may be taken at full commercial value. Commercial value may be defined as follows:-
 - (i) For airports with 4 million passengers or more per terminal in 2000/01, the site to reflect the value of the concessions within the terminals. The value to equate to appropriate commercial land values.
 - (ii) For airports with less than 4 million passengers in 2000/01, the site value to be compared with food retail sites, having regard to the level of values as at AVD for appropriate sites. Account should be taken of the relative size of the retailing areas in this category of airport.
 - (iii) For smaller airports (those with less than one million passengers in 2000/01) the site value of the terminal building may be compared with non-food retail sites, having regard to the level of values as at AVD for appropriate sites. Account should be taken of the relative size of the retailing areas in this category of airport.

Evidence should be analysed in terms of built area (where possible) and the resultant price per m² should be applied to the total area of the terminals included in the main airport assessment. If this approach gives rise to substantial changes from the basis adopted for the 1997 list valuation, consideration should be given to mitigating the affect of such changes in value.

- (2) Land under “other” buildings included in the main assessment, should be taken at general warehouse value based on a double footprint. This reflects the fact that most warehouse developments average approximately 50% site cover.
- (3) Land under runways, taxi-ways, aprons and surface car parks to be taken at a percentage of the value of warehousing land, as is evidenced in the locality, to fairly reflect its true value (25% for Group A Airports and 10% for G A Airports).

(4) The “remaining land” to be based on agricultural value in the locality.

The land value adopted above includes the value of off site accommodation works, which made the land suitable for the purposes used and reflects the value of commercial opportunities at the airport.

As a cross check the overall price per acre produced by the above should be considered.

Where agricultural land in the ownership of the Airport Operator lies outside the curtilage of the airport and is occupied exclusively or principally for agricultural purposes, consideration should be given to its exemption following normal rating principles.

5.2 Runways, Taxi-ways & Aprons

The cost to be adopted for runways, etc will be based upon the PCN (Pavement Classification Number) published in the edition “Air Pilot” current at the valuation date or alternatively consideration will be given as to any documentary evidence produced on behalf of the occupier.

Costs should be adjusted to take account of any age related disabilities. However regard should be had to the fact that runways are regularly resurfaced to CAA standards, therefore maximum age related allowance of 6% is appropriate for such pavements. Allowances may also be necessary for excessive strength, widths, and lengths caused by historic reasons or environmental or operational restraints (eg, redundant hard-shoulders).

Similar levels to runways will be applicable to taxi-ways and aprons but account should be taken of any disabilities arising because of the shape or the operational restrictions.

5.3 Terminal Buildings

The basis will be adjusted replacement cost or exceptionally a substitute replacement building. Allowances should be made for any age related disabilities, if applicable. In addition if there is functional obsolescence or excessive accommodation it may be appropriate to make allowances for such factors.

For terminal buildings the costs to be adjusted will be based upon costings for beacon terminals, adjustments will have to be made to reflect the facts at individual airports.

The rates are shown under Appendix 1. They relate to gross internal areas.

It is considered the airports in NI will be covered by Bands 3 to 5.

5.4 Other Buildings

In view of the wide range of other buildings found at Airports use actual costs or refer to the Cost Guide. Certain buildings, eg fire stations tend to be more standard and typical rates are shown in Appendix 2.

5.5 Fees

The basis of costs to be adopted in the contractors test valuation should be exclusive of fees, the fees to be added in at the end of the valuation on the basis recommended in the Cost Guide.

5.6 Size of Contract Allowance

The airport section of the Cost Guide is based on large contracts and no adjustment is therefore necessary for size of contract. Costs taken from other Sections of the Cost Guide, which have been adjusted to a national contract size of £2m, should have a size of contract allowance applied to them, which is based on the total adjusted replacement cost for the whole airport.

5.7 Plant & Machinery

This will be assessed in accordance with appropriate Plant and Machinery regulations, security equipment will be reflected (where rateable) by a maximum addition of 2.5% to the ARC of the Terminal or other protected building, where there is no direct cost evidence.

5.8 Car Parks

Car parks should be included in the Airport assessment at their adjusted replacement cost, where they are operated on behalf of the Airport under a concession type agreement, but separately assessed if they are occupied under a lease or licence.

5.9 Roads, Street Lighting & Fencing

Roads, street lighting and fencing, the ownership of which is vested in the Airports Authority, are to be included in the Contractors valuation at their adjusted replacement cost.

5.10 Advertising Rights

Those advertising rights external to the terminals, which are not reflected in the site value of the terminal, should be valued separately and added on to the end of the valuation, if not separately assessed.

5.11 **Petrol Filling Stations**

They should normally fall to be separately assessed, however, if they are included in the main valuation, the value should be calculable on a Comparative Basis with other similarly assessed subjects and added on at the end of the valuation.

5.12 **Decapitalisation Rate**

The statutory decapitalisation rate will be applicable.

5.13 **End Allowances**

A “stand back and look” allowance may be appropriate at some airports in order to arrive at a valuation which accords with the statutory definition of rateable value. Examples of end allowances that have been adopted in the past have included:-

- (i) Under utilization/surplusage.
- (ii) Restricted passengers/traffic.
- (iii) Runway/operational restrictions.
- (iv) Lack of facilities affecting viability.
- (v) Infrastructure provided in advance of requirements.

The amount of any end allowance must, therefore, be peculiar to individual circumstances.

5.14 **Cross Check Valuation**

It will be necessary to check the valuation produced. This can be done by comparison with other airport assessments on an analysis per workload units per passenger, per aircraft movement, or in relation to the “Gross Take” of the airport. Workload units are the preferred basis and should be based upon CRI statistics. WLU’s are calculated on the basis that one passenger plus baggage = 200 lbs; to convert into metric tonnes a divisor of 11 should be applied to the total passenger numbers shown in the CRI statistics. To this figure the total cargo tonnage must be added to give a workload figure.

6.0 **Contacts**

6.1 For further information and advice contact:

R J Barrett – Lisburn Office

Tel: 028 92 623536

CategoryCivil Airports**Item**

Terminal Buildings

Description

BAND 1	£1,660.00
MAJOR INTERNATIONALS (LATE 1980s)	
Multi-storey buildings, steel/concrete clad frame, high standards of fittings and finishes, elaborate services for ventilation, heating, transportation, VIP and CIP suites, etc.	
BAND 2	£1,350.00
INTERNATIONALS (1980s)	
Modern steel/concrete frame, external cladding and glazing to high quality specification, good quality internal fittings and finishes, good quality ventilation, heating and some transportation, limited VIP and CIP suites, etc.	
BAND 3	£860.00
REGIONAL LARGE (1960 ONWARDS WITH EXTENSIONS)	
Extended buildings over a long period. Continual improvements. Many differing types of constructions, less extensive provision of fittings and fixtures.	
BAND 4	£800.00
REGIONAL MEDIUM (1960 ONWARDS WITH EXTENSIONS)	
Extended buildings over a period. Continual improvements and facilities. Good fittings and finishes.	
BAND 5	£720.00
REGIONAL SMALL (1980s/1990s)	
Modern steel framed. Brickwork, glazing and insulated metal Cladding roof and walls good quality but economical fittings and finishes.	

APPENDIX 2**AIRPORTS
BEACONS**

<u>ITEM</u>		<u>Cost/m²</u>
<u>HARDSTANDING (EXCL RUNWAYS ETC)</u>		
Concrete Hardstanding		£27
Tarmac Hardstanding		£22.50
Hardcore/Chippings		£ 7
Brick Setts		£39
Roads (kerbed & drained)		£40
<u>FENCING</u>		
Chain Link/Barb	1.8m	£20/m
Chain Link/Barb	2.4m	£25/m
Timber Closeboard	1.8m	£39/m
Steel Pallisade	1.8m	£63/m
Steel Pallisade	2.4m	£72/m
<u>CIVILS</u>		
Steelwork – General		£1400/te
Steel walkways/ladders, etc		£1850/te
Brick Bund Walls		£43
Concrete Bund Walls		£57
<u>BUILDINGS</u>		
Sub Stations etc (< 50m ²)		£390
Sub Stations etc (> 50m ²)		£335
Portakabin Offices		£350
Fire Stations		£560 £900 £830 £840