

NON DOMESTIC REVALUATION 2003

CLASS 281

COLD STORES

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1.0 DESCRIPTION

1.1 General

This scheme refers to all single hereditaments operated as Cold Stores or Temperature Controlled Warehouses, ie standalone plants, excluded are those cold stores which are part of a larger hereditament eg cold rooms located in milk, meat and food processing factories.

1.2 Physical Characteristics

Standalone Cold Stores are generally of 2 types:-

- a. Purpose built, simple steel framed buildings clad in corrugated asbestos, aluminium sheeting, or more recently profiled steel plastic coated cladding and using polystyrene or urethane as an insulating material.
- b. Converted or adapted, usually from warehouse accommodation with the degree of adaptation varying. A good conversion may be comparable to purpose built, but the poorer conversion may have disadvantages, which should be taken account of.

In Northern Ireland the majority of the standalone Cold Stores are purpose built. Such premises are usually similar in character and in the nature of standard warehouse accommodation with cold stores, blast freezers, general storage, loading bays and offices.

1.3 Operating Temperatures

Blast freezers operate down to temperatures of -40°C.

Cold store temperatures vary depending on the type of product stored eg eggs -2°C to 4°C, cheese 2°C to 4°C, frozen foods -20°C to -29°C.

1.4 Main User Categories

There are two main user categories:-

- a. Used as per an ordinary warehouse, ie used for storing various classes of goods. This type of cold store will tend to have a number of chambers operating at different temperatures to accommodate various classes of goods.
- b. Use for the storage of a limited variety of goods or by one individual occupier for storage purposes in connection with his trade or business. This category tends to comprise a fewer chambers or just one.

In Northern Ireland the majority of standalone cold stores were traditionally of type b. above, used for storing fish, cheese or meat. However, with the large UK supermarkets such as Tesco's, Sainsbury's and Safeways now operating in NI there has been a rise in demand for the supply of frozen and chilled ready made meals and the new cold stores coming into operation are increasingly of type a. These may be operated by a subsidiary of a large food supplier but may have a broad base of clients who use the premises for the storage of various pre-cooked products, usually short-term.

2.0 DISTRICT RESPONSIBILITY

Inspection, survey updating and valuation are the responsibility of each District.

3.0 4th REVAL BASIS OF VALUATION

On the basis that most cold stores in Northern Ireland are owner occupied the standalone cold stores were valued along with other Bulk Class 281 Warehouse properties. The valuation was based on the Computer Assisted Valuation (CAV) model for warehouses adjusted to reflect the additional cost of construction/adaptation needed to provide cold storage specification, ie to operate down to -20°C. The adjustment factor was based on the 1995 Construction Cost Guide Code 502.

In practice a 1.6667 multiplier was applied to the SPV for Class 281 (warehouses) to give a pricing for the floor area used as cold storage.

4.0 5th REVALUATION BASIS OF VALUATION

As was the case at 4th Revaluation most standalone cold stores are owner occupied or subsidiaries of larger companies so there is little rental evidence available.

It is recommended that the standalone cold store is valued on a rental comparisons basis, in line with levels of value which would be appropriate for comparable 281 warehouse properties, using the same CAV model with an addition on the cold store element only to reflect the higher specification of this type of storage.

The addition will be a multiplier of 1.6667, applied to the rateable cold store elements of the hereditament only.

5.0 FORMS OF RETURN

The Forms of Return should be those used for Factories and Warehouses.

6.0 VALUATION APPROACH

Comparative valuation method, based on rental evidence for warehousing via a CAV model with adjustments to reflect the adaptation costs for cold stores.

7.0 CONTACT NAME

Any queries or request for further information should be referred to Harry Lester, Valuation & Lands Agency, Boaz House, 19 Scarffe's Entry, Omagh, BT78 1JG, Tel: 028 8225 4762, E-mail: harry.lester@dfpni.gov.uk.