**APPENDIX 2 PRACTICE NOTE 2023**

**Superstores (RM Section 6 Part 3 Section 520A)**

**SUPERSTORE SEPARATE LET OUT GUIDANCE**

1. No allowances should be given on the main superstore for encumbrance (fragmentation) and no allowance to be given on area of the superstore for circulation space.

**1.1** The presumption is that all non-supermarket branded occupations should be separate assessments other than internal sites of machines including ATMs, photo-booths, coin counting machines, delivery lockers, coffee machines, heart machines, Rug Doctor, all sites of Kiddies Rides**.**

* 1. **Total Floor Area (TFA)**
* Reference is made in this document to the Accommodation Use Code (AUC) ‘Total Floor Area’ (TFA). This refers to the host superstore main space value.
* For stores < 5,500m², the TFA rate applied to the main space has a relativity of 100%.
* For stores >5,500m², the TFA rate applied to the first 5,500 m² has a relativity of 100%.
  1. **Deducting the area of a separate let out from a store over 5,500m2**

The R23 valuation will comprise:

* First 5500m² valued at 100% of all main area price

(Identified in valuation as TFA)

* Next 2500m² valued at 66% of the TFA rate

(Identified in the valuation as Zone E)

* Next 600m² valued at 33% of the TFA rate

(Identified in the valuation as Zone F)

When deducting the area of the separate let out from a store >5,500m², deduct it from the area in the last zone, irrespective of where of the separate let out is located within the store.

* 1. **Deducting the area of a separate let out from a store under 5,500m2**

Deduct the area from the relevant TFA or supported first floor/mezzanine area as was adopted in 2023 Rating List.

1. **SURVEY OF SEPARATE LET OUTS**

**2.1** All superstore separate assessments in an existing host property should be entered into the Rating List by way of a recon except for advert rights which are always to be brought in as a new assessment.

**2.2** When deducting the area of a separate let out from a store, follow the guidance at paragraphs 1.3 ‘Deducting the area of a separate let out from a store over 5,500m2’ and

‘1.4 Deducting the area of a separate let out from a store under 5,500m2’.

**2.3 Special Process Code (SPC)**

The special Process Code SSSA should be added to cases creating separate assessments within superstores. This stands for Superstore Separate Assessment.

**2.4 Measurement**

All Separate Let Outs in superstores are to be measured to Gross Internal Area (GIA). Sites of bureau de change need to be measured so that their areas can be deducted from the area of the host superstore.

**2.5** **Matrices**

Address matrices should be used for all separate ‘Let Outs’ other than for all pods and bureaux de change for which size matrices are used. The rate per m² entered in the matrix should first be calculated using the Excel calculators referred to in paragraph 3.4 and 3.5 of this guidance, rounded down to the nearest £2.50/m2.

**2.6 Scale**

The general overall scale for shops V1SGPOVERAL1 is used for all separate ‘Let Outs’, including cafes and restaurants (other than tyre centres, sites of automatic machines and bureau de change where specific scales apply).

**2.7 SCAT Codes (All with Suffix G)**

500 Cafes/Restaurants within part of a specialist property

503 Gymnasium within part of a specialist property

504 Kiosks within part of a specialist property

505 Nurseries /Crèches within part of a specialist property

507 Salons/ Clinics within part of specialist property

508 Shops within parts of a specialist property and in absence of a more suitable code

**2.8 Other Additions and Car Parks**

* **Other Additions**: the table V1OSUPERLET1 is used in all access paths.
* **Car Parking**: the table V1CREFLECT1 is used in all access paths.

Both tables have the Owning Site 501.

**3.0 VALUATION OF RETAIL LET OUTS (EXCLUDING CAFES)**

**3.1 General**

Retail units are valued according to their size and location within the store.

* 2023 Sublocation: **LOUT** used for all retail unit let outs except cafes and pods/assessments outside the host store.
* Accommodation Use Code: **RAO**
* Matrix: see [2023 Practice Note Supermarket Let-Out Appendix for Matrices](file:///\\voffdc112\unit$\NDR\_SCat%20Information\_R2023\Superstore%20Let%20Outs%20500%20503%20504%20505%20507%20&%20508\CVT\2023%20Practice%20Note%20Supermarket%20Let-Out%20Appendix%20for%20Matrices.xlsx)

**3.2 Ground Floor Retail Units**

The value applied to a retail unit will vary depending upon whether it is Exit Side (in front of the tills) or Store Side (rear of the tills).

Any lock up units which front onto the street are valued on the local tone.

The [plan at the attached link](file:///\\voffdc112\unit$\National%20Valuation%20Unit\VPs%20&%20CCTs\R2023\VP1%20Commercial\Retail1%20Food%20&%20General\Hypermarkets%20Superstores%20(over%202500m²)%20(139)\R23%20PN%20and%20VSD\HyprmrktSuperstresPNAppendix2GroundFloorSuperstoreIndicativeLayoutPlan.docx) illustrates what is considered to be Exit Side and what is considered to be Store side

**3.3 Valuation and Case Remarks**

As the value of the Let Out is calculated off-system using the calculator referred to below, RSA Case Remarks should record the superstore TFA rate (from which the value of the Let Out has been calculated) and the percentage from the scale. State also whether the Let Out is Front of Tills (Exit Side) or Rear of Tills (Store Side).

**3.4 ‘Exit Side’ Separate Retail Let Outs Calculator**

* [Exit side calculator link](file:///\\voffdc112\unit$\National%20Valuation%20Unit\VPs%20&%20CCTs\R2023\VP1%20Commercial\Retail1%20Food%20&%20General\Hypermarkets%20Superstores%20(over%202500m²)%20(139)\R23%20PN%20and%20VSD\Exit%20side%20Calculator.xlsm)
* Please note that the figure to be adopted is rounded down to the nearest £2.50/m2

**3.5 ‘Store Side’ Separate Retail Let Outs Calculator**

* [Store side calculator link](file:///\\voffdc112\unit$\National%20Valuation%20Unit\VPs%20&%20CCTs\R2023\VP1%20Commercial\Retail1%20Food%20&%20General\Hypermarkets%20Superstores%20(over%202500m²)%20(139)\R23%20PN%20and%20VSD\Store%20side%20Calculator.xlsm)
* Please note that the figure to be adopted is rounded down to the nearest £2.50/m2

**3.6 Stilted Stores- Valuation of Separate Retail Let Outs**

In a stilted store, the main trading floor is on the first floor above car park.

For separate Let-Outs on the main trading floor in **Stilted Stores**, use the rate applied to the TFA which includes a discount to take account of the fact the property is a stilted store (usually an allowance of 5% is applied to the first floor TFA rate).

For separate Let-Outs on mezzanine upper floors in stilted stores, use the same values as for all other superstores (see table below).

**3.7 Valuation of Example of Separate Let Out with a Mezzanine Floor within the Unit**

[Example of Superstore Separate let out with a mezzanine floor within unit](file:///\\voffdc112\unit$\National%20Valuation%20Unit\VPs%20&%20CCTs\R2023\VP1%20Commercial\Retail1%20Food%20&%20General\Hypermarkets%20Superstores%20(over%202500m²)%20(139)\R23%20PN%20and%20VSD\Example%20of%20Superstore%20Separate%20let%20out%20with%20a%20mezzanine%20floor%20within%20unit.docx)

**3.8 First Floor/Mezzanine Let Outs**

All retail units are valued in accordance with the table below regardless of their size

|  |  |  |
| --- | --- | --- |
| Means of Access | Store area < 5500m² | Store Area > 5500m² |
| All Retail Units Regardless of Size  Accessed by Travellator | 25.00% of TFA rate | 25.00% of TFA rate |
| All Retail Units Regardless of Size Accessed by two Escalators | 22.50% of TFA rate | 22.50% of TFA rate |
| All Retail Units Regardless of Size Accessed by a single escalator | 20.00% of TFA rate | 20.00% of TFA rate |
| All Retail Units Regardless of Size Accessed by Stairs and lift | 20.00% of TFA rate | 20.00% of TFA rate |

**4.0 SURVEY OF CAFES AND RESTAURANTS**

**4.1 General**

* Sublet cafes are valued dependent upon their location and size.
* Sublocation: **SSLC**
* Accommodation Use Code: **RES**
* Matrices: see [2023 Practice Note Supermarket Let-Out Appendix for Matrices](file:///\\voffdc112\unit$\NDR\_SCat%20Information\_R2023\Superstore%20Let%20Outs%20500%20503%20504%20505%20507%20&%20508\CVT\2023%20Practice%20Note%20Supermarket%20Let-Out%20Appendix%20for%20Matrices.xlsx)

**4.2 Valuation of Ground Floor Cafes and Restaurants**

* All separately let out cafes and restaurants less than 225m² are valued at 100% of the TFA rate.
* Those with an area of 225m² or greater are valued at 90% of the TFA rate.

**4.3 Valuation of First Floor Cafes and Restaurants**

* All first floor and Mezzanine cafes irrespective of how they are accessed are valued at 40% of the TFA rate.

**4.4 Valuation of Cafes in Stilted Stores**

* Cafes less than 225m² in stilted stores on main trading floor, value at TFA rate.
* Cafes 225m² or greater value at 90% of TFA rate price applied to main trading area.
* Cafes on floors above main trading areas in stilted stores use same value as first floor cafes. (40% of TFA)

**5.0 VALUATION OF CHILDREN’S ACTIVITY CENTRES, CRÈCHES, DOCTORS, DENTISTS**

**5.1 Ground Floor**

Other uses such as children’s activity centres, crèches, doctors are valued at 50% of the TFA rate.

Dentist Surgeries are valued at 70% of the TFA rate.

**5.2 First and Mezzanine Floors**

As per ground floor approach detailed in 5.1.

**6.0 SURVEY AND VALUATION OF ALL OTHER USES**

**6.1 General**

For Bureaux de Change, use Accommodation Use Code ‘RAO’ and against this code enter the number of Bureau de Change which is normally one. **DO NOT** record the floor area of the Bureau de Change (this must however be deducted from the area of the host store.

**6.2 Advertising Rights**

Only those advertising third party products should be a separate assessment. These should be brought into list as new and not recon.

Advertising rights let out to third parties (almost always ‘Out of Home’ advertising poster companies) to be in separate assessment. These should be brought into rating lists as new from the date the hoarding is erected and deleted on cessation of the right to advertise. Advertising rights must not be subject to reconstitution (splitting from or merging with) the superstore assessment (or any other type of hereditament).

The approach, and prices to be adopted, in making assessments for advertising rights at superstores can be found in ‘Practice Note 1 – 2023 – Small Format Displays…’. This is part of the Rating Manual at Section 6, Part 3: Advertising Rights and Stations. A link to the relevant Rating Manual Section is provided [here](http://voaintranet.voa.gpn.gov.uk/manuals-and-guides/rating-manual/section-5a/rating-manual-section-5a/sect20).

**6.3 Sites of Delivery Lockers**

* Click and collect facilities for the host store should **not** be separately assessed.
* Separate assessments are required for third party occupiers such as ‘Amazon By-Box’ and only where the locker is located **outside** of the store.
* 2023 Sublocations: **BOXA, BOXB, BOXC, BOXD** or **BOXE**.
* Refer to the R23 Practice Note for scheme of value [here](http://voaintranet.voa.gpn.gov.uk/manuals-and-guides/rating-manual/section-5a/rating-manual-section-5a/sect1120/section-1120-pn-2-2023).
* SCAT: 018G
* Primary Description and Code: CX ‘Site of Delivery Locker’

**6.4 Gymnasia**

* 2023 Sublocation: **LOUT**
* Valuation: RV will be based upon local tone for this use
* SCAT Code: 503G (Gymnasium within part of specialist property)
* Matrix: see [2023 Practice Note Supermarket Let-Out Appendix for Matrices](file:///\\voffdc112\unit$\NDR\_SCat%20Information\_R2023\Superstore%20Let%20Outs%20500%20503%20504%20505%20507%20&%20508\CVT\2023%20Practice%20Note%20Supermarket%20Let-Out%20Appendix%20for%20Matrices.xlsx)

**6.5 Petrol Filling Stations**

RV will be based upon the agreed PFS scheme and valuation will be carried out on NBS.

**6.6 Tyre and Exhaust Centres/ Vehicle Repair Workshops**

* 2023 Sublocation: **TECS**
* Accommodation Use Code: **WKS** (adopt 1 unit)
* Valuation: RV £15,000
* SCAT Code: **095G or 289G**
* Bulk Class F in line with the [Vehicle Repair Workshop, Mot and Tyre & Exhaust Centre Practice Note](https://eur03.safelinks.protection.outlook.com/?url=http%3A%2F%2Fvoaintranet.voa.gpn.gov.uk%2Fmanuals-and-guides%2Frating-manual%2Fsection-5a%2Frating-manual-section-5a%2Fsect1107%2Fsection-1107-pn-2023&data=05%7C01%7Cdawn.e.kay%40voa.gov.uk%7C11a3b0cd66cf4a09f1df08daace72902%7Cac52f73cfd1a4a9a8e7a4a248f3139e1%7C0%7C0%7C638012406062426947%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=%2Ftl8kHcjgPre9tM%2FkPqYEjJSMdaRdTOp920dER5ZyTs%3D&reserved=0)
* Matrix: see [2023 Practice Note Supermarket Let-Out Appendix for Matrices](file:///\\voffdc112\unit$\NDR\_SCat%20Information\_R2023\Superstore%20Let%20Outs%20500%20503%20504%20505%20507%20&%20508\CVT\2023%20Practice%20Note%20Supermarket%20Let-Out%20Appendix%20for%20Matrices.xlsx)

**6.7 Hand Car Wash**

The appropriate 2023 Sublocation and Matrix must be obtained from the unit in which the property is situated. Values for this type of property are influenced by the potential custom generated by the host store. As a consequence, factors such as the size and location and local demographics of the host store are likely to impact on the value of the of the carwash. Questions on value should be addressed to the CCT.

**6.8 Automatic Laundrettes**

* 2023 Sublocation: **LAUM**
* Valuation: RV £1,000
* Primary Description and Code: CX ‘Site of Automatic Laundrette’
* SCAT Code: 018G
* Matrix: see [2023 Practice Note Supermarket Let-Out Appendix for Matrices](file:///\\voffdc112\unit$\NDR\_SCat%20Information\_R2023\Superstore%20Let%20Outs%20500%20503%20504%20505%20507%20&%20508\CVT\2023%20Practice%20Note%20Supermarket%20Let-Out%20Appendix%20for%20Matrices.xlsx)

**6.9 Solar Panels**

Where a third party installs and operates and benefits from the Feed in Tariff (FIT) of the installation, valuation advice must be obtained from Utilities Team and the installation must be a separate assessment brought into the list by means of a reconstitution from the superstore.

**6.10 PODS**

These all need to be data captured as 1.0 unit rather than as an area in square metres. Valuations run to size matrices and capturing as an area rather than the number of pods will significantly overvalue each hereditament

|  |  |  |
| --- | --- | --- |
| **Sublocation** | **SCAT Suffix** | **Description** |
| PODS | G | SMALLER RETAIL PODS SUCH AS THOSE OPERATED BY TIMPSON SITUATED OUTSIDE SUPERMARKETS AND ON THEIR CAR PARKS |
| PODW | G | CAR SALES AND LARGER RETAIL PODS SITUATED OUTSIDE SUPERMARKETS AND ON THEIR CAR PARKS |
| PODN | G | NON-STANDARD PODS SITUATED OUTSIDE SUPERMARKETS AND ON THEIR CAR PARKS |

**6.11.1 Matrices**

* PODS sublocation: **S1SPODSV1** - SMALLER RETAIL PODS SITUATED OUTSIDE SUPERSTORES - £10,000 Size Matrix
* PODW sublocation: **S1SPODWV1** - CAR SALES/LARGER PODS SITUATED OUTSIDE SUPERSTORES - £12,000 Size Matrix
* PODN sublocation: **A1SPODNV1** – NON-STANDARD PODS SITUATED OUTSIDE SUPERSTORES – Address Matrix

Pods occupied by shoe repair/key cutters, such as Timpson, and by hairdressers/barbers outside the main building should be captured as PODS sublocation and will be £10,000 for 2023.

Pods occupied by We Buy Any Car, Autoglass and the like, found in supermarket car parks should be captured as PODW sublocation and will be valued at £12,000.

* SCAT Code: 508 G
* Matrix: see [2023 Practice Note Supermarket Let-Out Appendix for Matrices](file:///\\voffdc112\unit$\NDR\_SCat%20Information\_R2023\Superstore%20Let%20Outs%20500%20503%20504%20505%20507%20&%20508\CVT\2023%20Practice%20Note%20Supermarket%20Let-Out%20Appendix%20for%20Matrices.xlsx)