

Revaluation 2026
Industrial Properties Committee
Practice Note 14
Valuation of Motorway Service Areas

1.0 Introduction

- 1.1 This Practice Note applies to the valuation of all motorway service areas and petrol stations in separate occupation on motorway service areas.
- 1.2 The content of this Practice Note results from discussions with the Valuation Office Agency and the Scottish Assessors' Association.

2.0 Basis of Valuation

- 2.1 This category of subject should be valued by application of the Comparative Principle.
- 2.2 Commonly, subjects of this nature will include:
 - 1. Petrol Sales Forecourt
 - 2. Bunkered Fuel
 - 3. Low Margin Fuel Cards
 - 4. Forecourt Shop
 - 5. Car Wash
 - 6. Amenity Block
 - 7. Lodge Income

3.0 Valuation Considerations

3.1 Petrol Sales Forecourt

- 3.1.1 The forecourt value will include the value of:
 - i) The developed forecourt, (excluding non-rateable plant items).
 - ii) Canopies.

iii) Rateable tanks.

- 3.1.2 The value of the petrol sales forecourt will be determined in accordance with a nationally applied scale relating rental value to the hypothetical achievable throughput of motor fuel. For this purpose, it is proposed that all grades of fuel are aggregated without adjustment for different types and grades of fuel.
- 3.1.3 The hypothetical achievable throughput is the volume of fuel (excluding any bunkered fuel and fuel sold through low margin fuel cards) a reasonably competent operator would expect the site to achieve, pursuing pricing policies seeking to maximise profitability.
- 3.1.4 The hypothetical achievable throughput will be based on the level of throughput achieved in the years leading up to and including 2024 with the most relevant being the actual throughput achieved in 2024 calendar year. Exceptionally, where the reliability of the 2024 figure is doubted, the valuer should use the data available to them to arrive at a hypothetical achievable throughput for the year 2024.
- 3.1.5 The scale at Appendix 1 shows the £/1000 litres to be applied, which varies according to both the total adjusted hypothetical achievable throughput and the unleaded (UL) price per litre implicit in the throughput adopted. This scale has been developed from an analysis of rental evidence, which includes an adjustment for price.
- 3.1.6 In determining the adjustment for pricing, average calendar year UL prices, have been supplied (for most sites) by MyAutomate the leading supplier of trade information in relation to the UK retail fuel market.
- 3.1.7 As stated above, it is the volume achieved in 2024 and the UL price against which the volume was achieved which will be the primary drivers of forecourt value.

3.2 **Bunkered Fuel**

- 3.2.1 Bunkered fuel is fuel, which is stored and dispensed by a forecourt operator, generally on behalf of another company, for which the forecourt operator receives a handling charge
- 3.2.2 The bunkered fuel throughput should be excluded from the hypothetical achievable retail fuel throughput above and should be valued at a rate of £1.40 per 1000 litres.

3.3 **Low Margin Fuel Cards (LMFC)**

- 3.3.1 Fuel throughput generated by using low margin fuel cards/agency sales should be excluded from the hypothetical achievable retail throughput and valued at a discounted rate to reflect the reduced "handling" margin available on this type of transaction, based on a rate of 1.25 ppl. These

rates may vary dependant on the proportion of LMFC/Agency sales within the Total Adjusted Throughput and the rate calculated.

3.4 **Forecourt Shop**

3.4.1 Forecourt shops together with their ancillary offices and stores will be valued by reference to the fair maintainable shop turnover.

3.4.2 The hypothetical achievable shop turnover to be adopted is that which a reasonably competent operator would expect the site to achieve from shop sales, excluding VAT and income from fuel and car/jet wash transactions.

Determination of the hypothetical achievable shop turnover should be based on actual turnovers achieved in the years leading up to and including 2024 with the most relevant being the 2024 turnover.

The valuation of the forecourt shop should be determined by reference to the following table:

Turnover	% adopted
up to £1m	9.0%
£1 - 2 m	9.5%
over £2m	10.0%

3.4.3 The value of the following items will be reflected in the values applied to the forecourt and shop and will not be the subject of any addition:

- 3.4.4
- i) Toilets and related facilities.
 - ii) Meter cupboard.
 - iii) Normal parking, including customer spaces, sufficient for the purposes of the petrol forecourt and shop.

3.5 **Rollover Car / Jet Washes**

3.5.1 Like forecourt shops, the valuation is based on the level of turnover generated by the car / jet washes and the practice adopted by the actual occupier should be taken as indicative of that which would be pursued by the hypothetical tenant, in seeking to maximise overall profitability from the site.

3.5.2 Determination of the hypothetical achievable car/jet wash turnover should be based on actual turnovers achieved in the years leading up to and including 2024, with the most relevant being the 2024 turnover.

3.5.3 The valuation of Car / Jet Washes should be taken at 20% of the adopted turnover to NAV.

3.6 Amenity Income

- 3.6.1 Most motorway service areas will have an amenity block which may comprise various catering operations (e.g. fast-food outlets, coffee shop, restaurant etc), retail outlets, amusements etc.

The total combined Fair Maintainable Trade for all relevant income streams should be determined and then the individual percentage (see Appendix 2) for each income stream (excluding Vat) applied.

3.7 Lodge Income

- 3.7.1 Lodge income should be valued in accordance with the recommendations of the SAA Valuation of Hotels and Accommodation Subjects Practice Note.

4.0 “Let Outs”

- 4.1 It may be the case that certain areas of the motorway service area are in separate rateable occupation of another operator, some examples of this are units occupied by betting offices or mobile phone retailers.
- 4.2 In such circumstances it would be appropriate to make separate entries for subjects in the valuation roll, based on local evidence.

2026 Revaluation

Industrial Properties Committee Practice Note 14, Valuation of Motorway Service Areas

Appendix 1: Valuation Scale to be applied to Hypothetical Achievable Retail Throughput

Throughput – Price per £/1000 Litres

Unleaded price per Litre

Interpolate as appropriate

Unleaded Price £/l	Total adjusted Throughput Retail Fuel £per 1000 l				
	2.5 ML	5 ML	10 ML	15 ML	20 ML
160	23.884	24.375	25.35	26.325	27.3
161	25.722	26.25	27.3	28.35	29.4
162	27.56	28.125	29.25	30.375	31.5
163	29.398	30	31.2	32.4	33.6
164	31.236	31.875	33.15	34.425	35.7
165	33.074	33.75	35.1	36.45	37.8
166	34.912	35.625	37.05	38.475	39.9
167	36.75	37.5	39	40.5	42
168	38.588	39.375	40.95	42.525	44.1
169	40.426	41.25	42.9	44.55	46.2
170	42.264	43.125	44.85	46.575	48.3
171	44.102	45	46.8	48.6	50.4
172	45.94	46.875	48.75	50.625	52.5
173	47.778	48.75	50.7	52.65	54.6
174	49.616	50.625	52.65	54.675	56.7
175	51.454	52.5	54.6	56.7	58.8
176	53.292	54.375	56.55	58.725	60.9
177	55.13	56.25	58.5	60.75	63
178	56.968	58.125	60.45	62.775	65.1
179	58.806	60	62.4	64.8	67.2
180	60.644	61.875	64.35	66.825	69.3
181	62.482	63.75	66.3	68.85	71.4
182	64.32	65.625	68.25	70.875	73.5
183	66.158	67.5	70.2	72.9	75.6
184	67.996	69.375	72.15	74.925	77.7

2026 Revaluation

Industrial Properties Committee Practice Note 14, Valuation of Motorway Service Areas

Appendix 2: Valuation of Amenity Block

		Catering	Retail	Food Store	Gaming	Other
Total Gross Turnover from all sources excluding petrol and forecourt sales	up to £2.5 m	7%	4.5%	3%	11.5%	12.5%
	£2.5 – 4.5m	7.5%	5%	3.5%	14%	15%
	£4.5 – 7.4 m	8%	5.5%	4%	16.5%	17.5%
	£7.4 –9.8m	8.5%	6%	4.5%	19%	20%
	£9.8 –£12.3 m	9%	6.5%	5%	21.5%	22.50%
	£12.3 – £14.75m	9.5%	7%	5%	24%	25%
	£14.75 –£17.3m	10%	7.5%	5.5%	26.5%	25%
	£17.3 –£20.6m	10.5%	8%	5.75%	29%	25%
	over £20.6m	11%	8.5%	6%	29%	25%