

Revaluation 2010

Commercial Properties Committee

Practice Note 7 Valuation of Car Parks

1.0 Introduction

- 1.1 The types of subject covered by this Practice Note range from unsurfaced gap sites to purpose built multi-storey car parks and park and ride facilities. For guidance on parking spaces associated with other subjects, e.g at offices, retail parks etc, reference should be made to the relevant Practice Notes for those subjects.

Relevant legislation and case law should be considered when determining if an entry in the valuation roll is appropriate.

2.0 Basis of Valuation

2.1 Comparative Principle

- 2.1.1 The preferred method of valuation for car parks is the Comparative Principle. Rents should be analysed to determine a rate per space. Where there are no marked spaces the number should be estimated at a ratio of 1 space per 25 square metres, which includes circulation space.
- 2.1.2 Rents should be adjusted in accordance with SAA Basic Principles Committee Practice Note 1 (Adjustment of Rents).
- 2.1.3 In the absence of local evidence it may be appropriate to look outwith the valuation area for comparable rental evidence.
- 2.1.4 In certain circumstances it may be appropriate to use turnover as a basis for comparison.

2.2 Contractors Basis

- 2.2.1 In certain circumstances it may be appropriate to utilise cost based valuations. Where this method is preferred the cost of the building works should be ascertained and adjusted by reference to SAA Public Buildings Committee Practice Note 4 – Valuation of Contractor's Basis Subjects External Works Costs, Allowances and Land Value. Cognisance should also be given to the recommendations in SAA Basic Principles Committee Practice Note 2 – Contractors Basis Valuations
- 2.2.2 The figure calculated in terms of 2.2.1 should be added to the site value at the tone date.

- 2.2.3 The resultant figure should be decapitalised using the appropriate statutory decapitalisation rate, to arrive at an estimate of the rental value. It is also suggested that where this method is considered, the value determined is compared with car parks in a similar location valued by the comparative principle, before a final decision is made.

3.0 Valuation

- 3.1 The valuation should be carried out where possible by the application of an NAV rate per car space.

3.2 Surfacing

Where the only rental evidence is for car parks of a particular surface type, it may be necessary to make an adjustment to the rate per space when valuing car parks with different surface types.

3.3 Tenants Improvements

Where a car park has features such as security fencing and lighting etc, which are not reflected in the basic rate, it may be appropriate to add an additional amount to reflect the cost to the tenant of providing these.

3.4 Ancillary Facilities

At some locations there may be administrative or ancillary facilities such as toilets, waiting areas, tourist information points, car washes etc. The valuer must decide if the value of such facilities is reflected in the car park value or if there is extra value over and above. Similarly, separate entries may be appropriate depending on the ownership/tenancy, use, operating procedures etc. Each situation should be considered on its own merits.

3.5 Allowances

Where a car park is affected by particular disabilities such as difficult access, poor layout, poor surfacing etc, which is not reflected in the rate applied, an end allowance may be considered. Specific allowances will depend on particular circumstances, however if large allowances are deemed appropriate, then the rate per space being applied should be reconsidered.