

## **Revaluation 2010**

### **Commercial Properties Committee**

#### **Practice Note 15 Valuation of Car Washes**

##### **1.0 Introduction**

- 1.1 This Practice Note covers Car Washes at stand-alone sites or as part of a unum quid with other subjects, but does not include car washes normally found at petrol filling stations.
- 1.2 There are two distinct types of car wash:
  1. Automatic car washes, with a building containing moving brushes and conveyors.
  2. Hand car washes which include 'foam' washes often found in former petrol filling stations and other hand washes found in car parks or at supermarkets where a franchise operation is carried out.

##### **2.0 Basis of Valuation**

- 2.1 The basis of valuation is by application of the Comparative Principle although there may be elements valued by application of the Contractor's Basis.

##### **3.0 Classification**

###### **3.1 Automatic Car Washes**

- 3.1.1 These sites are normally in excess of 1,000m<sup>2</sup> with tarmac or concrete surfacing, and parking for 5-6 cars. There may also be open valet bays with jet washes and vacuum cleaners.

The building contains the car wash equipment and pedestrian circulation space for the operator. There are two main types of automatic car washes:

###### **3.1.2 Proprietary Automatic**

The typical proprietary automatic building is around 120m<sup>2</sup> gross external; consisting of Car Wash, Office, Toilets, Store and Plant Room. It has either brick or profiled metal sheeting walls to eaves height 3.6m with a profiled metal roof and concrete floor with drainage channels. The Car Wash can handle up to 4 cars at a time with a maximum throughput of 60 cars per hour, working by use of a conveyor that pulls the car through a series of revolving brushes, water jets and air blowers. It is designed to deal only

with cars.

### 3.1.3 Prefabricated Automatic

Prefabricated units are of a similar size and have the same facilities as proprietary buildings and are constructed of plasticized steel frame with glass panels and a translucent corrugated roof. The machinery and equipment is the same as the proprietary type.

### 3.2 Manual Car Washes

These are subjects, commonly found in former filling station sites which have been converted for use as a car wash. There are few adaptations required. A foam gun is used to cover the car, and after five minutes a water jet removes the foam leaving the car clean. The forecourt with canopy often forms the car wash, with the shop used for administration, waiting room for customers and retail. There may be a container type structure for the foam.

In addition manual car washes can be found operating from vacant sites without ancillary buildings.

### 3.3 Other Manual Car Washes

These operations are generally found in car parks or car parks at supermarkets. It is common for these to be run as part of a franchise. The franchise owner normally pays a fee to the car park owner and in return a franchise fee is paid to the owner of the franchise by the operator. In these instances it is important to establish who is in rateable occupation before determining if an entry in the Valuation Roll is competent.

## 4.0 Valuation

### 4.1 Automatic Car Washes

4.1.1 The valuations are based on the Comparative Principle although there is a Contractor's Basis element. The valuation is made up of two parts: site and building.

4.1.2 Site: In the absence of local evidence, £10,000 to £12,000 dependent on location should be applied to a standard automatic car wash site. This is arrived at by analysing the site rents available.

4.1.3 Building: The following rates to NAV are derived from the cost of construction, and include building works, siteworks, service connections and landscaping.

Proprietary Automatic	£78/sq.m.
Prefabricated building	£53/sq.m.

4.1.4 Where jet washes are provided on site an addition of £1,400 should be made for each jet wash. Vacuum cleaners are to be regarded as de minimis.

- 4.1.5 Age and obsolescence allowances should be applied to buildings only in accordance with Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations) to reflect age related obsolescence and general condition. A notional date should be adopted where appropriate.

See table below:-

<b>Year</b>	<b>Allowance</b>	<b>Year</b>	<b>Allowance</b>	<b>Year</b>	<b>Allowance</b>
<b>2010</b>	0.00%	<b>1990</b>	15.00%	<b>1970</b>	35.00%
<b>2009</b>	0.50%	<b>1989</b>	16.00%	<b>1969</b>	36.00%
<b>2008</b>	1.00%	<b>1988</b>	17.00%	<b>1968</b>	37.00%
<b>2007</b>	1.50%	<b>1987</b>	18.00%	<b>1967</b>	38.00%
<b>2006</b>	2.00%	<b>1986</b>	19.00%	<b>1966</b>	39.00%
<b>2005</b>	2.50%	<b>1985</b>	20.00%	<b>1965</b>	40.00%
<b>2004</b>	3.00%	<b>1984</b>	21.00%	<b>1964</b>	41.00%
<b>2003</b>	3.50%	<b>1983</b>	22.00%	<b>1963</b>	42.00%
<b>2002</b>	4.00%	<b>1982</b>	23.00%	<b>1962</b>	43.00%
<b>2001</b>	4.50%	<b>1981</b>	24.00%	<b>1961</b>	44.00%
<b>2000</b>	5.00%	<b>1980</b>	25.00%	<b>1960</b>	45.00%
<b>1999</b>	6.00%	<b>1979</b>	26.00%	<b>1959</b>	46.00%
<b>1998</b>	7.00%	<b>1978</b>	27.00%	<b>1958</b>	47.00%
<b>1997</b>	8.00%	<b>1977</b>	28.00%	<b>1957</b>	48.00%
<b>1996</b>	9.00%	<b>1976</b>	29.00%	<b>1956</b>	49.00%
<b>1995</b>	10.00%	<b>1975</b>	30.00%	<b>1955</b>	50.00%
<b>1994</b>	11.00%	<b>1974</b>	31.00%	<b>1954</b>	50.00%
<b>1993</b>	12.00%	<b>1973</b>	32.00%	<b>1953</b>	50.00%
<b>1992</b>	13.00%	<b>1972</b>	33.00%	<b>1952</b>	50.00%
<b>1991</b>	14.00%	<b>1971</b>	34.00%	<b>1951</b>	50.00%

**N.B. Bar at 50%**

4.2 Manual Car Washes

- 4.2.1 Generally these sites are found at redundant filling stations. Analysis of rents suggests that the number of cars that can be accommodated at one time is the measure of value. The rate shown below covers any ancillary buildings (eg canopy & former forecourt shop) and forecourt, and assumes a reasonable site with good access/egress.

4.2.2 Site, including ancillary buildings:

Subjects should be valued on the basis of local rental evidence. In the absence of local rental evidence it is recommended that the valuer identifies the number of cars which can be accommodated at one time and applies a rate of £4,500 per car.

- 4.2.3 In addition hand car washes can be found operating from vacant sites. In these cases consideration should be given to the rent passing, if any. Otherwise consideration should be given to rents passing at former Filling Station sites (suitably adjusted to reflect the lack of ancillaries).

### 4.3 Other Manual Car Washes

Where a Valuation Roll entry is appropriate (eg in car parks, supermarket car parks, multi-storey car parks etc) the Comparative Method should be adopted. In the absence of local evidence the rate per car for manual car washes should be adopted, suitably adjusted to take account of site specific circumstances if deemed appropriate. Any additional rateable buildings should be valued in line with local evidence.