

## **Revaluation 2017**

### **Industrial Properties Committee**

#### **Practice Note 11 Valuation of Car Washes**

##### **1.0 Introduction**

- 1.1 This Practice Note applies to 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 type of car wash:
  1. Automatic car washes, with a building containing moving brushes and conveyors.
  2. Manual car washes which include 'foam' washes often found in former petrol filling stations, car parks or retail locations.

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

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

##### **3.0 Classification**

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

These sites are approximately 1,350m<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.

The typical automatic building is around 120m<sup>2</sup> gross internal area; 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.

### 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.

### 3.3 Other Manual Car Washes

These operations are generally found in retail locations, for example car parks at supermarkets, garden centres, shopping centres or leisure centres. In these instances it is important to establish who is in rateable occupation before determining if an entry in the Valuation Roll is appropriate.

## 4.0 Valuation

### 4.1 Automatic Car Washes

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

4.1.2 Site: In the absence of local evidence it is recommended that a site value of between £10,000 and £12,000 should be applied dependent on location.

Separately assessed automatic car washes situated on retail forecourts, may be valued having regards to higher rents which may be paid to reflect the location and the higher levels of potential customers, eg supermarket car parks. In these cases local evidence should determine the level of value placed on the site.

4.1.3 Building: The following rate to NAV is derived from the cost of construction, and includes building works, siteworks, service connections and landscaping. The cost reflects a typical automatic car wash of 120m<sup>2</sup> (gross internal area) on a site of approximately 1,350m<sup>2</sup>. A rate of £86 per m<sup>2</sup> should be adopted.

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 For guidance on age and obsolescence allowances, reference should be made to SAA Basic Principles Committee PN 2 Contractor's Basis Valuations. It should be noted that this PN states that allowances in excess of 50% for Buildings and Plant should only be given in exceptional circumstances; refer to the PN for full guidance.

## 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 is generally inclusive of 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 £4,000 per car.

4.2.3 In addition manual 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.