

VP / C / 6 Approved for Publication January 2011

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.
- (i) Automatic car washes, with a building containing moving brushes and conveyors.
 - (ii) 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 1,000m² with tarmac or concrete surfacing, and parking for 5 to 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 120m² 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 /....

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, site works, service connections and landscaping.

Proprietary Automatic	£78/m²
Prefabricated Building	£53/m²

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.

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 overleaf:-

4.1.3/

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

NB - 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 rates shown below cover any ancillary buildings (eg canopy & former forecourt shop) and forecourt, and assumes a reasonable site with good access/egress.

4.2.2 Subjects should be valued on the basis of local rental evidence and a valuer should determine the number of cars that can be accommodated at one time and apply the following rates:

Secondary Locations	£4,500 per car
Prime Locations	£7,000 per car

4.2.3 /....

4.2.3 Reference should be made to the Car Washes directory for further information.

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.

An analysis of rents passing has revealed a rate per parking space used ranging between £500 and £1,500 dependant upon location. Reference should be made to the Car Washes directory for further information.

Any additional rateable buildings should be valued in line with local evidence.

5.0 Rounding

All valuations should be rounded in accordance with the following table:-

START VALUE	END VALUE	ROUND TO NEAREST
0	50	1
51	100	5
101	500	10
501	1,000	25
1,001	5,000	50
5,001	100,000	100
100,001	250,000	250
250,001	500,000	500
500,001	1,000,000	1,000
1,000,001	5,000,000	5,000
5,000,001 and above		10,000