

THE VALUATION TRIBUNAL FOR ENGLAND



Non-domestic rating appeal; 2017 rating list; Car showroom; Unadjusted base rate; Appeal dismissed.

RE: Myers and Bowman, Toll Bar, Workington CA14 4PL

APPEAL NUMBER: CHG100085717

BETWEEN: Myers and Bowman Appellant
(represented by Carigiet Cowen)

And

Richie Roberts Respondent
(Valuation Officer)

PANEL: Mr R P Cammidge (Senior Member)
Ms J V Barnes

CLERK: Ms S Hodgson

ON: 12 November 2020

APPEARANCES: Mr I Henderson of Carigiet Cowen for the appellant
Mr A Steel of the Valuation Office Agency for the respondent

REMOTE HEARING

Summary of decision

1. Appeal dismissed. The existing valuation is not excessive and the entry in the rating list is confirmed at £66,000 rateable value (RV) with effect from 1 April 2017.

Introduction

2. This was a 2017 rating list appeal. The RV of the appeal hereditament was £66,000 with effect from 1 April 2017. This was a compiled list appeal, so the material day was also 1 April 2017. The challenge stage was completed on 20 May 2020. The challenge sought a reduction in RV

to £58,000; however, after discussions with the Valuation Office Agency, the appellant was now seeking a reduction in RV to £62,000.

3. The subject hereditament was a car showroom and premises located in Distington, on the outskirts of Workington. It had an area in terms of main space of 824.55m² and was valued at an unadjusted base rate of £80 per square metre (psm).
4. The President of the Valuation Tribunal for England (VTE) is required to make sure arrangements are in place and make such statements and Directions so as to ensure that business before the Tribunal is conducted in accordance with The Local Government Finance Act 1988, Schedule 11, Part 1, paragraph A17(1) and The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and by virtue of Part 2 regulation (5)(arrangement for appeals) and regulation (6)(3)(g) (appeal management powers) the VTE may determine the form of any hearing.
5. Therefore, in pursuance of Regulation (6)(3)(g) the VTE has incorporated “remote hearings” as part of that definition and for the time being as the default option until it is safe to return to normal working. The Tribunal’s Consolidated Practice Statement has been amended to reflect this.
6. This is not intended to be an exhaustive record of the proceedings, but the parties can be assured that all of the evidence presented was fully considered by the panel before coming to its decision. Consequently, the absence of a reference to any statement, or evidence, should not be construed as it having been overlooked.

Issue

7. The issue for the panel to consider was the correct RV to be ascribed to the assessment.

Evidence and submissions

8. Mr Henderson for the respondent explained that the appeal property was owner occupied and therefore did not have a passing rent, and that there was a lack of rents available for comparison for car showrooms. Comparable rental evidence was provided for four car showrooms up to 100 miles away. Mr Henderson considered the rent of J Edgar and Son to be the best evidence and submitted rental analysis from two rent reviews, a new lease and a rental valuation from an independent expert. He explained that car showrooms in the Carlisle area had increased from the 2010 list to the 2017 list by £5psm and considered the appeal property should follow this trend. Mr Henderson sought a reduction in the base rate to £75psm.
9. Mr Steel for the respondent agreed that there was limited comparable evidence. He did not believe the rental evidence was truly comparable but argued that it showed rental growth within the car showroom market between the 2010 list and the 2017 list. Mr Steel referred to four other car showrooms within the immediate locality of the appeal property that were valued at £85psm. He provided a graph that showed the level of car sales, by number of new registrations, in the

United Kingdom at the AVD's for the 2010 list and the 2017 list to show the growth in the market. Mr Steel sought a dismissal of the appeal and the base rate to be confirmed at £80psm.

10. Prior to the hearing both parties had agreed on a document of key photographs to assist the panel.
11. After the conclusion of the hearing, the parties sought to correct the details of some of the evidence relied on during the hearing. Both parties agreed to the corrections and the information was provided to the panel. The corrections to the evidence given were the exact location of the appeal property on the map provided, and a valuation of the comparable property in Hexham to show that there was a workshop present.

Decision and reasons

12. The panel considered the comparable rents put forward for Bristol Street Motors in Hexham, 274 Fylde Road in Preston and J Edgar and Son in Workington. While the panel acknowledged a lack of rental comparisons, it was of the opinion that the Preston and Hexham locations were too far removed from the subject property to form reliable comparables. Preston was 106 miles south of the appeal property and Hexham was 71 miles north-east of the appeal property.
13. Furthermore, the Preston property was in the 2017 rating list at £120psm. While this remained untested, it was the panel's view that this was the evidence before them and even if it took Mr Henderson's analysed rent of £114psm for the property, it was still superior to the appeal property in both location and showroom quality.
14. The panel had regard to Mr Steel's contention that car sales had increased by just under half a million new registrations between 2008 and 2015. New car registrations in 2008 were 2,131,795 and in 2015 they were 2,633,503. The panel accepted that the car sales market had increased by 1 April 2015, the AVD for the 2017 list and this would have the potential to impact on the rental levels of car showrooms.
15. Mr Henderson also provided evidence of the increase in rent; however, his contention was that the tone was to increase the base rate by £5psm. He showed this using car showrooms in Carlisle that had been agreed at the challenge stage. The panel reviewed the evidence, however, is of the opinion that Carlisle is a superior location and that this evidence was less helpful in coming to a conclusion on the subject property.
16. Of the rental evidence provided, the panel found that the best comparable rental evidence was J Edgar and Son in Workington due to the showroom being only 4 miles from the appeal property. However, the panel considered that a prominent position was important for a car showroom and J Edgar and Son was set back from the road with no direct frontage or presence for passing trade.
17. The panel reviewed the rental analysis for J Edgar and Son which showed a base rate between £56psm and £70psm. The property was in the 2017 list at £80psm which was being challenged.

18. The panel held that J Edgar and Son was in an inferior location compared to the appeal property and that the disadvantages caused by this would be reflected in the rateable value.
19. The panel heard from Mr Steel that there were four car showrooms located on the same stretch of road as the appeal property which is approximately 1 mile long. The four car showrooms all had a base rate of £85psm. One showroom had since closed in late 2019; however it was trading at the AVD.
20. The panel accepted that other than a material change of circumstances (MCC) challenge, these properties had not been subject to further scrutiny. The MCC challenge was settled at £85psm and the four properties were located within one mile of the appeal property on the Industrial Estate in Lillyhall. The panel also noted the location of the subject property as illustrated by the amended evidence and that it was in a prominent position with good access from the main road.
21. While there was no rental evidence for the four properties on the Industrial Estate in Lillyhall, the panel found that the tone in the area supported a base rate of £80psm for the appeal property. The panel was of the opinion that the £5psm less for the appeal property reflected the slight location inferiority being a little distant from the other four showrooms.
22. Consequently, having taken all the evidence into account, it was the panel's view that the base rate on the appeal property would sit somewhere between the rental analysis of J Edgar and Son and the tone of properties in the immediate location, and that it would fall closer to the tone due to the inferior locality of J Edgar and Son.
23. Therefore, the panel considered that the rate of £80psm appeared fair and reasonable and the appeal was dismissed.

Date: 3 December 2020

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