THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 rating list; Garage and premises; Car showroom or car supermarket; Scope of proposal; Converted retail warehouse; Comparable properties; End allowance for layout; Appeal allowed in part.

RE: Arnold Clark Automobiles, Milethorn Lane, Doncaster DN1 2SU

APPEAL NUMBER: CHG100671059

BETWEEN:	Arnold Clark Automobiles Ltd	Appellant
	and	
	Jo Moore (Valuation Officer)	Respondent

PANEL: Mr I Lonsdale (Presiding Senior Member)
Mrs T Watson (Senior Member)

CLERK: Ms S Hodgson

ON: 19 April 2023

REMOTE HEARING

APPEARANCES: Mr R Wackett of Montagu Evans for the appellant
Mr A Taak of the Valuation Office Agency for the respondent

Summary of decision

1. Appeal allowed in part. An additional end allowance of 7.5% was awarded for layout.

Introduction

2. This is a 2017 rating list appeal. Arnold Clark Automobiles, Milethorn Lane, Doncaster DN1 2SU (the ‘appeal property’) had been entered in the 2017 rating list as a ‘Car Showroom and Premises’ at a rateable value (RV) of £412,500 with effect from 30 August 2018.

3. The challenge was submitted by Montagu Evans on behalf of the appellant and was received by the Valuation Officer (VO) on 23 March 2021. It sought a reduction in RV to £385,000 with effect from 30 August 2018.

4. Following the initial response from the VO, the agent provided additional evidence by way of tone on car supermarkets and contended that the appeal property should be re-categorised as such.

5. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received on 23 September 2022.

6. The appeal property was a large modern car retail unit that comprised an air-conditioned car display area with offices in a converted retail warehouse, external car display areas, parking, workshops, and land, located on the edge of Doncaster. The total size of the assessment was 5,169.32m^2.

7. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.

Issue

8. The issue for the panel to consider was the correct RV to be ascribed to the appeal property.

Evidence and submissions

9. Mr Wackett appeared on behalf of the appellant as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Wackett declared that he was not instructed under any conditional fee arrangement. Mr Wackett declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported his client's case.

10. Mr Taak appeared on behalf of the respondent as both advocate and expert witness.

11. The evidence submitted for consideration of this appeal consisted of the VO's challenge decision and challenge update, the agent's rebuttal to the VO's initial response, photographs and location maps of the appeal property, photographs and location maps of properties submitted as comparable to the appeal property, the agents written appeal statement.

Decision and reasons

12. Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, provides that:

2(1) The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions –

> *(a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;*
>
> *(b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;*
>
> *(c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.*

13. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No.2841).

14. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 30 August 2018.

15. The panel could only have regard to what was within the scope of the proposal which was the RV of the current assessment. A change of the mode and category of the assessment was not part of the original proposal and therefore was not part of the appeal before the panel. The panel could still consider the comparable evidence submitted by Mr Wackett and attach weight to it as it saw fit.

16. No rental evidence was submitted as part of this appeal, with both parties relying on the tone in the area. Mr Taak contended that the appeal property was located along the stretch of road that held a number of other car dealerships. He stated that this was a prime location for such retailers. Mr Wackett argued that the appeal property was outside of this cluster and sat back from the road with no roadside frontage and therefore the RV should be reduced to reflect this disadvantage combined with the different style of showroom that the appeal property had in comparison to the showrooms put forward as comparable by Mr Taak.

17. Mr Taak stated that the tone in the area of the other car showrooms on the A630 was a main space rate of £145 per square metre (psm). The panel noted that all of the car showrooms on the A630, including the appeal property, had a 5% end allowance for access, the Burrows Toyota and Audi site had an additional 5% end allowance for a divided site, and the Evans Halshaw Nissan and Peugeot site had an additional 7.5% end allowance for a divided site. The

divided site allowance was due to the sites having two separate showrooms for the different car franchises.

18. Mr Wackett had included comparable evidence of sites assessed as car supermarkets. The main space rate on these assessments ranged from £32.50 psm to £100 psm. Mr Wackett considered the most comparable of these to be Motorpoint Ltd in Stockton on Tees that was in the list at £75 psm. The Motorpoint showroom was 3,066.19m^2 and the appeal property's showroom was 1,900.72m^2. Mr Wackett contended that the appeal property was more comparable to the car supermarkets than the car showrooms due to its showroom size, its location set back from the main road, the fact it was not purpose built and was not affiliated with a particular franchise.

19. The panel reviewed all of the comparable evidence and was of the opinion that the appeal property was more comparable to the car showrooms located within two miles of it. Whilst it was at the furthest end of the 'cluster', the car showrooms were spread out along this stretch. The panel found that the appeal property had already been awarded an end allowance of 5% for access, which it considered to be appropriate and in line with the access allowances awarded to all of the car showrooms in the evidence bundle. The panel was not persuaded that the appeal property suffered disproportionately from access issues.

20. The panel placed minimal weight on the comparable evidence of car supermarkets due to the distance from the appeal property. With the exception of Car Shops Ltd that was located on the opposite side of Doncaster, the evidence ranged from 16.7 miles to 106 miles from the appeal property. No weight was given to Car Shops Ltd in Doncaster as the showroom was 17,994.15m^2 and the panel did not consider this to be comparable to the appeal property.

21. However, the panel did note that the showroom of the appeal property was at least twice the size of the showrooms at the comparable sites on the A630. The appeal property was a converted retail warehouse that was previously occupied by Sainsburys Homebase Ltd, whereas the comparables were purpose-built buildings, built to the specifications of the car franchises they were tied to. The panel accepted that the conversion was done to a high specification, however it was of the view that due to the internal layout of the converted retail warehouse, an additional end allowance was warranted.

22. In view of the foregoing, the panel found that an additional 7.5% allowance was reasonable, and the appeal was therefore allowed in part with the RV reduced to £380,542, rounded to say £380,000, with effect from 30 August 2018.

23. The appellant is also entitled to a full refund of the fee paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

Order

24. The Tribunal orders, pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] that the respondent

shall alter the 2017 list in respect of Arnold Clark Automobiles, Milethorn Lane, Doncaster DN1 2SU within two weeks, to £380,000 RV with effect from 30 August 2018.

Date: 16 May 2023

Appeal number: CHG100671059

Right of appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.