VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeals; 2017 Rating List; vehicle repair workshop and premises; accuracy of compiled list entry; accuracy of subsequent alterations to the list; comparable properties; appeals allowed.

APPEAL NUMBERS: CHG100783812, CHG100783819 and CHG100783834

BETWEEN:	Specialist Cars Limited and Ms J Moore (Valuation Officer)	Appellant Respondent

RE:	Plot 3100, Gunnels Wood Road, Stevenage, SG1 2BE
PANEL:	Ms R Sharma (Presiding Senior Member) Mr J Thomas (Senior Member)
CLERK:	Mrs K Edhouse-Thomas IRRV (Hons)
SITTING ON:	14 March 2024 (Remote hearing number 1)
APPEARANCES:	Mr M Clayton (appellant's representative) Mr J Kent (Valuation Officer's representative)

Summary of decision

1. The appeals were allowed. The panel determined a revised rateable value of £138,000, with effect from 1 April 2017 and 21 July 2017, and £143,000 rateable value with effect from 18 May 2018.

Introduction

2. These appeals have been brought in respect of Plot 3100, Gunnels Wood Road, Stevenage SG1 2BE (the "appeal property"), which was entered in the 2017 rating list as "vehicle repair workshop and premises" at:

   - Rateable value £200,000, effective from 1 April 2017.

- Rateable value £207,000, effective from 21 July 2017.
- Rateable value £211,000, effective from 18 May 2018.

3. When the property entered the 2017 rating list on 1 April 2017, the assessment included an area of 3349m^2 described as "Rough Surfaced, Unfenced Land" which was used for car parking, as well as 234 "Surfaced Covered Spaces" and 45 "Surfaced Open Spaces". The assessment was revised to reflect a change in the area of 3349m^2 to "Hard Surfaced, Fenced Land" with a revised rateable value of £207,000 with effect from 21 July 2017. The assessment was revised again to £211,000 rateable value with effect from 18 May 2018 to reflect the addition of a ground floor office.

4. The challenge process began when the appellant made proposals to the respondent on the grounds that the original entry shown in the rating list on 1 April 2017 was wrong and that the subsequent two alterations to the list by the respondent were also incorrect. It was proposed that the rateable value be reduced to £138,000 from 1 April 2017 and 21 July 2017 and £143,000 from 18 May 2018.

5. No alteration was made to the rating list by the respondent in respect of any of the proposals.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, three appeals were made to the Valuation Tribunal for England (VTE) on the grounds that the valuation for the appeal property was not reasonable.

7. Both parties' representatives appeared before the panel in a dual capacity as both advocate and expert witness. At the hearing Mr Clayton indicated that he was on a success related fee. He did, however, accept that his first duty was to the tribunal and that he would comply with this duty together with the requirements of his professional body, regardless of whether or not the evidence supported the appellant's case. Whilst such evidence would be inadmissible in the Upper Tribunal, having regard to the Upper Tribunal's judgment in *Gardiner & Theobald LLP v Jackson (VO)* [2018] UKUT 0253 (LC), the panel accepted this expert witness evidence as the appeals were not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and was allowable due to the tribunal's rules on admissibility of evidence (regulation 17(2)(a) where the tribunal can admit evidence whether or not it would be admissible in a civil trial in England). The panel, therefore, considered the "expert" evidence and attached such weight to it as it saw fit.

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

Issue

9. Whether the assessment should include additional value for car parking.

Evidence and submissions

10. The evidence before the panel comprised all of the evidence disclosed and exchanged during challenge which included rental evidence and its analysis, the parties case submissions, layout plan and photographs of the appeal property and other comparable properties.

11. The parties referred to the judgment in *Lotus and Delta Ltd v Culverwell (Valuation Officer) and Leicester City Council* [1976] RA 141.

Decision and reasons

12. The appeal property was a vehicle repair workshop and premises. It had an agreed area of 2353 m^2. The assessment included 234 surfaced covered car parking spaces which were located on the second and third floors above the workshop. The assessment included a further additional 45 surfaced open car parking spaces in the immediate vicinity of the building to the front of the site, to the rear and to the side. Separate land of 3349m^2 was also assessed separately.

13. The term 'rateable value' was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant being responsible for all rates, taxes, repairs and insurance. In respect of all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires the rental levels to be taken as at 1 April 2015, the antecedent valuation date (AVD).

14. The Lands Tribunal decision in *Lotus and Delta* provided guidance on the weight to be attached to rental and assessment evidence. The rent was considered the starting point but rents on similar properties were also taken into account. The assessments on other comparable properties were also relevant. In light of all the evidence, a decision on the value to adopt could be made.

15. The starting point for consideration was the actual rent passing on the appeal property, and consideration as to how the rent compared to the statutory definition of rateable value. The panel acknowledged that there was a rent passing on the appeal property of £800,000 pa with effect from April 2019.

16. However, the panel noted that there were shortcomings with this evidence. The lease had commenced four years after the AVD of 1 April 2015, which made it unreliable as economic factors were fixed at the antecedent valuation date. The property was also held under a connected parties rent which included their nearby car showroom (separately assessed in the Rating List). The rent was not solely for the appeal property and was not an open market rent.

17. For all those reasons, the panel did not place any reliance on the rent.

18. There was no other rental evidence provided by the parties. Therefore, the panel had regard to the comparable assessment evidence and the valuation scheme in which the appeal property had been placed by the respondent.

19. The appeal property is in the local industrial valuation scheme 385288. “The value is applicable to industrial units, not otherwise classified, built post 2000, or of a similar standard to a property of this age, in Gunnels Wood Road Area”. The panel appreciated the respondent’s line of argument about the car parking at the appeal property being more than the norm and that this justified additional line entries in the valuation. However, the panel found that the valuation scheme was quite specific. It stated the following: “No addition for car parking has been made, as it is either already reflected in the value of the buildings or it is inappropriate to do so”.

20. The panel noted that the scheme did not specify a situation where car parking may be assessed separately, for example a limit on the proportion of car parking in relation to the size of the building/s. The panel had concerns about this especially in view of the fact that the appellant’s representative had demonstrated that all of the other similar properties in this area did not have car parking added to their assessments. The panel raised those concerns with the respondent’s representative and when he was asked, he said that it came down to valuer judgement.

21. Those concerns had been amplified when the respondent had not included car parking in the 2023 rating valuation of the appeal property.

22. The panel is aware, however, that the valuation officer has now undertaken a review of the 2023 assessment, and the rateable value has subsequently been altered to reflect the separate car parking which had been in the 2017 rating list.

23. The panel had regard to the range of comparable evidence. The valuation officer had only provided one comparable property which was located 150 miles away from the appeal property in Sheffield and was a different kind of hereditament. The panel did not find it useful in determining the rateable value of the appeal property.

24. The appellant’s representative provided four tables of comparable properties. The first table contained seven properties in Stevenage which were in the same valuation scheme. The rateable values of these properties ranged from £11,500 to £154,000. These all had car parking, but there were no additional amounts shown in any of the valuations.

25. The second table provided by the appellant’s representative contained eleven properties in Stevenage which had a number of car parking spaces ranging from 50 to 125. These were separately listed in the valuation but were not valued.

26. The appellant's representative provided a third table. This contained seven properties in the same description of vehicle repair workshop within Stevenage. All but one of these properties had no car parking on the valuation, except Ford-Gates Ltd which had 105 car parking spaces, but these were valued at £0.

27. The final table relied on by the appellant's representative contained two further properties in Stevenage, which he argued had substantial parking on site, but the car parking was not included in the valuation.

28. The panel had some doubts about the usefulness of some of those cited as comparable, for example Airbus Defence & Space Ltd, which was clearly not comparable because of the enormity of the building.

29. The panel found it disappointing that in the evidence submission the respondent argued that the comparable properties were smaller with less car parking spaces, but there was no evidence to substantiate this. The appellant's representative also showed that some of his comparable properties had a large number of car parking spaces which were not included in the rating assessment.

30. The valuation officer's representative argued that the parking provision at the site was excessive for the size of the property, and that in his opinion, it is not solely used as staff parking. In relation to the assessment for Ford-Gates, he further argued that this assessment was currently due to be reviewed. The panel was not impressed with this line of argument because the respondent was effectively impugning her own list.

31. The panel had a discussion over the fact that part of the car parking was multi-storey, being located over the workshop building (and whether this should be more valuable) but the respondent had not presented any argument whatsoever that this should be treated any differently to any of the other car parking and the panel did not consider it appropriate to make its own enquiries on this matter as this would clearly be unfair to the appellant.

32. In conclusion having regard to all the evidence presented, the panel was satisfied that the appellant's representative had provided sufficient evidence to persuade it that, on the balance of probabilities, the car parking should not be separately assessed, and that the appeals should be allowed.

33. The panel's decision results in the following valuations:

(a) From 1 April 2017

Line	Floor	Description	Area (m2)	£/m2	Value
1	Mezzanine	Store	324.23	£27.50	£8,916
2	First	Office	256.28	£66.00	£16,914
3	Ground	Maintenance Office	27.61	£41.25	£1,139
4	Ground	Office	274.76	£72.60	£19,948
5	Ground	Area Under Supported Floor	332.64	£38.50	£12,807
6	Ground	Workshop	1399.60	£55.00	£76,978
		TOTAL	**2615.12**	**TOTAL**	**£136,702**

Additional Items	**Car Wash (Class D)**	2.00	£1,000.00	£2,000

Total Value	**£138,702**
Rateable Value	**£138,000**

(b) From 21 July 2017

Line	Floor	Description	Area (m2)	£/m2	Value
1	Ground	Workshop	1399.60	£55.00	£76,978
2	Ground	Area Under Supported Floor	332.64	£38.50	£12,807
3	Ground	Office	274.76	£72.60	£19,948
4	Ground	Maintenance Office	27.61	£41.25	£1,139
5	First	Office	256.28	£66.00	£16,914
6	Mezzanine	Store	324.23	£27.50	£8,916
		TOTAL	**2615.12**	**TOTAL**	**£136,702**

Additional Items	**Car Wash (Class D)**	2.00	£1,000.00	£2,000

Total Value	**£138,702**
Rateable Value	**£138,000**

(c) From 18 May 2018

Line	Floor	Description	Area (m2)	£/m2	Value
1	Ground	Workshop	1399.60	£55.00	£76,978
2	Ground	Area Under Supported Floor	332.64	£38.50	£12,807
3	Ground	Office	274.76	£72.60	£19,948
4	Ground	External Storage	27.61	£41.25	£1,139
5	First	Office	256.28	£66.00	£16,914
6	Mezzanine	Store	324.23	£27.50	£8,916
7	Ground	Office	62.18	£72.60	£4,514
		TOTAL	**2677.30**	**TOTAL**	**£141,216**

Additional Items	**Car Wash (Class D)**	2.00	£1,000.00	£2,000

Total Value	**£143,216**
Rateable Value	**£143,000**

Order

34. Under the provisions of regulation 38(4) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the respondent to reduce the entry in the rating list to rateable value £138,000 with effect from 1 April 2017 and 21 July 2017, and £143,000 rateable value from 18 May 2018.

35. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Refund of appeal fees

36. As the ground of the appeal has been made out, the appeal fees to be refunded in full. This will take approximately six weeks to process.

Date: 05 April 2024

Appeal numbers: CHG100783812, CHG100783819 and CHG100783834

Right of further 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.