IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No: CHG101077924

Sitting remotely using Microsoft Teams

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating; Local Government Finance Act 1988; Offices and premises; Base Rate; End allowance; Lotus and Delta v Culverwell (VO) [1976] RA 141; Comparable assessments; Appeal dismissed.

Before:

MS A G COLE-ROBERTS

Between:

LOOKERS PLC **Appellant**

- and -

THE VALUATION OFFICER **Respondent**

Regarding:

LOOKERS GARAGE, DARLINGTON ROAD, NORTHALLERTON, NORTH YORKSHIRE DL6 2NN

Ms Joanne Corney of Knight Frank LLP for the appellant,
Mr Jack Wallace for the respondent.

Hearing date: 21 MAY 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was dismissed. I confirmed the Rateable Value (RV) of the appeal property as £77,500 with effect from 1 April 2017.

Introduction

2. This 2017 rating list appeal had been brought in respect of the following: the appellant was the non-domestic ratepayer of the appeal property Lookers Garage, Darlington Road, Northallerton, North Yorkshire DL6 2NN.

3. The property had been entered in the 2017 rating list as a car showroom and premises based on a rate of £95/m^2 with effect from 1 April 2017 giving an RV of £81,000 with effect from 1 April 2017.

4. A challenge proposal was submitted by the appellant's representative on 26 June 2023 to reduce the rate to £70/m^2 giving a revised RV of £59,500 with effect from 1 April 2017.

5. The valuation officer (VO) issued a challenge decision notice on 20 August 2024 which stated that, based upon the evidence and information available, the rating list entry was unreasonable but disagreed with the entry proposed.

6. The VO found that the current rate of £95/m^2 was reasonable but had considered the disabilities of the appeal property which could be reflected in the valuation. The site suffered from poor access being behind the back of the showroom and being shared amongst numerous industrial estate occupiers and therefore gave a 5% end allowance resulting in an RV of £77,500 with effect from 1 April 2017. Following an inspection of the appeal property the VO noticed an 8 set CCTV system and Kaeser air compressor on the site which had not been declared in the valuation. These were valued as Plant and Machinery at £386 and included in the £77,500.

7. The appellant's representative submitted a revised valuation based on £70/m^2 but now with the 5% end allowance giving an RV of £57,000 with effect from 1 April 2017. This was now the basis of the appeal.

8. The appeal property consisted of a purpose-built car showroom of steel portal frame construction with profile metal cladded walls and roof with glazed panelling to the display frontages. The layout was a typical car showroom with double height ceilings and workshop at the back of the showroom.

9. In 2011 planning approval was granted to carry out a 3m front extension to the appeal property to incorporate the new Volkswagen corporate building frame and allow the dealership to become a ten car showroom. This included works done to the walls, roof, windows and doors.

10. The Tribunal Business Arrangements provide that where a panel member is unable to sit for any reason they will be replaced by another member wherever possible. However, a hearing will proceed with a Senior Member alone where a member gives notice of unavailability within one working day of the commencement of the hearing to avoid its postponement.

11. I was informed on the morning of the hearing that the second member could not attend as he had been called away on an unexpected work commitment. As a Senior Member I am satisfied that I am authorised to hear and determine this appeal alone.

12. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

Relevant Law

13. Local Government Finance Act 1988.
14. *Lotus and Delta v Culverwell (VO)* [1976] RA 141.

Issue

15. The issue in dispute was the RV of the appeal property.

Discussion

16. The bundle comprised all of the documents exchanged between the parties as part of the challenge process including the appellant's challenge submission, initial response to the challenge and the VO's challenge case decision notice.

17. The appellant's representative made reference to the used car commentary report from Knight Frank which detailed the closure of car showrooms, particularly in secondary locations due to the impact of the internet and car supermarkets. This had led to a lack of demand at these sites and a decline in their need. She gave examples in Harrogate, Wetherby and Bradford.

18. The appeal property was built in the 1980's and was of basic construction, it was not a high level specification. There was no air conditioning merely ambi-rad heating of a workshop style. She referred to the site plans showing that there was only one road accessing the site which required visitors to go round the Snigwig Car Centre. It was located in Northallerton, a small town that was not part of the main cluster of car showrooms at Knaresborough and York.

19. In support of a reduction in the base rate she referred to the BMW site at Malton, a very good quality site, valued at £100/m^2 but then reduced to £75/m^2 by agreement. The Ford site at Thirsk was valued at £65/m^2 whilst the Harrogate site, also a prime site, was reduced from £70/m^2 to £51.50/m^2. Further, the Renault and Nissan site was valued at £95/m^2 but then reduced to £74/m^2.

20. She also stated that there had been no increase in growth in the used car market and therefore there was no evidence for an increase in the £/m^2 from the 2010 list valuation to the 2017 list valuation that the VO had placed on car showrooms in the area. This was evidenced by the two car showrooms at prime locations at Silverlink and Preston Farm that had been increased by 7.4% and 0% respectively. In her opinion, there was no evidence for the VO to value the appeal property at £95/m^2 and felt that a base rate of £70/m^2 was appropriate, giving an RV of £57,000 with effect from 1 April 2017.

21. The VO's representative had stated that the appellant had relied on general market conditions from the Knight Frank commentary report but this was not acceptable to the VO. He referred to the Tribunal case heard 7 January 2025 in respect of Lookers in Thornaby.

The panel there found evidence of two comparable properties and agreed a base rate of £90/m^2. Further, the panel concluded that the Knight Frank report was too general in its nature and did not provide any significant assistance in the assessment of the appeal property in its specific location at the AVD.

22. He had made reference to comparable properties near the locality of the appeal property whereas the appellant's representative had submitted properties some distance away, he felt that these should be given low weight. Further, that many were not in the 2017 list and therefore not applicable.

23. Sherwoods Vauxhall in Northallerton was in a poorer location and much smaller than the appeal property, nevertheless it was valued at £85/m^2 and had been unchallenged during the 2017 list. This supported the £90/m^2 for the better located appeal property.

24. He referred to other properties that he felt were not comparable either because of their location, size and quality.

25. He referred to the rental evidence at Oak Tree Garage that analysed at £112.43/m^2 but was valued on a base rate of £80/m^2. This had not been challenged and he felt it was good evidence supporting the higher quality build and greater visibility in a prominent location of the appeal property to be valued at £90/m^2. He also referred to the sites at 21 Standard Way and RMB Toyota both in Northallerton that were valued at £85/m^2 and £95/m^2 respectively.

26. For these reasons, he submitted that £95/m^2 was reasonable for the appeal property.

Decision

27. I referred to the Local Government Finance Act 1988 in respect of the definition of rateable value in paragraph 2(1), Schedule 6 to the Act (as amended). The rateable value of any hereditament is to be taken to be the amount, determined in accordance with the statutory assumptions, equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year, on 1 April 2015 the "antecedent valuation date" (AVD). The material day for this appeal was 1 April 2017.

28. I was aware that the leading judgment in non-domestic rating assessments was *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 which set out six propositions to be followed when considering the weighting of evidence. The starting point was the subject rent followed by the consideration of the rents of similar properties and comparable assessments, however, I noted that both parties had stated that there was little rental evidence in the area of the appeal property. I therefore considered the properties submitted as comparable by the parties.

29. I found that the appellant had relied on the Knight Frank commentary report but did not provide evidence specific for the appeal property. I found that it was clear that there had been investment in the market and that the market had grown over the period up until 2015, further, that properties within the locality of the appeal property were more relevant.

30. I found that the VO's representative had provided more factual evidence in respect of the car market, its recovery and noted that there had been regular and sustained investment in such properties between the two rating lists. I found that where properties had not been challenged this supported the base rate in the area.

31. In summary, I was not persuaded by the appellants' representatives arguments and with reference to all of the evidence that I had been supplied with, the rate of £95/m^2 with a 5% end allowance for access was reasonable.

32. I confirmed the RV of £77,500 with effect from 1 April 2017.

33. The appeal was therefore dismissed.

Right of further appeal

34. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) within **four weeks** of the date this decision and statement of reasons is issued.

35. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions"* available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets.

Ms A G Cole-Roberts (Senior Member)
16 June 2025

Mr D Adamson
Clerk to the Tribunal
Date issued to the parties: 16 June 2025