



VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 rating list appeal; Local Government Finance Act 1988; Car showroom and premises; Price per m² in dispute; Lotus and Delta v Culverwell (VO) [1976] RA 141; Rental evidence; Comparable assessments; Appeal dismissed.

APPEAL NUMBER: CHG101078723

RE: Kia Motors, Castle View, Castletown, Sunderland, SR5 3DR

BETWEEN:	S G Petch Ltd	Appellant
	and	
	Amanda Hitchings	Respondent
	(The Valuation Officer)	

SITTING ON: 4 February 2025 (Remote Hearing number 2)

BEFORE: Mr Frazer Stuart, Vice President

CLERK: Mr Duncan Adamson IRRV (Hons)

APPEARANCES:	Mr Nick Vincent of Sanderson Weatherall LLP	for the appellant
	Mr Philip Loxley	for the respondent

Summary of decision

1. Appeal dismissed. I confirmed the Rateable Value (RV) of the appeal property as £116,000 with effect from 14 September 2020.

Introduction

2. This 2017 rating list appeal had been brought in respect of the following: the appellant, S G Petch Ltd, was the non-domestic ratepayer for the appeal property Kia Motors, Castle View, Castletown, Sunderland, SR5 3DR from 14 September 2020 to 1 April 2022.
3. It had been entered in the 2017 Rating list as a car showroom and premises based on a rate of £135/m² and RV of £125,000 with effect from 14 September 2020.
4. A challenge proposal was submitted by the appellant's representative on 28 June 2023 seeking an RV of £96,000 based on a rate of £115/m² with a 10% end allowance for visibility and prominence with effect from 14 September 2020.

5. The valuation officer (VO) issued a challenge decision notice on 13 March 2024 which stated that, based upon the evidence and information available, the rating list entry was unreasonable but disagreed with the entry proposed. The VO found that a rate of £125/m² was reasonable giving an RV of £116,000 with effect from 14 September 2020.
6. The representatives of both parties to the appeal stated that they were representing as advocates and expert witnesses, were not under any conditional fee arrangements and stated their obligations to the tribunal.
7. The appeal property was a converted former Morrisons supermarket. It was not purpose built and was set back from Wessington Way. It was a freehold, multi-franchise dealership located in Sunderland on Castle View operated by S G Petch Ltd.
8. The Tribunal Business Arrangements provide that a hearing will normally take place before a I of two members of the Tribunal, however, paragraph 10 of those arrangements also provide that the President, Vice-Presidents and nominated Senior Members may sit alone. As Vice-President I am satisfied that I am authorised to hear and determine this appeal alone.
9. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.

Issue

10. The issue in dispute was whether the £/m² should be reduced and whether an end allowance should be given of 10%.

Evidence and submissions

11. 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.
12. The appellant's representative stated that as the property was formerly a supermarket there was no 2010 RV to compare to the current 2017 valuation, however, similar properties in the area had a 2010 main space rate of £115/m² rate but were superior in terms of prominence and location to the appeal property. Being less prominent than those located directly adjacent to Wessington Way and, as a result of being located on a residential street (Castle View), the site suffered with access issues getting vehicles and customers onto and off the site and he felt that these factors should be reflected in the valuation either within the main space rate or as an end allowance.
13. There was no rental evidence for the appeal property as it was owner occupied and there was also a lack of useful or available rental evidence in the vicinity. He had therefore taken into consideration the state of the used car market from 2008 to 2015.
14. He 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 super markets. This had led to a lack of

demand at these sites and a decline in their need. He submitted that the stagnant market was further evidence that there had been no growth between the 2010 and 2017 lists and that profitability had decreased even though turnover had increased.

15. He stated that this meant that there had been no increase in growth in the used car market and therefore there was no evidence for an increase in the £/m² for car showrooms in the locality. 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 his opinion, it was therefore incorrect for the appeal property to have a higher increase than these sites and the rate £/m² should therefore be £115/m².
16. In respect of an end allowance he stated that the site only had one access point which was from a residential road with a section single lane (priority over oncoming vehicles) outside the site causing tight access. He had made reference to other car showrooms in the vicinity where the VO had given a 10% end allowance. In his opinion, the appeal property was less visible than, for example, the Evans Halshaw site, had a poorer layout and therefore should be entitled to an allowance.
17. The VO's representative had stated that the appellant had relied on general market conditions from the Knight Frank commentary but this was not acceptable to the VO.
18. Further, the VO was not of the opinion that 2010 £/m² rates were an appropriate starting point when assessing property for the 2017 Rating List.
19. The vast majority of car showrooms in the North East were still operating as car showrooms, sales volumes had continued to rise and the market had recovered from 2008 with growth through to 2015 and 2016. Car supermarkets had not taken over and online sales were commonplace for all car retailers. The appeal property was in a prime location, there had been significant investment and these factors together showed that the market was not stagnant.
20. He stated that the £/m² had been reduced to £125/m² to match that of the Evans Halshaw site as that was also a conversion from a Netto supermarket.
21. He made reference to rental evidence for Sherwoods Durham at Alma Place where open market rents had increased from 9 July 2010 at £153.44/m² and a rent of £125,000 per annum to a new letting on 9 July 2015 at £171.85/m² and rent of £140,000 per annum. He also made reference to the revised assessment at Minorities Toyota, Durham Autodrome, Alma Place at 2010 of £110/m² and an RV of £131,000 to £165/m² and RV of £176,000 for the 2017 list later revised to £135/m² and RV of £144,000. He felt that this was prime evidence for an increase in the rate for the appeal property.
22. In respect of the request for an end allowance for visibility he made reference to the aerial photograph of the car showrooms in the vicinity which showed that the appeal property was part of the "car alley" in Sunderland and was one of 16 Prime showroom locations. In his opinion, the access was not compromised and was simply off the Wessington Way roundabout from where Evans Halshaw and

S G Petch Ltd / Kia Motors were visible. The appeal property was also more modern than Evans Halshaw.

23. For these reasons, he submitted that £125/m² was reasonable for the appeal property giving an RV of £116,000.

Decision and reasons

24. 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.
25. 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 sets 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 property and comparable assessments.
26. I noted the appellant representatives argument that the appeal property should be assessed at the prevalent £/m² rate for car showrooms in this locality as they were in the 2010 list. However, I was aware that each rating list required a fresh look at a property assessment in the light of all the evidence available.
27. I noted that there was no rental evidence for the appeal property and very little evidence in the vicinity. 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.
28. The VO’s representative had shown increases in rental values and I found that these were good evidence for the £125/m² rate for the appeal property.
29. In respect of an additional 10% end allowance for visibility I found that this was not relevant as the site clearly had good access and visibility and did not have any of the physical characteristics that other sites suffered from.
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 the area for such property between the two rating lists. This supported the fact that the car market in this area was not the same as it was in 2010 and basing the appeal property’s assessment simply on its comparison to 2010 rates was not appropriate.
31. In summary, I found that with reference to all of the evidence that I had been supplied with, the rate of £125/m² was reasonable. I confirmed the RV of £116,000 with effect from 1 April 2017.
32. The appeal was therefore dismissed.

Date issued to parties: 28 February 2025.

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.