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

Case No: CHG101082867

Sitting remotely using Microsoft Teams

Date: 18 July 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — car showroom and premises; price per m² in dispute; rental evidence; comparable assessments; appeal allowed in part.

Before:
MR M ASLAM
MR B PROUDFOOT

Between:

HILTON SUZUKI **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) **Respondent**

Regarding:
HILTON SUZUKI, LONDON ROAD, SPELLBROOK, BISHOPS STORTFORD, CM23 4AU
(the "subject property")

Mr M Clayton from Ryan, representing the Appellant
Mr K Cheung for the Respondent

Hearing date: 26 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed in part.

2. The panel determined a rateable value (RV) of £62,000, based upon £120 per m^2, with effect from 1 April 2017.

Introduction

3. This is a 2017 rating list appeal. Hilton Suzuki, London Road, Spellbrook, Bishops Stortford, CM23 4AU (the 'subject property') had been entered in the 2017 rating list as 'car showroom and premises' at £77,500 RV with effect from 1 April 2017, based upon £150 per m^2.

4. A challenge proposal was submitted by Altus Group (now Ryan) on behalf of Hilton Suzuki and was received by the Valuation Officer on 5 July 2023. It had been made on the grounds that the RV was inaccurate. A revised RV of £58,000 was proposed, based upon £112.50 per m^2.

5. The Valuation Officer issued a challenge case decision notice on 15 August 2024, which disagreed with the proposed alteration of the list, and stated that the current rating list entry was reasonable based on the evidence and information available.

6. 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 by the Tribunal on 27 August 2024.

7. Mr Clayton 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), he declared that he was instructed on a contingency based fee, and that he understood and accepted that his duty was to the Tribunal in giving his evidence, and that he would comply with this as well as the requirements of his professional body, regardless of whether or not the evidence supported the client's case.

8. The panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations 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).

9. The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

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

<u>*Preliminary issue*</u>

11. Mr Cheung advised the panel that the photograph provided in the appellant's submission for 6 Stortford Hall was in fact the neighbouring unit. In response, Mr Clayton stated that this

was the first time the issue had been raised, and he could only assume that this was an administrative error.

Relevant Law

12. Rateable value is to be determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

    (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.

    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).

13. 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 1 April 2017.

Discussion

14. The subject property comprises a car showroom and premises, arranged over ground level with first floor and mezzanine level ancillary storage, covering a total area of 828.05m^2. It was built circa 1988, on the site of a former petrol station, and is located on London Road in Bishops Stortford.

15. The issue in dispute is the price per m^2 to be adopted in the valuation. On behalf of the appellant, Mr Clayton sought a revised price of £112.50 per m^2, which reflected an increase of 7.14% from the assessment in the 2010 list. In support, he referred to two settlements of modern car showrooms.

16. For the Valuation Officer, Mr Cheung defended £150 per m^2 with reference to: the subject rent, rental analysis for secondary car showrooms, and comparable properties assessed at £150 per m^2.

17. Both parties referred to the leading judgment in the Lands Tribunal case of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141. This case set out the six propositions to have regard to when considering the weighting of evidence and expert opinion. These are:

(i) Where the property which is the subject of consideration is actually let, that rent should be taken as the starting point.

(ii) The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements, the more weight should be attached to it.

(iii) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the appeal property.

(iv) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.

(v) In light of all the evidence an opinion can then be formed of the differing types of evidence depending on the one hand the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.

18. In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in such circumstances, it would be clearly more difficult to reject the evidence of the actual rent.

19. Taking the subject rent as the starting point, Mr Clayton referred to the passing rent of £80,000, effective from 1 October 2021. As this was over six years post-AVD and agreed between connected parties, he submitted that it could not be relied upon as an accurate indicator of value. Mr Cheung agreed that little weight should be attached to a rent six years post-AVD. However, he had considered a form of return for the subject property, which detailed a lease renewal effective from October 2014: the rent of £75,000 analysed at £144.72 per m^2. Even though this was between connected parties, the Valuation Officer placed weight on this rent and considered that it supported £150 per m^2 for the subject property.

20. The panel considered that as a connected party rent, little weight should be attached to it. In line with *Lotus and Delta*, the panel then turned to the available rental evidence. The Valuation Officer scheduled the following in support of £150 per m^2 for the subject property:

Ken Brown Hyundai, Icknield Way, Letchworth Garden City, Herts, SG6 1EX

A car showroom of 685.74m^2, the rent effective from 1 September 2013 analysed at £148.12 per m^2.

Leon Howman Cars, Queen Street, Hitchin, Herts, SG4 9TN

A car showroom of 342.50m^2, the rent effective from 1 October 2014 analysed at £142.94 per m^2.

21. Both properties were described as secondary car showrooms in the same scheme as the subject property. Mr Clayton argued that those properties are situated in completely different

towns, 26 miles and 30 miles away respectively. As such, they were clearly not helpful when looking at car showrooms in Bishops Stortford.

22. Due to the distance in the location, the panel was not persuaded that the Valuation Officer's rental evidence supported £150 per m^2 for the subject property.

23. In the absence of relevant rental evidence, the panel turned to the evidence of comparable assessments.

24. The Valuation Officer scheduled three comparable assessments in the locality, which had remained unchallenged at £150 per m^2:
    - 206-212 Dunmow Road, Bishops Stortford, CM23 5HW
    - 295 Stansted Road, Bishops Stortford, CM23 2BT
    - Units A C and D, Raynham Road, Bishops Stortford, CM23 5PN

25. Mr Clayton's main argument was that the current adopted tone of £150 per m^2 was excessive in light of settlement evidence on other car showrooms in the locality which are modern dealerships positioned in superior trading locations:
    - Mercedes-Benz of Bishops Stortford, Stansted Road, Bishops Stortford, CM23 2BT.
    - 6 Stortford Hall Industrial Park, Dunmow Road, Bishops Stortford, CM23 5GZ.

26. Mercedes-Benz was valued at £140 per m^2 in the 2010 rating list, and increased to £200 per m^2 in the 2017 rating list, before being agreed at £150 per m^2. This reflected a tone increase of 7.14% between the 2010 and 2017 rating lists.

27. 6 Stortford Hall Industrial Park was valued at £155 per m^2 in the 2010 rating list, and increased to £200 per m^2 in the 2017 rating list, before being agreed at £165 per m^2. This reflected a tone increase of 6.45% between rating lists.

28. Mr Clayton's adopted price of £112.50 per m^2 for the subject property, represented an increase of 7.14% between the 2010 and 2017 rating lists, in line with his comparable assessments.

29. The panel was not persuaded by Mr Clayton's method of applying a percentage increase between rating lists, as each list should be considered afresh, based upon relevant evidence from the AVD. However, the panel considered that Mr Clayton had demonstrated that the present price of £150 per m^2 for a secondary car showroom was excessive when viewed alongside settlements for modern dealerships. Although the Valuation Officer had provided evidence of comparable secondary car showrooms at £150 per m^2, the panel noted that they were located in a cluster away from the subject.

30. The panel determined that the present price of £150 per m^2 agreed for Mercedes-Benz should be adjusted by 10% to reflect the age and inferior quality of the subject, and a further 10% for location. This resulted in a revised price of £120 per m^2, and an RV of £62,000 as follows:

Floor	Description	Area (m^2)	Relativity	£/m^2	Value
Ground	Showroom	222.41	1.00	120.00	26,689
Ground	Store	24.84	0.45	54.00	1,341
Ground	Public Toilets	3.34	1.00	120.00	401
Ground	Staff Toilets	0	0.45	54.00	0
Ground	Workshop	219.42	0.45	54.00	11,849

Ground	Works Office	20.97	0.50	60.00	1,258
Mezzanine	Store	20.43	0.23	27.60	564
First	Store	247.64	0.30	36.00	8,915
Ground	Vehicle Display Spaces	25.00	1.75	210.00	5,250
Ground	Vehicle Display Spaces	15.00	1.75	210.00	3,150
Ground	Vehicle Display Spaces	29.00	0.80	96.00	2,784
	Total	828.05		subtotal	62,201

Rounded down to £62,000 RV

Determination

31. In view of the above findings and conclusions, the Tribunal panel is satisfied that the appellant's representative has demonstrated that the present RV of £77,500 is not reasonable, and therefore the appeal is allowed in part.

32. 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 Valuation Officer to alter the entry in the rating list to rateable value £62,000 with effect from 1 April 2017.

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

34. A refund of the paid fee will now be arranged provided there is no review of the Tribunal's decision. The refund will take around six weeks to process.

Right of further appeal

35. 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.

36. 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/.

Mr M Aslam, Senior Member (Presiding)

Mr B Proudfoot, Senior Member

18 July 2025

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 18 July 2025