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

Case No: CHG101132304

Sitting remotely using Microsoft Teams

Date: 12 January 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating; 2017 Rating List appeal; agricultural showroom and premises; mode or category of occupation; base rate in dispute; Scottish & Newcastle Retail Limited & Allied Domecq Retailing Limited v R F Williams (VO); appeal allowed

Before:
MR SP WOOD
MR A SHETH

Between:

CLAAS UK LTD **Appellant**

- and -

KAREN GILES (VALUATION OFFICER) **Respondent**

Regarding:

CLAAS UK LTD, STATION WORKS, LITTLE SAXHAM, BURY ST EDMUNDS IP28 6QZ
(the "subject property")

Mr C Cates from Ryan Property Tax Services (on behalf of the appellant as advocate)
Mr M Clayton Ryan Property Tax Services (on behalf of the appellant as expert witness)
Mrs N Awoyokun (on behalf of the respondent as advocate)
Ms M Brigden (on behalf of the respondent as expert witness)
Hearing date: 3 December 2025

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The panel determined a revised rateable value (RV) of £580,000 with effect from 5 October 2020.

STATEMENT OF REASONS

Introduction

3. This is a 2017 rating list appeal for Claas UK Ltd, Station Works, Little Saxham, Bury St Edmunds IP28 6QZ (the subject property) which was entered in the 2017 rating list as 'agricultural showroom and premises' at an RV of £965,000 with effect from 5 October 2020. The challenge proposal was submitted on 20 September 2023. The challenge sought a revised assessment of £580,000 RV with effect from 5 October 2020. The Valuation Officer (VO) determined that it was not well founded and issued a challenge case decision notice on 14 March 2025 which stated that based upon the evidence and information available, the rating list entry of £965,000 RV was reasonable.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, this appeal was received by the Tribunal on 14 May 2025.

5. Mr Clayton appeared on behalf of the appellant as expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC). Mr Clayton confirmed that he was instructed under a contingency fee and he declared 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 his client's case.

6. 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).

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

8. The subject property consists of a new purpose built headquarters for Claas UK Ltd and a East Anglia dealer for Manns which was a business to business operation,. There were also offices, a vehicle repair workshop and distribution centre for parts. On the same site and part of the same hereditament was a training centre. It had a total area of 15,826.57m^2

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

Issue

10. The issue between the parties was should the subject property be valued as a showroom and have an unadjusted base rate of £100/m^2. The appellant submitted that this rate was excessive and proposed that the subject property should be valued as an agricultural showroom and premises' with an unadjusted rate of £32.50/m^2.

Relevant Law

11. The panel is governed by Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, which 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.

12. 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 5 October 2020, being the date the subject property entered the rating list.

Discussion

14. The panel must consider the subject property 'vacant and to let' and what the mode or category of occupation was at the material date. The issue of valuing a property *rebus sic stantibus* was considered by the Court of Appeal in the judgment of *Scottish & Newcastle Retail Limited & Allied Domecq Retailing Limited v R F Williams (VO)*. In the *Scottish & Newcastle* case there were two public houses in a shopping centre in Milton Keynes. The Court of Appeal found that the subject premises must be valued *rebus sic stantibus* in connection with the actual mode or category of occupation. It was held that the works required to strip the subject premises back to a shell in order for them to be let as retail units were not minor works. The hypothetical tenant would not consider this mode or category of occupation when determining a rental bid for the subject property. The court held that the two public

houses were not in the same mode or category of occupation as the shops and restaurants the VO relied upon and the premises which were valued as public houses and premises.

15. Mr Clayton explained that he had visited the subject property on 3 October 2025 and that it was an agricultural vehicle repair workshop with a large warehouse, some office space and a training area. His client had always intended that the property should be the appellants UK headquarters including business administration, marketing, logistics, sales and after sales support, distribution of parts, maintenance of machinery and the provision of training. The subject property was therefore, in his professional opinion, not a showroom and the vehicles in the main reception area were for branding purposes only. The display area had two of the appellant's agricultural vehicles on display for branding purposes and only comprised 9.4% of the total size of the subject property. He submitted that in the case of a showroom the size of the display area was usually between 23% to 50% of the total floor area. The panel found that the display area was a very low percentage of the size of the overall hereditament.

16. The panel noted that the subject property, the UK headquarters of Claas, was a new purpose built building and was 16.5m high. The panel was aware that to the rear of the subject property there was a used machinery centre where there was a track for test driving vehicles. This was a separate hereditament and so the panel did not take this into account as it was outside the scope of this proposal. The subject hereditament included:

    (1) A full height glass fronted reception with offices, canteen and which had two of Claas' machines on display. The reception area was approximately 9.4% of the size of the subject property.
    (2) There was a ten bay workshop for repairs on Claas agricultural vehicles and a warehouse 4,336m^2 which supplied parts to dealers throughout the UK. The modern warehouse had cantilever racking, bulk racking and a mezzanine floor. This created a modern parts handling service.
    (3) There was a Training Academy where people could practice remotely operating and maintaining tractors.
    (4) There was also an area for car parking.

17. The panel found that the majority of the property was made up of modern warehousing with racking suitable for the modern logistics of a parts handling and storage system. This, when stripped back to shell, would leave a large modern warehouse which would be suitable for storage and distribution. The panel found that vacant and to let the subject property was an industrial warehouse with a small amount of office space and a training area. The panel determined that the full height reception area did not constitute the main purpose of the subject property. It was a very small percentage in terms of size of the subject property and the amount of plate glass was not enough to' lead' the valuation as a showroom. Further the office space would be valued using scale relativities.

18. The panel noted that its location close to an arterial road gave easy access to the port of Felixstowe was a good location for a warehouse for any future hypothetical tenant. The panel found that this would make it of interest for any hypothetical tenant wanting a warehouse. The subject property was not part of a cluster of other car showrooms and so the panel found that the hypothetical tenant looking for a showroom would find it a less attractive property. To use the subject property as a showroom would mean that the hypothetical tenant would be left with a small area of showroom 9.4% and a large area of warehouse which would require extensive structural work to redevelop it into a showroom.

19. The subject property did not carry stock or samples of the appellant's range of agricultural machinery. The business carried out at the subject property was from business to business and not to the public. It included the repair and the supply of parts for agricultural vehicles. The current description for the subject property was an 'agricultural showroom and premises' which was correct in the panel's view. The panel noted the 19 other large industrial properties in the country put into evidence by the appellant which had a total area of between 285.60m^2 and 1,840.59m^2 but had a percentage of display element of between 21% and 50%. The panel put weight on the fact that the subject property showroom was only 9.4% of the total area.

20. The panel then turned to the appellant's comparable property evidence from other large industrial units with substantial showroom elements. The panel noted that 40 comparable properties put into evidence were between 10,418.31m^2 and 28,666.90m^2 which had a relativity uplift on an industrial rate between 0.88 and 1.39. The panel found that within an industrial scheme the standard relativity for the office space was 1.20. The panel then noted the additional three agricultural machinery businesses put into evidence which had a showroom percentage of between 8.04% and 10.25% and a relativity of 1.20 and 1.23 of the industrial rate. The panel found that this supported the proposed relativity of 1.20 for the subject property which had a showroom space of 9.4% of the total area.

21. The panel was aware of the three comparable properties put into evidence by the appellants which demonstrated the Mr Cates submitted demonstrated the economic conditions at the time of the AVD:

    (1) JCB, Lakeside Works, Denstone Road, Rocester which was a factory and premises with an area of 124,461.50m^2 and had an unadjusted rate of £21.50/m^2.
    (2) Service Machinery Trucks, Moorfield Road, Duxford which was a workshop and premises of 6,972.25m^2 with an unadjusted rate of £30/m^2
    (3) The neighbouring industrial property Direct Table Foods, Saxham Business Park was 17,417.94m^2 had a base price of £32.50/m^2.

22. The panel found that JCB was another non-car vehicle repair workshop and showcased some of its vehicles in the same way as the subject property. It had been valued in accordance in an industrial scheme with an office relativity of 1.20 of the industrial rate. A neighbouring property to the subject property, Direct Table Foods, was in the same locality and was very similar in size. It had an unadjusted rate of £32.50/m^2 which supported the same rate for the subject property. The panel put weight on this evidence.

23. The second limb of *rebus sic stantibus* as outlined in the *Scottish & Newcastle* case was that any change of use outside that mode or category in the first limb should be ignored. The panel noted in the photographs of the subject property that there was only a very small area of showroom with three vehicles in it and major reconstruction work would be necessary to make the rest of the subject property into a showroom. The panel determined therefore that this would not be in the contemplation of the hypothetical tenant when formulating a rental bid on the subject property. The panel therefore found that empty and to let the subject property was an industrial property not a showroom.

24. The panel noted that the freehold on the subject property was owned by Claas UK Ltd but was rented to a different part of the same company and was not therefore a 'open market lease'. It was in fact a nominal rent set under an informal agreement between Claas and Maans Ltd (Maans was a wholly owned subsidiary of Claas UK Ltd). This meant that the rent

was not on the open market and was between connected parties. The panel therefore placed little weight on this evidence.

25. The panel concluded that the subject premises mode or category of occupation was that of an agricultural showroom and premises and it should be assessed in line with other industrial properties in the vicinity. The panel found the property JCB Lakeside Works particularly persuasive and it supported that the subject property was an industrial unit. The panel found Direct Table Foods, which was on a neighbouring industrial estate, supported a base rate of £32.50/m^2 for the subject property. The panel noted that the subject property was not in cluster of other showrooms and so would be in a poor location for a showroom.

26. The panel concluded that the appellant's representative had successfully demonstrated that the subject property was a 'agricultural showroom and premises' and so a base rate for the subject property of £32.50/m^2 was applicable. The panel therefore allowed the appeal and confirmed that RV of £580,000 with effect from 5 October 2020.

Conclusion

27. In view of the above findings and conclusions, The panel determined a revised rateable value (RV) of £580,000 with effect from 5 October 2020.

Order

28. Accordingly, we order the Valuation Officer to reduce the 2017 Rating List entry to £580,000 Rateable Value, with effect from 5 October 2020, within two weeks of the date of this Order.

Refund of fees

29. A refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process

Right of further appeal

30. 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) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

31. 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 SP Wood, Senior Member (Chair)
Mr A Sheth, Senior Member
12 January 2026

Clerk to the Tribunal
Date issued to the parties: 12 January 2026