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

Case No: CHG101134218

Sitting remotely using Microsoft Teams

Date: 13 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Non-Domestic Rating Appeals; 2017 Rating List; offices; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; appeal dismissed.

Before:
MR JM IMPERATO
MRS OO ROBSON

Between:

LITHIA MOTORS GROUP UK LTD **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) **Respondent**

Regarding:
AUDI CAR SALES, BICESTER ROAD, AYLESBURY, HP19 8AL
(the "appeal property")

Mr Howard Neal of Avison Young on behalf of the appellant as both advocate and expert witness
Mr Simon Forbes, on behalf of the respondent as both advocate and expert witness

Hearing date: 24 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal determined the rateable value (RV) of the appeal property to be reasonable at £117,000 with effect from 9 February 2022

Introduction

3. This is a 2017 rating list appeal. Two appeals have been made in respect of two different effective dates but, with the agreement of the parties, the appeals were consolidated and heard as one as the grounds and rateable value sought in each case were identical. The appellant was seeking a reduction in the RV, contending that the rate of £180/m^2 was excessive. The appellant was seeking a rate of £127/m^2.

4. The appellant submitted the challenge on 26 September 2023. The valuation officer determined the challenge to be not well-founded and issued a decision notice to that effect on 26 September 2024. That decision was appealed to this Tribunal under Regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009, the grounds being that the current valuation for the hereditament was not reasonable.

5. In order to assist the panel, the parties had agreed all basic facts before the hearing. The issue under contention was the appropriate unadjusted rate per metre^2 for the appeal property.

6. Both professional representatives appeared in a dual role as advocate and expert witness. Mr Neal confirmed that he was not employed on a success-related fee basis.

7. Both representatives declared that they understood and fully accepted that their duty was to the Tribunal in giving evidence and that they would comply with this as well as the requirements of the professional body, regardless of whether or not the evidence supported the client’s case.

8. The panel accepted the expert witness evidence on the above basis: the appeal was not considered complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations. The panel determined that it was appropriate to consider the ‘expert’ evidence and assess what weight, if any, to give it in the context of the issue before it.

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

Background

10. The appeal property is a purpose-built car showroom constructed in 1999 and refurbished in 2014. The accommodation is over two floors and comprises: showroom, associated offices, plant room, service workshop, parts store, mess room and first floor office. It measures 640m^2. There are also 110 parking spaces for display purposes and for customer use. The difference between the two valuations is the number of parking spaces included.

11. Prior to 10 July 2020 the site comprised two car showrooms (Audi and VW) with a rateable value of £310,000. The passing rent on the site was £240,000 from 18 October 2015; the appellant's agent considered that this analysed to £127/m², including a 5% adjustment for a split site.

12. Following a hearing on 22 December 2022 the Valuation Tribunal determined a revised rateable value of £262,500 based on an unadjusted showroom rate of £127/m².

13. The VW showroom was let to Marshall Motor Group from 10 July 2020. The valuation officer split the assessment and reverted to an unadjusted showroom rate of £180/m².

14. The evidence before the panel comprised of the information disclosed and exchanged during the challenge process. The submissions included rating assessments in support of tone, the parties' skeleton arguments, a schedule of comparable assessment evidence, and a copy of the current and the proposed valuations. There was also a copy of the previous decision of the VT – *Jardine Motors Group Ltd v Dawn Bunyan* (23 November 2022) CHG100414853.

Relevant Law

15. 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 (SI:2014 No.2841) requires the rental levels to be taken as at 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

16. The material day (the date by which physical factors have to be considered) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. The material day in this appeal is 9 February 2022.

Discussion

17. The panel analysed the competing evidence with reference to the Lands Tribunal judgment in *Lotus & Delta v Culverwell (VO) and Leicester City Council [1976]* RA141, which was included in the evidence documents. This provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the appeal property is accepted to be the correct starting point, with consideration given to how that rent accords to the terms of the statutory definition of rateable value. In this appeal the panel observed that:

    a) the rent had been agreed almost six years post AVD, and
    b) the amount of £260,000 includes an element for the second showroom.

    The panel therefore placed little weight on the rent for the appeal property.

18. Rental details had been provided for a comparable car showroom on Gatehouse Road, which was occupied by Camden Motors. The rent of £166,891 was set in November 2016; the valuation officer analysed the rent to £263.87, which he adjusted on the grounds that there could have been incentives offered. The amended figure was £224.28.

19. The showroom was assessed at £180/m^2, leading to a rateable value of £125,000. The panel noted that the analysed rent was more that the adopted base rate, but it acknowledged Mr Neal's comment that the rent details had not been fully verified and that therefore caution should be had when considering this rent.

20. Having reviewed the rental evidence, in accordance with *Lotus & Delta*, the panel moved on to consider the assessments applied to comparable properties. The valuation officer had submitted details of four showrooms he considered to be comparable. Mr Neal argued that two of the showrooms were not suitable comparators as they were not in Aylesbury; he opined that markets differed between towns. The panel noted that the comparable showrooms were within the same county and considered that the market would only sustain a limited number of car showrooms within a locality.

21. Mr Forbes told the panel that he led on the valuation of car showrooms for the valuation office. He explained that, largely due to the increase in online trade, passing trade was decreasing and showrooms were becoming destination places. Modern showrooms tended to be larger, purpose built to a specific design for each manufacturer, and they covered a wider geographical area.

22. Mr Forbes also referred to fit out costs, stating that the tenant would take the shell rent and fit out the premises. He said that costs ranged from £300/m^2 - £500/m^2 and mentioned a 2024 Tribunal decision for the 'Mini car showroom'. Mr Neal queried whether new evidence was being introduced. The panel adjourned briefly to consider this. It noted that case law was not evidence but also that the case had not been cited in full and was therefore not helpful to the panel. The reference to fit out costs was general, rather than specific to the appeal property.

23. Three of the four comparable showrooms provided by the valuation officer were a little smaller than the appeal property. The fourth was the previously mentioned Camden Motors. They were all assessed at £180/m^2.

24. The evidence submission contained a schedule of car showrooms in Aylesbury that had been compiled by the appellant's agent. The panel noted that the £/m^2 for the showrooms ranged from £127/m^2 to £200/m^2. £127/m^2 was for the previous assessment of the appeal property, when it had measured 1,912m^2 (before it was split).

25. The panel reviewed the sizes of the assessments. The largest was 4,487m^2, assessed at £180/m^2 and the smallest was 246m^2, assessed at 170/m^2. The next smallest was under 600m^2 and was assessed at £200/m^2.

26. The panel asked the parties' representatives about quantum and economies of scale. Mr Forbes contended that potential tenants of larger sites were in a better position to negotiate a rent. Mr Neal opined that the evidence did not bear out that there was any reduction for quantum.

27. The appellant's agent had relied on the previous VT decision to support his case. In that appeal, which applied to the assessment before it was split, the panel had reduced the rateable value from £310,000 to £262,500, based on a reduction in the rate from £180/m^2 to £127/m^2. In that appeal the panel had been persuaded by the rental evidence for the appeal property. The panel in this case did not place the same reliance on the rent because there was no firm evidence before it as to the proportion of rent applicable to each of the split assessments.

28. The panel considered the whole basket of evidence. It found that there was a tone in the locality of £180/m^2 to £200/m^2 for car showrooms. The schedule of assessments included by the appellant's agent showed £127/m^2 to be out of kilter with other showrooms in the area.

Determination

29. In view of the above findings and taking a 'stand back and look approach', the panel is satisfied that the current assessment is reasonable at £180/m^2.

30. The appeal is dismissed.

Right of further appeal

31. 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.

32. 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 JM Imperato, Senior Member (Presiding)

Mrs OO Robson, Senior Member

13 August 2025

Mrs D Davies
Clerk to the Tribunal
Date issued to the parties: 13 August 2025
The decision was re-issued to reflect a correction on a connected decision, originally issued 9 July 2025.