IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101210234

Sitting remotely using
Microsoft Teams on
11 August 2026

Date: 10 September 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 — Main Space Price — Car Showroom and premises — appeal dismissed

Before:

MR A HETHERTON
MR APS CRAWFORD

Between:

CITYGATE AUTOMOTIVE LIMITED **Appellant**

- and -

ANDREW MOULAND
(VALUATION OFFICER) **Respondent**

Regarding:

WEST LONDON VOLKSWAGEN, CAPITAL INTERCHANGE WAY, BRENTFORD TW8 0EX
(the "subject property")

Mr Andrew Hair for **Ryan Property Tax services** for the Appellant
Mr Simon Forbes for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal finds that the current RV of £1,490,000 was reasonable.

STATEMENT OF REASONS

Introduction

3. The appellant company had made a challenge against the accuracy of the compiled list assessment for the subject property in the 2023 Rating List, by way of a proposal that was served on the Valuation Officer (VO) on 22 April 2024. After considering the proposal and evidence submitted during the challenge period, the VO decided that the proposal was not well founded.

4. A Decision notice to this effect was served on the appellant on 24 September 2025. The appellant company then appealed the VO's decision to the Tribunal on 29 October 2025, on the grounds that the current valuation for the hereditament was not reasonable, under regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

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

Background

6. The subject property was Car Showroom and Premises with an agreed total area of 8,001m² (6014m² ITMS). The RV was £1,490,000 and had been valued based on an unadjusted main space price of £240/m². Mr Hair was seeking a RV of £855,000 based on a main space price of £150/m^2. He also requested the third floor be valued using a relativity of 0.5.

7. The subject property was a large three storey flagship/destination car showroom. There were lifts and escalators to all floors and was located to the west of London in very close proximity to the M4. It was built to the manufacturer specifications.

8. The evidence bundles before the panel comprised all of the evidence disclosed and exchanged during challenge which included the parties' comparable assessments, skeleton arguments, an external photograph of the subject property and the VO's comparable assessments and Mr Hair's revised valuation. The lease was provided shortly before the hearing, as requested by the panel as it considered the lease to be important in this appeal,

9. As Mr Hair appeared on behalf of the appellant as both advocate and expert witness, the clerk asked 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) dated 3 August 2018.

10. He declared that he was employed by the appellant company. However, Mr Hair confirmed that he understood and accepted that his duty was to the Tribunal in giving his evidence and 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.

11. The panel accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure regulations[1] and is 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).

12. Mr Forbes confirmed that he was representing the VO as advocate and expert witness. He was not on a contingency fee and confirmed his first duty was to the Tribunal. He also stated that he was the lead valuer for car showrooms for the South East area.

13. The panel was disappointed that Mr Hair had not inspected the subject property, which appeared to be at odds with his role as expert. However, the panel also understood that Mr Hair had only recently been asked to present the appeal on behalf of Ryan Property Tax services. Mr Forbes confirmed that he had inspected the subject property externally.

14. For 2023 rating list appeals the Antecedent Valuation Date (AVD) is 1 April 2021. The material date for the subject properties was 1 April 2023.

Relevant Law

15. The term 'rateable value' is defined in Schedule 6 to the Local Government Finance Act 1988 (as amended):

> *"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; and*
>
> *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".*

Discussion

16. In the case under consideration, the panel had analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141 dated 20 May 1976. The rent on the subject property is considered to be the correct starting point but, where available, rents on similar properties are also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence can then be weighted.

[1] The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 [SI 2009 No2269]

17. In terms of rental evidence, following a rent review in June 2021, the passing rent for the subject property was £955,519 which Mr Hair had analysed to £150/m^2 which supported his argument for a reduction to the RV.

18. To support his argument for a reduced RV, Mr Hair referred to 4 Staples Corner, which had been let at a rent of £845,000 effective from 1 October 2019. Mr Hair had also analysed the rent to £150/m^2. Whilst it was a new letting, the lease commenced 16 months before the AVD.

19. There was discussion between the parties in respect of the terms of the letting of car showrooms, in particular 4 Staples Corner. Mr Hair argued that it was let fully fitted out and this was confirmed in the Form of Return (FOR). However, Mr Forbes contended that Car Showrooms are let in a CAT B state, with the tenant fitting out the property. He suggested that the tenant, who had completed the FOR, had misinterpreted the bespoke fitting out that was required by the appropriate marque.

20. However, as 4 Staples Corner was located in North West London, the panel applied less weight to it, being in a totally different locality.

21. Mr Forbes contended that car showrooms undergo minor refurbishment after five years and then a major refurbishment every 10 years.

22. He also contended that in the locality, properties that had been valued at £240/m^2. Those that had been fully fitted out were valued at £332/m^2 and those let in a shall state were valued at £159/m^2. To support these values, Mr Forbes provided a list of comparable properties which were valued at £240/m^2. Some of them such as Currie Motors and 931 Great West Road were significantly smaller. However, West London Audi was larger at 7,167m^2 ITMS and Marcedes Benz House was slightly smaller at 5,594m^2 ITMS.

23. Given the above, the panel was satisfied that a tone of list had been established for car showrooms that were similar in size, in the locality at £240/m^2 for properties that were fitted out.

24. Mr Forbes contended that the rent of £955,519 and Mr Hair's main space price of £150/m^2 derived from that rent, was just a shell rent, as it was let in a Cat B state, and, there should be an addition to Mr Hair's analysed rent to reflect the addition for fit out.

25. During questioning, it was established that at the rent review, the subject property had undergone a £2M refurbishment, which the panel applied significant weight to. As the rent was nearly £1M per year, it was clear that this rent would not include the £2M refurbishment, otherwise it would be two years just for the landlord to recoup the cost of the refurbishment.

26. He also contended that the subject property had been valued at £230/m^2 in the 2017 rating list and that it would be unreasonable for the value of a car showroom to fall to a value of £150/m^2 as Mr Hair was suggesting. No challenge had been submitted against the 2017 rating list in terms of the complied list. Only a challenge in respect of a Material Change of Circumstances had been submitted to the VO, which supported his argument that the value of £230/m^2 was correct in the 2017 rating list and therefore the main space price of £240m^2 for the 2023 rating list.

27. Whilst the panel understood Mr Forbes' contentions in respect of the 2017 rating list, the Upper Tribunal judgment of *Flight Centre (UK) limited v Ricketts (VO)* [2021] UKUT 0315 (LC) dated 19 October 2021. Mr Higgin, the Upper Tribunal member stated at P.29

> *"I attach no weight to comparisons with previous Rating Lists or any significance to the fact that other parades nearby have declined in value since the 2010 List."*

28. The panel noted that the lease stated at LR4:

> *"(b) …except the dealer fit out and any such fixtures installed by the tenant that can be removed from the Property without defacing the Property."*

29. Given the above, the panel was more persuaded by Mr Forbes' argument. Similar sized properties in the TW8 post code area were valued with a main space price of £240/m^2 and the lack of challenges does suggest that a tone of value is starting to emerge for car showrooms in that locality. The panel also noted that the subject property was visible from and located within close proximity to the M4, which was make the subject property more valuable. The panel therefore concluded that the subject property should be valued with a main space price of £240/m^2.

30. Turning to the relativity for the top floor showroom, Mr Hair had argued that the VO's rating manual stated that upper floors would have a reduction. However, the panel was aware that that the VO's rating manual was purely guidance. This opinion was supported by Upper Tribunal judgments which had also come to the same conclusion. A recent example *Robert Dyas Holdings Limited v Ms J Moore* [2025] UKUT 163 (LC) dated 5 June 2025 at P.39 states

> *"The Tribunal is not bound by what is written in the Manual. It amounts to instructions for Valuation Officers".*

Mr Forbes suggested that the manual should be updated. However, the panel concluded that the relativity for the top floor should remain at 1. A reduction to the relativity would be applicable where upper floors were not as accessible or there were additional costs to the occupant. However, no evidence had been put to the panel to demonstrate that there were any additional costs and the panel noted that all floors were easily accessible via escalators and lifts. It therefore concluded that the relativity for the top floor should remain at 1.

Conclusion

31. In view of the above findings and conclusions, the Tribunal is satisfied that the current RV and main space price of £240/m^2 was reasonable and that the relativity of the top floor should remain at 1. The panel therefore dismissed the appeal.

Right of further appeal

32. 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.

33. 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 A Hetherton, Presiding Senior Member
Mr APS Crawford, Senior Member
10 September 2026

Mr Richard Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 10 September 2026