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

Case No: CHG101214214

Sitting remotely using
Microsoft Teams

Date: 9 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: challenge against compiled list entry; car showroom and premises; main space rate in dispute; accuracy of rateable value; allowed in part.

Before:
MR AMRAN HUSSAIN
MS C CAIQUO

Between:

SWANSWAY GARAGES LTD **Appellant**

- and -

AMANDA HITCHINGS
(VALUATION OFFICER) **Respondent**

Regarding:
UNIT 3 RIVERSWAY MOTOR PARK, ADMIRAL WAY, PRESTON PR2 2JZ
(the "subject property")

Mr J Burkitt from Rowland Burkitt (as advocate and expert witness on behalf of the appellant)
Ms K Byrne (as advocate and expert witness on behalf of the respondent)

Hearing date: 11 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed in part.

2. The Tribunal Panel reduced the rateable value (RV), adopting a UAR of £130/m^2, to £173,000 with effect from 1 April 2023

Introduction

3. This appeal had been brought in respect of Unit 3, Riversway Motor Park, Admiral Way, Preston PR2 2JZ (the subject property), which was entered in the 2023 Rating List as 'car showroom and premises' at an RV of £198,000 effective from 1 April 2023.

4. The appellant's Challenge was submitted on behalf of the appellant on 30 April 2024 and sought a reduction in the RV to £150,000 with effect from 1 April 2023. The appeal to this Tribunal was made on 11 March 2025, following the (valuation officer's) VO's Decision Notice of 19 November 2024 in respect of the subject property.

5. 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.

6. The subject property is an Audi dealership car showroom of 1,766.40m^2 and was built in approximately 1999. It is situated on Riversway Motor Park, Admiral way along with other car dealerships including Mercedes Benz, Toyota, Renault and Skoda. It is in a good position close to the main road into Preston. It also benefits from good communications close to rail links and main road networks and motorways which link to the whole of the UK.

7. Mr Burkitt was appearing on behalf of the appellant as advocate and 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).

8. Mr Burkitt confirmed that he was not representing the appellant in this appeal on a contingency basis or on any income related basis.

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

Issue

10. The appeal has been brought in respect of the subject property which was entered into the 2023 rating list as a car showroom and premises with an RV of £198,000. In particular in relation to the main space rate for the subject property of £150/m^2 which the appellant submitted should be reduced to £110/m^2 giving an RV of £150,000

Relevant Law

11. In arriving at a decision, the panel is governed by rating legislation laid down by Parliament where Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, 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 <Background>

12. In respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021, 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 date is 1 April 2023 being the commencement date of the 2023 rating list.

Discussion

14. The appeal hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2021.

15. The panel turned to the six propositions set down in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 which was binding on this panel. The first two propositions are:

    (1)Where the hereditament which is the subject of consideration is actually let, that rent should be taken as the starting basis.

    (2)The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in section 19(6) of the General Rate Act 1967 the more weight should be attached to it. (These statutory requirements now contained in

Schedule 6, Para 2 (1) Local Government Finance Act 1988 (as amended by the Rating (Valuation) Act 1999)).

16. The panel noted that the subject property was let to the appellant on a lease renewal dated 27 October 2020 which was for a term up to and including 10 November 2028. This was only five months prior to the AVD. This was a rent review which under the terms of the lease had to be in accordance with either the open market rent or the calculation of the index linked rent using the CPI whichever is the lower. The panel was aware that the terms of the 2020 lease renewal was in accordance with the rating hypothesis as it was an arm’s length transaction agreed to open market value for a term of a certain number of years and under full repairing terms. The passing rent was £149,963 per annum which was analysed by Mr Burkitt to £113.63/m^2 which gave an unadjusted rate of £110/m^2. The panel found that this evidence was, in accordance with the case of *Lotus and Delta,* the starting point when considering the correct RV for a property and the panel put weight on this evidence.

17. The panel was also aware that as submitted by the VO car showrooms are valued on an individual basis which includes the rent but is not limited to the rent passing on the subject property. She submitted that other characteristics such as age, refurbishment, specification, location, size and site characteristics. The panel took into account the fact that the rent was agreed in October 2020 which was one of the worst times in the Covid crisis and this could have affected the rent agreed. The panel was also aware that some franchise car showrooms were destination sites where customers would choose to visit after doing online research. The subject property was one of six other showrooms in the cluster and it was in a prime location. The panel found that the rent reflected the location of the subject property and carried more weight.

18. The panel then looked to the comparable properties provided by both parties. The third and fourth propositions set out in *Lotus and Delta* were considered by the panel in regard to the comparable properties put into evidence by both parties:

> (3) 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 subject property.
>
> (4) 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.

19. The panel then turned to the comparable property put into evidence by the appellant which was 2 and 4 Turner Road which were 22 miles away from the subject property on an industrial estate located just off the M65. They had been let on an open market lease dated September 2019 for an annual rent of £96,000 which analysed to £74.67/m^2 and again in October 2024 with a rent of £80,000 which analysed to £62.62/m^2. Mr Burkitt explained that both of these two units had let for less than the subject property which the panel found supported the proposed unadjusted rate for the subject property of £87.50/m^2.

20. The panel then addressed the comparable properties put into evidence as comparable rental evidence by the VO:

(1) 2 Challenge Way at Wigan which had a total significant area of 1,207.55m^2 . It was let on a 15 year lease with a five yearly rent review on 9 January 2023 on FRI terms. The rent was £166,000 which analysed to £190.63/m^2 with a price of £135/m^2.
(2) The Rybrook Volvo Preston had a total significant area of 1,875.64m^2 which was let on a new lease dated 17 January 2020 for 20 years with a five yearly rent review determined on development costs. It was a leased on FRI terms for a rent of £300,000 which analysed to £213.29/m^2 with a price of £150/m^2.
(3) Renault Bolton with a significant area of 1,733.50 was let on a 25 year lease from 21 December 2021 with a five yearly rent review determined on open market value. It was on FRI terms. The rent was £268,500 which analyses to £234.15/m^2 with a price of £165/m^2.
(4) Rybrook Volvo Meridian Business Park Manchester with a significant area of 2,205.20m^2 was let on a 20 year lease with five yearly rent reviews and three months rent free and on an FRI basis on 10 August 2021. The rent was £320,000 which analysed to £189.73/m^2 and had a price of £175/m^2.
(5) Infiniti Stockport had a significant area of 1,504.14m^2 and was let on a 10 year lease from 14 July 2021 with five yearly rent reviews and on an FRI basis. The rent was £210,000 which analysed to £174.77/m^2 with a price of £185/m^2.
(6) Porsche Centre Stockport had a significant area of 3,848.80m^2. It was let on a 15 year lease from 1 May 2020 with five yearly rent reviews and on an FRI basis. The rent was £665,000 which analysed to £222.35/m^2 with a price of £190/m^2.
(7) Clare James Automative Warrington had a total significant area of 2,120.56m^2 and was let on a 20 year lease from 1 November 2021 for a term of 20 years with five yearly rent reviews and an ROI rent and on an FRI basis. The rent was £402,030 which analysed to £160/m^2 with a price of £160/m^2.

21. The panel noted that the rent on these properties was based on matters other than the open market. These included construction costs, a historic rent which had been agreed some years prior to the date quoted, was determined by arbitration, was between connected parties, was linked to the RPI, was a new property taken on to extend a previous site or included other property and so they were not an open market rent. The panel found that it could place little weight on these comparable properties as a result of these deviations from the rating hypothesis. The panel found that the comparable properties put into evidence by the VO were too far removed from the rating hypothesis to place much weight on. There were too many differences that would mean that the rent would require adjustments to be in line with the rating hypothesis and the panel found they were therefore weak evidence. Instead the panel put weight on the rent on the subject property in line with the sixth proposition. This emphasised the importance of the rent on the subject property which was close to the AVD in an open market rent and therefore was strong evidence and the panel placed strong weight on this.

22. The panel now turned to the fifth and sixth propositions from *Lotus and Delta*, namely:

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attached to the differing types of evidence depending on the one hand on the nature of the actual rent, and on the other hand, on the degree of comparability found in other properties.
(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in each circumstance, it would be difficult to reject the evidence of the actual rent.

23. The panel then considered the comparable properties put into evidence by the VO as tonal evidence for car showrooms which were all dealerships. They were all dealerships, with six of the eight located on Admiral Way and forming part of the same cluster as the subject property. The basic price of these comparable properties was £140/m^2 in the 2010 rating list which increased to £145/m^2 in the 2017 rating list and rose to £150/m^2 in the 2023 rating list. This mirrored the RV's for the subject property across the three rating lists. The other two comparable properties had a basic price of £135/m^2 and £130/m^2. The comparable properties ranged in size from 602.19m^2 to 2656.53m^2.

24. Although the VO's comparables are located on the same trading estate, they have not been fully tested by challenge or tribunal scrutiny in the 2023 List and remain only the VO's opinion. Furthermore, differences in size, specification, and other characteristics mean they do not demonstrate a firm, reliable tone of value at £150/m^2.

25. The panel therefore looked at the settlement evidence from the appellant. These settlements were either agreed or determined to be well founded. There were eight settlements of car showrooms which had the 2023 list RV settled. The historic tone was between £70/m^2 and £145/m^2 and had been reduced to between £65/m^2 and £120/m^2. The panel found that there was insufficient evidence of what had been considered by the appellants and VO in order to settle their proposals for the panel to attach much weight to this evidence. The panel therefore found that it could put little weight on the settlement evidence as they had been settled on a case by case basis.

26. In connection with 2 and 4 Turner Road these properties did not have as prominent position as the subject property and so they would have a lower basic cost price to that of the subject property. The panel found the comparable property 2 Challenge Way very persuasive as it was also in a cluster of dealerships and was agreed by the VO to be not dissimilar to the subject property. It was also directly opposite the subject property and had an adopted rate of £135/m^2. The panel also put weight on the settlement on Lloyd BMW which originally had a UAR of £125/m^2 for the 2023 rating list but this was reduced to £120/m^2. The panel noted that this was a modern car showroom in a good location and indicated that £150/m^2 for the subject property was unreasonable.

27. The panel found the evidence of the rent on the subject property was the best and strongest evidence in determining the RV of the subject property in line with the leading case of *Lotus and Delta.* The panel however found that the rent on the subject property was from a rent review and not a new lease on the open market. The panel put weight on this rent in accordance with *Lotus and Delta* but they found that the basic price of £110/m^2 was too low and required an uplift from that rental figure to take into account the improved market conditions as a result of the different conditions surrounding Coronavirus by the time of the AVD.

28. The appellant's proposed £110/m^2 was therefore considered by the panel to be too low, but equally the VO's £150/m^2 did not reflect the weight of the rental evidence and market conditions. The panel considered that £130/m^2 struck the right balance, giving appropriate weight to the subject rent while acknowledging the need for some uplift to reflect improved conditions by the AVD.

29. In view of the above findings and conclusions, the Tribunal is satisfied that £198,000 based on a UAR £150/m^2 was unreasonable. The appellant's proposed RV of £150,000 based on a UAR of £110/m^2 was too low and the panel therefore found the correct UAR was £130/m^2 which gave an RV of £172,000.

Determination

30. The panel therefore determined that the correct RV was £173,000 based on a UAR of £130/m^2 as follows:

Floor	Description	Area m^2	£/m^2	Value (£)
Ground	Showroom	295.5	130	38,415
Ground	Office	183.7	136.50	25,075.05
Ground	Office	20.4	78.00	1,591.20
Ground	Workshop	421.3	58.00	24,435.40
First	Office	183.7	81.90	15,045.03
First	Internal Storage	69.3	39.00	2,702.70
First	Internal Storage	70.5	39.00	2,749.50
First	Plant room	0	39.00	0
Ground	Canopy	110	39.00	4,290
Ground	Vehicle display spaces	5	227.50	1,137.50
Ground	Vehicle display spaces	46	227.50	10,465.00
Ground	Vehicle display spaces	40	104.00	4,160.00
Ground	Showroom	321	133.09	42,721.89
		1,766.40		**172,788**
	Plant and Machinery			425
	Total Value			173,213
Say £173,000 Rateable Value, with effect from 1 April 2023.				

Order

31. 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 £173,000 with effect from 1 April 2023.

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

Right of further appeal

33. 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.

34. 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 Amran Hussain, Senior Member (Presiding)

Ms C Caiquo, Senior Member

9 September 2025

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 9 September 2025