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

Case No: CHG101238729

Sitting remotely using Microsoft Teams on 17 June 2026

Date: 10 July 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Non-Domestic Rating Appeals; 2023 Rating List; Car Showroom and Premises; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; appeal allowed in part.

Before:

MS T SHAAH
MRS AE FIELDER

Between:

T & C CARS LIMITED — **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) — **Respondent**

Regarding:

165 LONDON ROAD, HOLYBOURNE, ALTON, GU34 4EY
(the “subject property”)

Mr C Cates, from Ryan Property Tax Services representing the Appellant
Mr S Forbes, representative for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The Tribunal finds that the existing assessment for the subject property was excessive, reducing it from £42,250 rateable value (RV) to £39,000 RV, effective from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This was a 2023 Rating List appeal. The subject hereditament had been entered into the 2023 Rating List as ‘Car Showroom and Premises’ at an RV of £42,250 with effect from 1 April 2023. This was based on an unadjusted base rate (UAR) of £175/m^2.

4. The appellants’ challenge to the Valuation Officer (VO) was made on 4 July 2024, with the Valuation Officer’s decision issued on 8 December 2025. The appeal to this Tribunal was made on 13 January 2026.

5. Both professional representatives appeared in a dual role as advocate and expert witness. Mr Cates, stated that he was representing the appellant primarily as advocate, having taken on this appeal from a colleague whilst also confirming that he was employed on a conditional success-related fee basis.

6. 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 their professional body, regardless of whether or not the evidence supported the client’s case.

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

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

Background

9. The subject property is a converted 1955-1964 built property that is now used as a car showroom. The respondent states it comprises approximately 330.43m^2 in total area, with a significant assessed area of 298.81m^2. It does not benefit from additional features such as parking or plant and machinery, with its valuation based on standard showroom characteristics within the locality.

10. The appellant sought a reduction in the RV of the subject property to £36,000, on the basis that the unadjusted base rate of £175/m^2 was excessive and that it should be reduced to £145/m^2.

11. The evidence before the panel comprised of the information disclosed and exchanged during the challenge process. The submissions included, the parties' arguments, comparable rental and assessment property evidence, and a copy of the current and the proposed valuations.

Preliminary issue

12. On 15 June 2026, the clerk and Mr Cates received an email from Mr Forbes which included copies of two previous Valuation Tribunal decisions in respect of car showrooms in Brighton and Hook. In response, Mr Cates sent emails to the clerk and Mr Forbes, with his email dated 16 June 2026 providing information about apparent definitions used by the Valuation Officer regarding fit out rates, and his email dated 17 June 2026 providing images of the car showroom in Hook, the subject property in one of the previous Valuation Tribunal decisions submitted by Mr Forbes.

13. At the hearing Mr Cates confirmed that he had no objections to the inclusion of the two previous Valuation Tribunal decisions provided by Mr Forbes on 15 June 2026, adding that his email responses were sent to aid and assist the panel when having regard to these two decisions. Mr Forbes stated that he had no particular issue with the emails sent by Mr Cates however he wished to point out that in some previous hearings where he had represented the VO, panels had not accepted any further information or evidence, further to the receipt of Valuation Tribunal decisions. Mr Forbes stated that he was not prejudiced in any way by the contents of the emails sent by Mr Cates, reiterating what his previous experience was.

14. The panel found there to be no serious or significant breach, with there being no apparent disadvantage to either party, and therefore it was decided that it was fair and reasonable for the emails submitted by both parties to be included as part of the appeal.

Relevant Law

15. When arriving at its decision, the Tribunal is governed by rating legislation laid down by Parliament. Schedule 6 to the Local Government Finance Act 1988, as amended by section 1(2) of the Rating (Valuation) Act 1999, defines the Rateable Value of a non-domestic property as the amount equal to the rent at which it is estimated the property might reasonably be expected to let on a year to year basis 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 the 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.

16. 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 2020 (SI 2020 No. 832). In respect of this appeal the material day is 1 April 2023.

Discussion

17. The subject property is a former petrol filling station which has been redeveloped as a modern motor vehicle showroom. The property is situated in Alton. The panel noted that residential properties are located opposite the subject property and that London Road is predominantly residential in character.

18. Ordinarily, the panel would not place significant reliance upon values adopted in a previous Rating List. However, in the present case the respondent referred to valuation evidence and decisions arising from the 2017 Rating List. The panel therefore considered it appropriate to have regard to the property's assessment in that list. The evidence showed that the property was assessed with a UAR of £95/m² in the 2017 Rating List, increasing to £175/m² in the 2023 Rating List. This represented an increase of approximately 84% notwithstanding that the physical characteristics of the property had remained substantially unchanged.

19. The panel attached considerable weight to the lease renewal of the subject property which became effective in October 2020 for a term of five years at an annual rent of £36,500. This analysed to a rent of £146.48/m². The parties agreed this was a transaction between unconnected parties and represented reliable rental evidence occurring within a relatively short period of the antecedent valuation date. The panel also noted that the occupation originated from a lease first granted in 2001 and that no specific evidence was produced demonstrating any recent substantial fitting-out works at the property.

20. The appellant contended that the subject rent provided the most reliable indication of rental value and criticised the respondent's approach of treating the rent as a shell rent and then making an additional allowance for fitting out costs. The appellant submitted that such an approach was unsupported by evidence and failed to reflect the reality of the property. It was argued that, under the statutory valuation hypothesis, the property falls to be considered vacant and to let, having regard to its actual state and circumstances. Whilst recognising that car showrooms include an element of branding, the appellant maintained that changes between manufacturers, for example Suzuki and Honda, would generally involve limited alterations of a largely cosmetic nature. The appellant further submitted that no proper evidence had been provided to quantify or justify any fit-out addition.

21. Following a short adjournment, the Tribunal considered the parties' submissions regarding fit-out costs. The Tribunal was concerned by the absence of clear evidential material on this issue within the hearing bundle. Whilst reference had been made to the decision in *Group 1 Automotive Ltd v Bunyan (VO) (2024)*, neither party had provided a copy of that decision or extracts from it. The panel observed that where parties seek to rely on decisions, analyses or valuation principles, appropriate supporting material should ordinarily be produced. Nevertheless, the Tribunal permitted both parties to continue their submissions and determined that it would attach such weight to the evidence as it considered appropriate.

22. Mr Cates submitted that any historic showroom fit out at the subject property was of such age that it possessed little or no remaining value. He argued that the respondent's suggested fit-out adjustment was vague, unsupported and incapable of providing a reliable basis for valuation. Mr Forbes referred to discussions which he stated had taken place in connection with the respondent about the subject property taking into account the *Group 1 Automotive* appeal decision. However, the panel noted that no documentary evidence of those discussions had been provided and that the position advanced by the respondent remained unclear.

23. Mr Cates stated that he was unable to identify a specific figure for fit-out costs in relation to the subject property. He explained that the property had been occupied since 2001 and that any fit out installed more than fifteen years ago would ordinarily have exhausted its useful economic life. He further stated that the highest fit-out allowance he was aware of, was within the London Group of approximately £18/m². In his submission, there could be no justification for the blanket application of fit-out adjustments across all showroom assessments and, in any event, previous Tribunal decisions were not binding on the panel.

24. The panel also heard submissions regarding the respondent's rental comparables. Mr Cates contended that the letting at 11 Minley Road, Farnborough, was not an arm's-length transaction as it involved connected parties. In relation to Wintney Barn, Hook, he submitted that the property was approximately 15 miles distant, located in a more rural setting and operated principally as a specialist luxury used-car facility rather than a mainstream franchised dealership. Mr Forbes accepted that the Minley Road transaction involved connected parties but maintained that Wintney Barn nevertheless provided useful evidence due to the nature of the motor trade use.

25. The appellant argued that the existing UAR of £175/m² was excessive, particularly when viewed against the substantial increase from the 2017 assessment. Reference was made to other assessments, including 53 Cove Road, Farnborough, where the appellant submitted that market conditions and trading characteristics differed materially from those prevailing in Alton. The panel accepted that some of the comparable properties operated in different market environments and that caution was required when making direct comparisons.

26. The panel noted that seven showroom assessments relied upon by the respondent were all valued at a UAR of £175/m². Whilst consistency of treatment is an important consideration, the panel was not persuaded that identical values necessarily demonstrated correctness in the subject property's case. The evidence established that many of those properties were located in Aldershot, Farnborough and Hook rather than Alton. The panel accepted that properties situated on major "A" roads generally command stronger rental values than those located on secondary roads. Nevertheless, the panel considered that locational differences remained relevant and could not be entirely disregarded.

27. The respondent's showroom comparables varied considerably in size, location and trading characteristics. Whilst the respondent explained that a range of factors, including showroom specification and whether new vehicles were sold from the premises, had been considered in establishing a common valuation tone, the panel found that the most direct rental evidence before it remained the actual rent passing on the subject property. The panel therefore attached greater weight to that evidence than to the respondent's more distant comparables, particularly as the latter analysed at significantly higher rates and arose from different localities.

28. Mr Forbes stated that he had been involved in establishing the 2023 Rating List assessment for the subject property and considered it to be supported by evidence available to the Valuation Officer. However, when asked why that supporting evidence did not feature in the respondent's submissions, he was unable to provide an explanation.

29. The respondent's primary contention was that showroom rents reflected shell accommodation and that additional value should be attributed to tenant-funded fit out. Mr Forbes estimated that showroom fit-out costs could reach approximately £500/m² and stated that fitting out typically had a useful life of around ten years. However, he accepted that he had neither inspected the property internally nor undertaken any analysis of the actual fit-out

costs attributable to the subject property . Furthermore, no documentary evidence, cost schedules, Forms of Return or other records were produced in support of these assertions.

30. The panel noted the respondent's evidence that lease renewals may sometimes be agreed at lower rents than new lettings because of the reduced risk associated with an existing tenant. Whilst this proposition may have some merit in principle, the panel was not presented with evidence sufficient to quantify any adjustment required in the present case.

31. The respondent submitted that the difference between £175/m² and the appellant's proposed figure was relatively modest and emphasised the need for consistency across similar showroom assessments. The panel accepted the importance of maintaining valuation uniformity where the evidence supports such an approach. However, consistency cannot override reliable market evidence relating to the hereditament itself.

32. The panel attached limited weight to the respondent's reliance upon the *Group 1 Automotive* decision. Although repeated reference was made to that case, neither the decision itself nor detailed extracts were produced. The panel was therefore unable to determine the factual circumstances of that appeal and whether it was truly comparable to the present case.

33. The panel further noted that Mr Forbes accepted he was unable to confirm the extent of any refurbishments undertaken at the subject property. Whilst he believed internal improvements had occurred, no evidence was produced identifying their nature, cost, timing or effect on rental value. Equally, no calculation was presented demonstrating how any fit-out costs had been reflected within the adopted UAR of £175/m².

34. In reaching its decision, the Tribunal accepted that a modern franchised car showroom is likely to command a value above that indicated by a shell rent alone and that some allowance may properly be made for specification and showroom quality. However, the respondent's case relied heavily upon an unquantified fit-out adjustment that was unsupported by direct evidence. Against that, the panel had before it a reliable open market lease renewal analysing at £146.48/m² together with evidence that the property's UAR had increased from £95/m² in the 2017 Rating List to £175/m² in the 2023 Rating List despite no material physical change to the hereditament.

35. Having weighed all of the evidence, the panel concluded that neither party's position should be adopted in full. The panel found that the passing rent deserved significant weight as the best direct evidence of value. At the same time, the panel recognised that some uplift above the analysed rent was justified to reflect the rating hypothesis and the quality of the accommodation. However, the evidence fell well short of supporting the respondent's adopted UAR of £175/m². In particular, the asserted fit-out addition was neither quantified nor evidenced, and the respondent's comparable evidence was less persuasive given issues of location, market differences and the connected-party nature of one of the principal rentals relied upon.

36. Accordingly, the panel found that an unadjusted base rate of £160/m² more fairly reflected the balance of the evidence. This figure recognises the significance of the subject property's own rental evidence whilst allowing an appropriate uplift to reflect showroom specification and the valuation hypothesis. It also moderates what the panel considered to be an excessive increase from the 2017 Rating List assessment, whilst maintaining broad consistency with the range of values adopted for comparable showroom properties.

Conclusion

37. In view of the above findings and conclusions, the Tribunal panel allowed the appeal in part, calculating a revised valuation as follows:

Ref	Floor	Description	Area m^2	£/m^2	Relativity	Value (£)
1.1	Ground	External Storage	37.84	160.00	0.25	1,513
1.2	Ground	Office	120.36	160.00	1.0	19,257
1.3	Ground	Office	123.79	160.00	0.45	8,913
1.4	Ground	Office	16.82	160.00	0.6	1,615
1.5	Mezzanine	Internal Storage	31.62	160.00	0.225	1,138
		Valuation sub-total				32,436
Additional items						
		Vehicle Display Spaces	20	300.00		£6,000
		Vehicle Display Spaces	7	115.00		£805
		Valuation total				39,241
		Say £39,000 Rateable Value, with effect from 1 April 2023				

Order

38. Accordingly, the Tribunal Panel order the Valuation Officer to reduce the entry in the 2023 Rating List for 165 London Road, Holybourne, Alton, GU34 4EY to £39,000 RV, with effect from 1 April 2023, within two weeks of the date of this Order.

39. The Appellant is also entitled to a full refund of the fees paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

Right of further appeal

40. 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.

41. 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/.

Ms T Shaah, Senior Member (Chair)
Mrs AE Fielder, Senior Member
10 July 2026

Mr R Patel
Clerk to the Tribunal
Date issued to the parties: 10 July 2026