

Appeal Number:	694036563253/537NV17/1
Appellant:	Mr Dawoud Mohammad
Appeal Property:	Hand Car Wash at Ivor Hael Garage, Salem Terrace, Tonypany CF40 2JJ
Matter Appealed Against:	2017 Non-Domestic Rating entry
Hearing Date:	10 April 2025 and 3 June 2025
Appearances:	Mr D Mohammad represented by Mr V Hinds-Payne Mr M Allen for the Valuation Office Agency (the VO)
Decision and its date:	Appeal allowed in part dated 27 June 2025
Tribunal Members:	Mr N Edwards (chair) Mrs K Thomas Mr R Harris
Tribunal Clerk(s):	Mrs S Gwilliam

Introduction - Issues in Dispute

1. This appeal arises from a proposal submitted to the VO on the 15 February 2023 by Mr Hinds-Payne as agent for the ratepayer, Mr D Mohammad, proposing that Rateable Value (RV) for the appeal property's entry in 2017 Non-Domestic Rating List (the Rating List) be altered from £10,000 RV to £5,000 RV with effect from the 3 June 2020, the date the VO altered the Rating List.
2. The reasons given for believing the RV was incorrect was stated as:

"the car wash occupies a small corner of the petrol service station. The car wash only has room for one car to be washed while one car waits to be washed. Any valeting after washing is carried out in the car wash occupiers parking space. Similar car washes in the area either pay no rates or have a considerably lower valuation".
3. This is a summary of the case and is not intended to be an exhaustive record of the proceedings. However, the parties can be assured that all the evidence was fully considered by the Tribunal when it arrived at its decision. Consequently, the absence of reference to any statement, or evidence, should not be construed as being overlooked.

Legislation & Case Law

4. The valuation under consideration had been produced in accordance with Paragraph 2(1) Schedule 6 of the Local Government Finance Act 1988 which stated –

2(1) The rateable value of a non-domestic hereditament [none of which consists of domestic property and none of which is exempt from 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.*
5. Schedule 6 also provided for the Antecedent Valuation Date (AVD), the date by reference to which the rateable value of the hereditament was to be determined, this was 1st April 2015 for the 2017 Rating List.
6. The VO also referred to the following cases:
- *Vines Ltd v de Mauny (Valuation Officer) (2010) UKUT 322 (LC) where the member NJ rose commented "It is, however, important to bear in mind that this is an appeal by the ratepayer, not the VO. The onus, therefore, is on the ratepayer to show that the base rate of £200 per metre is too high, not on the VO to prove the opposite".*
 - *Ladies Hosiery and Underwear Ltd v West Middlesex AC [1932] 2KB 679 – correctness before uniformity*
 - *Lotus & Delta v Culverwell (VO) & Leicester City Council (1976 RA 141) – weighting of evidence.*

Evidence and Submissions

7. The appeal property was described as having very basic facilities which consisted of a small office and a concrete yard with a fabric canopy situated within a corner plot of a petrol filling station and convenience store at Salem Terrace on the A4058 in Llwynypia, located between Tonypany and Rhondda.

8. The VO estimated the size of the site to be 262m², situated on an urban, valley main road, whereas the appellant's agent considered the size to be considerably smaller at circa 125m², which he subsequently amended to 188m².
9. The agent considered that the site was very cramped with no vehicle waiting areas and only space for two cars on the road outside, which, effectively restricted the carwash from washing more than two cars at a time, thereby severely restricting profitability.
10. Both parties referred to a number of comparables in support of their contentions.
11. In relation to the VOA's valuation guidelines which details what should be considered when valuing a hand carwash, the agent stated that the VO had disregarded this documentation. He explained that the guidelines state that regard should be had to the location, circulation space, access, visibility, the type of drainage available, the number of cars which can be handled at a time (with obtaining daily or weekly figures), competitors within a 2-mile radius, the rent paid (and what it included) and whether a capital fee was paid.
12. The VO referred to the rent agreed in June 2017 when the appellant undertook a lease of £14,400 per annum. Whilst the VO appreciated that this lease was over two years after the AVD, he did not consider that rental values had increased by 44% between 1 April 2015 and June 2017. He considered that since the lease was entered into freely, it should be taken as a fair open market transaction until proven otherwise and therefore supported £10,000 RV.
13. The agent however, believed that his client had made a grave mistake in overpaying for the lease and referred to the renegotiated lease renewal in 2024 agreed at £9,600 per annum.
14. Mr Hinds-Payne maintained that the site is very cramped, with poor access and egress and requested that the Tribunal allow the appeal thereby reducing the rateable value to £5,000 RV.
15. The VO considered that the RV ascribed was not excessive and requested that the appeal be dismissed.

Decision & Reasons

16. The Tribunal was mindful that Non-Domestic property must be valued in line with the statutory definition of Rateable Value, as contained within paragraph 2(1) of Schedule 6 of the Local Government Finance Act 1992 as amended by Section 1(2) of the Rating (Valuation) Act 1999.
17. It was also aware that the appeal hereditament must be assumed to be "vacant and to let" and cannot have regard to the actual trade of the occupier and that it was important to ascertain whether a tone of value had been established.

18. Referring to the statutory definition of Rateable Value and the Lands Tribunal judgement in *Lotus & Delta v Culverwell (VO)* and *Leicester City Council* [1976], the Tribunal was mindful that the best evidence was provided by rents synonymous with the statutory definition passing on the subject property and which required little or no adjustment.
19. However, in this instance it was acknowledged that the rent passing was set some two years after the antecedent valuation date, had not been adjusted and was stated by the agent that his client had clearly overpaid. This appeared to be supported as his client had recently re-negotiated a substantially lower rent, and whilst this information was not directly applicable to the 2017 Rating List, it was of assistance.
20. The Tribunal was aware that the hand car washes are placed within one of three bands, with the appeal hereditament being placed within the mid band, RVs £10,000-£12,500. The lower band was confirmed by the VO as RVs £5,000-£7,500.
21. The Tribunal took time to consider the comparables cited by both parties. The agent maintained that the appeal hereditament was smaller than the vast majority of comparables cited, had the drawback of areas that could not be used, along with the disadvantage of not having the benefit of an area for waiting cars, thus adversely affected his client's profitability. It was noted that whilst the VO had visually inspected the site, the measurements had not been confirmed.
22. Furthermore, it was not disputed that access was via a single entrance off an A road, but it was maintained that this was not a prime position off a prominent A road as was the case with some of the cited comparables.
23. Based upon the evidence available, the Tribunal was persuaded that the rateable value did appear excessive for such a cramped, awkward site and opined that the appeal property should fall within the lower band, albeit towards the top of that banding.
24. Consequently, the Tribunal Ordered that the RV in respect of Hand Car Wash at Ivor Hael Garage, Salem Terrace, Tonypandy CF40 2JJ be amended in the 2017 Rating List to show £7,500 RV with effect from the 16 June 2017. Appeal allowed in part