

THE VALUATION TRIBUNAL FOR ENGLAND



Summary of Decision: non-domestic rates, car repair workshop, location discount, comparable units, rental evidence, appeal allowed in part.

Re: Station Garage R/O Station Car Park, Station Road, Rayleigh, Essex, SS6 7HL

APPEAL NO: CHG100009433

BETWEEN:

David Ambrose

Appellant

and

Mr C. Sykes

Respondent

(Valuation Officer)

BEFORE: Ms. N. Carr (Chairman) and Mr M Aspinall

SITTING AT: The Tribunal Offices, 2nd Floor, 120 Leman Street, London, E1 8EU

ON: 11th September 2018

APPEARANCES:

The Appellant was represented by Mr Roger Waterman

Witness: Ms P Murphy (Director of appellant Company).

The Respondent Valuation Officer was represented by Mr Simon Clare of the Valuation Office Agency as advocate and expert witness.

Summary of Decision

1. The appeal is allowed in part as the weight of the available evidence supported a revised Rateable Value of £14,000.

Introduction

2. This was a 2017 Rating List appeal. The Rateable Value of the appeal hereditament was £17,500 from 1 April 2017. The Valuation Officer had reviewed the assessment and concluded that the assessment was correct. Mr Waterman proposed that the RV should be set at £10,890. This was a compiled list appeal so the material day was also 1 April 2017. The appeal was lodged on 6th June 2018, following the Valuation Officer's Decision Notice of 4th May 2018 in respect of the appeal property (hereditament).
3. At the request of Mr Waterman and with the agreement of the panel and the Valuation Officer the model procedure was varied and Mr Clare presented the Respondent's case first.
4. According to the VOA the breakdown of the valuation was as follows:

Floor	Description	Area m²/unit	Price per m²/unit	Value
Ground	Workshop	190.71	£75.00	£14,303
Ground	Office	6.54	£90.00	£589
Ground	Store	5.88	£75.00	£441
	Surfaced open spaces	15	150.00	£2,250

Total value: £17,583 Rounded down to £17,500

5. The appeal hereditament was a car workshop and premises. The panel was advised at the hearing, by Mr Waterman, that the RV of the appeal unit had an allowance of 20% removed following the 2017 revaluation, resulting in a significant increase in the RV; whereas the comparable units had not had

such an increase in value. It was contended that the subject property should have an assessment of £10,890 RV. This was calculated by adding 10% to the 2010 List entry maintaining the 20% discount given in the previous rating List.

Decision

6. For rating purposes it is a requirement that 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 of the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2015 (antecedent valuation date or AVD).
7. Matters that affect the physical state or enjoyment of the property or the locality were to be taken as at 1 April 2017 for this appeal.
8. From the submissions of the parties, it is accepted that the *Lotus v Delta* judgment sets out the various categories of evidence which should be considered and the weight to be attached to them. The rent must be the starting point with the other evidence used to establish the correctness or otherwise of that rent in determining rateable value. In the subject case a rent of £21,500 was agreed with effect from 25th September 2015. It was understood that the rent prior to this was agreed at £18,000, whilst the date of this rent could not be established it was suggested by the parties that this was effective from either 2015 or 2012 following the 3-year cycle of the rent reviews.
9. It was the argument of the Valuation Officer that this rent supported the existing RV. This contention was further supported by reference to the rent passing on a car workshop adjacent to the railway car park at Southend station. The conclusion drawn by Mr Clare from this is that a premium, above that paid for other car workshops, is paid for being immediately adjacent to a station car park as commuters would leave their cars at the workshop so that repairs, servicing etc. could be done whilst they were at work in London.

10. Evidence was submitted by Mr Waterman and Mrs Murphy that there is no benefit in being part of a station car park. It was stated that commuters arrive at the station well before the car workshop is open. It was further argued that all of their customers were of long standing, having moved with them from their former premises. They have no road frontage so cannot advertise their presence. The previous occupier of the subject workshop was a new venture who did not have an existing customer base and went out of business within a short while due to the lack of commuter customers. It was demonstrated by the photographs and plans presented that the subject property is some distance from the car park entrance and away from the traffic flow around the car park. Whereas the VO's comparable in Southend was immediately adjacent to the car park entrance and is much more visible to commuters, other users of the station and the station access road making it a more prominent and as a result more valuable hereditament.
11. From this it is found that the subject property does not benefit from its location adjacent to the station car park and is clearly in a less attractive position within the car park than the more prominent workshop adjacent to the Southend station car park. From this it is determined that a lower valuation should apply
12. It was argued by Mr Waterman that the rateable value for the subject property had increased from that shown in the 2010 rating list by a larger amount than applied to other nearby car workshops. It was accepted by the panel that a revaluation has regard to rental information existing close to the antecedent valuation date, in this case 1st April 2015 against 1st April 2008 for the 2010 list and as a result must reflect changes to the rental market between those dates. It was however noted that the rent of £18,000 was in existence during much of the 2010 List but no adjustment was made to the RV, however, without knowing what the rent was in 2008 it was not possible to establish if the 2010 list entry was supported by the rent or not.
13. It is therefore determined by the panel that the basic price per m² is supported by the evidence of the comparable properties.

14. The following are noted by the panel as being particularly helpful in establishing value:
- a. the car workshop at *Southend Station car park* has a price per m² of £100 (subject to challenge)
 - b. One of the closest to the subject property is *D Tyres* which has a price per m² of £97.50.
 - c. *Good Companions* garage Rawreth which is assessed on the basis of £90 per m²
 - d. Rutherford Close where older units on an industrial estate location are valued lower than the appeal premises with prices per m² varying between £65 and £55. These are older premises on an industrial estate which in the opinion of the panel are correctly valued on a lower basis.
15. From the above the panel do not find that the basic price per m² adopted by the Valuation Officer is excessive.
16. Finally turning to consider any allowance to reflect the issues of the appeal hereditament's location - which have not changed following the 2017 revaluation - the Tribunal finds that there is no reason not to give the 20% allowance given by the Valuation Officer for the very same disabilities in the 2010 List.
17. These include being some distance from the car park entrance and not being close to the flow of traffic within the car park, having no practical visible presence from within the car park and clearly no visibility from the access road to the station car park, or any public road.
18. It is therefore accepted that without the loyal support of long-established customers there would be no means of attracting customers to the site, and in this regard the demise of the former occupier of this unit is noted.
19. It is therefore determined that the entry in the Rating List be amended to re-impose the 20% allowance that had been in place previously. To that extent the grounds of the appeal are upheld; the existing valuation of £17,500 RV is

reasonable but an allowance should be incorporated for the manifest deficiencies of the subject hereditament in terms of location and access to trade.

20. The panel have determined that the correct approach is to accept that the basic RV of £17,500 is correct. From that sum and allowance of 20% shall be permitted. The effect is to reduce RV to £14,000 from 1 April 2017.

It is ordered:

21. That the Respondent Valuation Officer shall reduce the 2017 Rating List entry to £14,000 within 2 weeks of the date of this decision.
22. That the ratepayer shall be reimbursed their full appeal fee in accordance with regulation 13E (1)(a) of the Non-Domestic Rating (Alteration of Lists and Appeals)(England) Regulations 2009

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2nd October 2018