THE VALUATION TRIBUNAL FOR ENGLAND

Non-Domestic Rating appeal; 2010 Rating List; Offices and premises; Main space price; Appeal allowed in part.

RE: Ainderby Hall, Ainderby Steeple, Northallerton, North Yorkshire DL7 9QJ

APPEAL NUMBER: 271025477723/537N10

BETWEEN: M J Mortimer Appellant

and

Mrs J Moore Respondent

(Valuation Officer)

PANEL: Mrs A Fielder (Senior Member) [1]

CLERK: Mrs H Beresford

REMOTE HEARING: 24 February 2021

APPEARANCES: Miss A Benito (representing the Valuation Officer)

Summary of decision

1 The appeal was allowed in part, and the entry in the valuation list was amended to £7,300 rateable value (RV) with effect from 1 April 2010.

Introduction

2 This appeal is brought in respect of a proposal which was served upon the Valuation Officer on 31 March 2015 disputing the compiled list RV of £7,500 effective from 1 April 2010. The proposal stated that "the rating list entry for the property should be altered by reducing the RV to £5,900 with effect from 21 October 2012, however, this was a mistake on the part of the appellant who was unrepresented and the Valuation Officer agreed to change the date to 1 April

[1] In accordance with the Tribunal's business arrangements, I am authorised to consider and determine this appeal sitting alone.

2010. The appellant had also stated that there was a material change of circumstances on 21 October 2012 but as this was actually the date that he became the ratepayer, the Valuation Officer accepted the proposal as valid.

3 The Valuation Officer did not “well found” the proposal and the matter was referred to the Tribunal as an appeal under regulation 13 of The Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009.

4 The property is located within Ainderby Steeple, a small village approximately three miles south west of Northallerton in North Yorkshire. The property comprises a two-storey office building, which has been converted from an Old Hall built circa 1900, the building was refurbished in the 1960's.

5 The President of the Valuation Tribunal for England (VTE) is required to make sure arrangements are in place and make such statements and Directions so as to ensure that business before the Tribunal is conducted in accordance with The Local Government Finance Act 1988, Schedule 11, Part 1, paragraph A17(1) and The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and by virtue of Part 2 regulation (5) (arrangement for appeals) and regulation (6)(3)(g) (appeal management powers) the VTE may determine the form of any hearing.

6 Therefore, in pursuance of Regulation (6)(3)(g) the VTE has incorporated “remote hearings” as part of that definition and for the time being as the default option until it is safe to return to normal working. The Tribunal’s Consolidated Practice Statement has been amended to reflect this.

7 Mr Mortimer had contacted the Valuation Tribunal and asked that this matter be heard in his absence.

8 The absence in this decision of a reference to any statement or item of evidence placed before me by the parties should not be construed as it being overlooked.

Issues

9 The issues in dispute were the main space price to be adopted, and whether the 10% allowance applied to the property for poor construction/maintenance costs is sufficient.

Evidence and submissions

10 Miss Benito provided a bundle of evidence which included: a statement of case; assessment evidence; a revised valuation of £7,300 RV; photographs and details of the subject property; a map; location plans; details of tenure; a copy of the proposal; the appeal history; and details of comparable properties.

11 Miss Benito explained that the Valuation Officer had accepted the appellant's measurement of the subject property of 153m^2 which had resulted in a reduction in the overall size of the property. Consequently, for the purpose of valuation, the property had fallen into a different size band within the valuation scheme and now attracted a rate of £56.23/m^2 which Miss Benito believed was well supported by the settlement evidence provided.

12 Miss Benito also explained that the Valuation Officer had adopted an increased allowance on the property from 10% to 12.5% to reflect the additional external and insurance costs for the property. This resulted in a rateable value in line with the rent agreed between the landlord and the tenant, on 1 July 2008. Miss Benito asked me to confirm an RV of £7,300 with effect from 1 April 2010

13 The appellant, Mr Mortimer, provided a bundle of evidence which included: a written submission; a location plan; a floor plan; photographs of the property; a history of the property; and a rebuttal to the Valuation Officers case. In his written submission, Mr Mortimer argued that the appeal property was difficult to let due to its age and location and that there were considerable maintenance costs due to the age of the property and the extensive grounds in which it sits.

14 Mr Mortimer asked me to confirm an RV of £5,900 with effect from 1 April 2010.

Decision and reasons

15 Having given careful consideration to all of the evidence presented, I allowed the appeal in part.

16 In arriving at my decision, I was 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 that the Rateable Value of a non-domestic property shall be taken to be 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

17 The Lands Tribunal judgment in *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property

was considered to be the correct starting point but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

18 In respect of the appropriate main space price, I found the Valuation Officer's evidence to be compelling. I looked at the evidence of comparable properties provided by the Valuation Officer for other offices located in properties built circa 1900 and determined that this settlement evidence supported a main space rate of £56.23/m^2. In particular, the most similar to the subject property Kepwick Mill, Thirsk, a property of 146.17m^2 had a value of £57.50/m^2 and had been agreed at this level.

19 I also noted the rental evidence which had been provided by the appellant and which had been analysed by the Valuation Officer. I noted that the lease agreed with Pure Power was the closest to the antecedent valuation date (AVD) of 1 April 2008, having been agreed on 1 July 2008 at £10,129. I accepted that the maintenance of large grounds is a greater burden than other offices within this locality. Therefore, I found the Valuation Officer's approach, to adopt the actual external maintenance and repair costs of the property, to be fair and reasonable. The itemised costs had been justified by the appellant in his letter dated 26 November 2019 at a total of £2,750. This resulted in a net adjusted rent of £7,379 (£47.81/m^2).

20 I turned to the end allowance and made the following finding: a 12.5% end allowance is to be adopted to reflect the additional external and insurance costs for the property. This allowance results in an adjusted price of £49.20/m^2 which is supported by the rent agreed between the landlord and tenant in July 2008.

21 I could not attach much weight to the evidence provided by Mr Mortimer in respect of the main space price for the property. Whilst he had stated that the rent agreed was not a fair test of the market rental because the northern director of Pure Power had signed the lease 'under duress to save his outpost', there was insufficient rental evidence to support his contention that an RV of £5,900 should be adopted.

22 In cases of this nature the burden of proof is on the appellant to satisfy the Tribunal that the appeal should be allowed. Unfortunately for the appellant in this case there was insufficient evidence to persuade me that a reduction in the assessment to RV £5,900 was warranted. Therefore, the appeal was only allowed to the extent conceded by the Valuation Officer.

Floor	Description	Area	£/m^2	Value
Ground	Office	28.79	49.20	1,416
Ground	Office	26.07	49.20	1,283
Ground	Office	13.69	49.20	674

Ground	Kitchenette	7.84	24.11	189
First	Office	28.79	49.20	1,416
First	Office	8.58	49.20	422
First	Office	26.07	49.20	1,283
First	Office	13.57	49.20	668
		sub-total		7,351
			say	7,300

Order

23 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 confirm the entry in the rating list to rateable value £7,300 with effect from 1 April 2010.

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

Date: 15 March 2021

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