VALUATION TRIBUNAL FOR ENGLAND

Non domestic rating appeal; 2010 rating list; Shop and Premises; Comparable properties; Tone; End allowance; Appeal allowed in part.

Re: No 1 & 2 T Das House, 229 Highfield Road, Farnworth, Bolton BL4 0NX

APPEAL NO: 4205261225275/539N10

BETWEEN Krishna Das (Appellant)

and

Mr R Roberts (Respondent)

(Valuation Officer)

BEFORE: Ms N E Talbot-Hadley (Senior member); Ms J L Dixon

REMOTE HEARING ON: Friday 18 December 2020

CLERK: Mr J Hewitson

APPEARANCES:

Mr M Bates (Representing the Appellant)

Mr B Slater (Representing the Respondent)

Summary of decision

1. The appeal was allowed in part and the assessment was determined at £22,750 rateable value with effect from 1 April 2015.

Introduction

2. 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.

3. 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.

4. This was a 2010 rating list appeal and the property had been entered in the rating list at £23,750 rateable value with effect from 12 November 2014, with a description of Shop and Premises.

5. The subject property is a former public house and comprised a double fronted shop unit which had been trading as a Premier Convenience store. The shop had been created from two units and the area of one of the units was used for storage purposes only with the frontage permanently covered by a roller shutter. The only connection between the two units was a single door opening.

6. This document is not intended as a verbatim report of the proceedings, nor is it proposed to reproduce in full all of the parties’ evidence. The absence in this decision of a reference to any statement or item of evidence placed before the panel by the parties should not be construed as an indication that the statement or item of evidence has been overlooked.

Issue

7. The issue between the parties concerned the correct approach to the valuation with the appellant stating that the shop should be zoned, whereas the Valuation Officer (VO) had valued the property on an overall basis.

Decision and reasons

8. 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 2008 (antecedent valuation date or AVD).

9. Mr Bates argued that vacant and to let the property is a traditional retail unit and, as such, he submitted that the shop should be valued on a zoned basis with the overall size of the unit being reflected by an end allowance. He referred the panel to established case law and argued that the property was a normal retail unit suitable for a multitude of purposes which should be valued as such. It was not specifically a convenience store alone and he argued that the bids of other prospective shopkeepers could be taken into account.

10. To support his approach, Mr Bates referred the panel to a schedule detailing a number of other convenience stores in the locality, highlighting premises with a wider frontage than the appeal property that had been valued on a zoned basis. He provided photographs to illustrate the properties and a plan showing the layout of the subject property and, having regard to these comparable properties he submitted that his valuation based on a zoned approach was appropriate. Having regard to the evidence from shops in the locality, he argued that a zone A rate of £150 pm^2 had been established in the locality. With an allowance of 5% to reflect the size of the property, he contended that the assessment should be reduced to rateable value £15,000 rateable value.

11. Mr Slater challenged the approach adopted by Mr Bates and argued that the existing valuation based on a rate of £75 pm^2 was correct and in line with the approach and values adopted in respect of comparable properties in the locality. To support this argument he referred the panel to a schedule detailing a number of stores in the area that had been valued on the same basis.

12. It was argued that Mr Bates had failed to correctly zone the premises in his valuation. Because the shop was, in effect, two units, Mr Slater submitted that if the property was to be zoned, the correct approach would be to apply the zone A rate to both parts, including the area that is used for storage behind the roller shutter. In describing this accommodation as storage and applying a rate accordingly, Mr Slater contended that Mr Bates had looked at the actual occupation and had failed to look at the property vacant and to let.

13. Mr Slater stated that he considered that the property was of a size suitable for it to be valued on an overall basis and having regard to the evidence, he contended that the adopted rate of £75 pm^2 was fully supported.

14. The panel found this argument to be persuasive and accepted that if the property were to be valued vacant and to let on a zoned basis, both units would include accommodation within the zone A and zone B areas. The panel thus did not accept that the valuation put forward by the appellant's representative was correct.

15. The property was found to have an area of 387.4 m^2. This was the area submitted by the VO and, having regard to the layout plan that had been submitted, the panel found this to be correct. The panel found the argument of Mr Slater to be persuasive and it was recognised that, in adopting an overall basis, the valuation did not require significant adjustments to reflect wide frontage / excessive depth or overall size. Thus, it was accepted that a valuation based on an overall basis was correct and was in line with the approach adopted in a number of other properties in the locality, as demonstrated by the schedule of comparables submitted.

16. Having regard to the property the panel did not consider that the particular disadvantages associated with the shop were fully reflected. The shop was divided with a structural wall splitting the premises virtually in half from front to back. The panel found that this feature would significantly affect the attractiveness of the property to a prospective tenant and, when considering the unit as it is, vacant and to let, considered that the rental value of the property would be reduced.

17. Whilst the overall approach reflects this to an extent, the panel found that a single door width access between the two parts of the shop was such a disability that an additional overall allowance should be awarded and found that a 5% reduction should be made to reflect the disadvantages suffered by the property.

18. On this basis the panel found that the rateable value should be determined at £22,750 with effect from 1 April 2015.

Order

19. Under the provisions of Regulation 38 (4) and (9) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 the VTE orders the Valuation Officer to alter the List within two weeks of the date of this order to show No 1 & 2 T Das House, 229 Highfield Road, Farnworth, Bolton at a Rateable Value of £22,750 with effect from 1 April 2015.

Date: 14 January 2021

Appeal number: 4205261225275/539N10