VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 rating list; Challenge against Compiled List entry; Store and Premises; accuracy of rateable value; rental and comparable evidence considered; Allowances; found that weight of evidence did not support a reduction in the assessment of subject property; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141. Decision: Dismissed.

RE: Unit 1 Discovery Park Crossley Rd Stockport SK4 5DB

APPEAL NUMBER: CHG100046078

BETWEEN:	Ian Turner	Appellant
	and	
	Ritchie Roberts (Valuation Officer)	Respondent

PANEL: Mr A Jobanputra (Senior Member)
Mr J Percival

CLERK: Mr L Bertie

REMOTE HEARING ON: 23 October 2020

APPEARANCES: Mr I Turner the Appellant.
Mr C Hornby for the Valuation Officer.

Summary of decision

1. Appeal dismissed.

Introduction

2. The appeal before the panel was a 2017 Rating List appeal. The Rateable Value (RV) of the appeal hereditament was originally £9,500 from 1 April 2017, with a description of Store and Premises. This was a compiled list appeal, so the material day was also 1 April 2017. At the challenge stage, the Valuation Office Agency (VOA) reduced the RV to £8,600 and altered the rating list with effect from 1 April 2017. The appeal was received against the Valuation Officer's (VO) final Decision Notice of 21 November 2019 in respect of the appeal property and the RV of £8,600. The VO's decision was to treat the appellant's proposal as not well founded and the

altered entry of £8,600 RV with effect from 1 April 2017 was deemed as correct. The appellant sought a lower rateable value.

3. 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.

4. 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.

5. The Valuation Officer's representative, Mr Hornby, advised the panel that he appeared as an advocate for the case but was an expert on general valuation matters.

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 it by the parties should not be construed as an indication that that statement or item of evidence has been overlooked by the panel.

7. The subject property comprises a ground floor store unit built in 2010 and extended in 2016 of a portal frame and solid concrete plinth. It is situated on an industrial estate with other industrial properties. The area of the subject property is 186. 44 m^2 with a base rate of £63 per m^2. It is owner occupied.

Issue

8. The issue between the parties concerned the RV of the appeal property and specifically, the £m2 rate that should apply. The Appellant sought a reduction based on a £m2 of £28.28. Mr Hornby for the VO sought to defend the existing RV of £8,600 which was based on £63m2 with relevant allowances applied.

Evidence and Submissions

9. It was the Appellant's contention in his challenge, the appeal property was not of the same quality as other units on his estate or locality; that the appeal property had been placed in the wrong valuation scheme based on its age and should be placed in the Crossley Park / Discovery Park scheme and that a valuation tribunal decision dated 12 March 2018 reducing the £m2 in the 2010 Rating List had been ignored in the 2017 Rating List. He had referred to a number of comparable properties which he argued indicated that the adopted rate of £ 63 per m^2 was excessive and should be reduced to a lower base rate of £28.28 m2.

10. The Valuation Officer considered that rental evidence of older and similar property in the locality for properties built between 2010- 2016 indicated that the appeal property should be in valuation scheme (413526). This scheme takes account of industrial properties located in Stockport and built circa 2010 onwards. The scheme for Crossley Park/Discovery Park (286494) is for properties built between 1930s-1940s.

11. Following discussions with the Appellant, the Valuation Officer had reduced the assessment to £8,600 based on £m2 of £63 but had applied allowances for lack of roof insulation 2.5%; lack of wall insulation 2.5%; lack of access of 7.5%; poor construction 5% and lack of services 10.00%. He sought a confirmation of £8,600 Rateable Value effective from 1 April 2017 and a dismissal of the appeal.

Decision and reasons

12. 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). Matters that affect the physical state or enjoyment of the property or the locality were to be taken as at 1 April 2017 (material day) for this appeal. When assessing the RV of any property, rating law also requires that the property must be assumed to be 'vacant and to let', and in the state set out in Schedule 6 of paragraph 2(7) of the Act, in relation to both the physical nature of the property and its mode or category of use.

13. In line with the decision in *Lotus and Delta v Culverwell (VO) [1976] RA 141* , Mr Hornby suggested that as the appeal property was owner /occupied and there was no rent on the subject property, rents of comparable properties in the locality should be taken as a starting point in ascertaining the rental value of the appeal property.

14. Mr Hornby stated that, in accordance with Lotus and Delta v Culverwell (VO) [1976] RA 141' *the rents of comparable properties in the locality should be given weight'.* The basket of evidence, which included the rents on a number of comparable properties, was in his opinion, indicative that the base rate of £63.00 per m^2 for the subject property, was not excessive. Mr Hornby had provided details of a number of comparable industrial properties in the locality of the appeal property in *Stockport* throughout the course of the challenge process to support the existing rate of £63 per m^2 for the subject property. These comparable properties in various industrial properties in Stockport; including, Queen Street; Reddish Business Centre Gorton Road; Cross Lane; Station Road Ind Estate; Canal Wharf, Wharf Street; Higher Bury Street; Bred bury Park Ind. Estate; Bamfor Business Park Herbert Street and Sovereign Business Park Wyvern Avenue Stockport showed rental evidence between May 2012 and September 2017. This evidence showed rents analysed between £54.87 m2 - £79.89 m2 , having been built in 1980s with sizes between 75m2 – 530 m2 and had basic rates between £54.18 m2- £70 m2 adopted with the lower rates being adopted for larger assessments, indicating a degree of quantum in their valuation.

15. The panel was referred by the appellant to 3 industrial properties at Lamb Parking Garage ; 1 Long Shot Lane West and Unit 6 Adswood Road Industrial Estate Stockport which had £m2 values between £28.28 - £40.00 He contended that based on the quality and size of these comparable properties , the £m2 currently applied to the appeal property was too high. However, the panel determined that these assessments had lower £m2 adopted which reflected the fact that they were much older than the appeal property and therefore less weight was given to these comparable properties.

16. The panel gave more weight to the Valuation Officer's rental analysis and assessments of comparable properties in the locality of the appeal property, which supported a basic rate of £63 m2 based on its age but adjustments to this rate reflected its quality and poor construction in comparison to more modern industrial properties built in the locality at the same time and was not excessive.

17. In addition, the Panel found no substance in the argument put forward by the appellant in comparing changes in Rateable Value between the 2010 and 2017 Rating Lists for comparable industrial properties as a factor to support the inaccuracy of the current assessment. The panel was aware that the purpose of a revaluation exercise, which in this case took place seven years apart, was to value each hereditament appearing in the List completely afresh, taking into account the rental values and economic factors at the antecedent valuation date of 1 April 2015 and the physical factors at the compilation date of 1 April 2017 and it was not a mathematical exercise whereby every entry gets uplifted to the same degree. The panel noted that some of the allowances had been carried over from the 2010 Rating List to the 2017 Rating List. However, there had been further allowances given at the challenge stage by the Valuation Officer but the basic price m^2 of £63 had remained the same.

18. Moreover, in answer to the appellant's point that he considered that a decision previously made by the VTE reducing the assessment on the 2010 rating list should be carried forward for the 2017 List entry, the panel must again reiterate that the purpose of a revaluation exercise was to value each hereditament appearing in the List completely afresh, taking into account the rental values and economic factors for the respective lists. Importantly, no previous Valuation Tribunal decision is binding on another tribunal .

19. The Panel was mindful that the onus of proof is on the appellant to demonstrate that a reduction was warranted. In this instance, the appellant had failed to convince the Panel that a lower Rateable Value than that contended for by the Valuation Officer's representative was appropriate.

20. The appeal was therefore dismissed.

Date: 19 November 2020

Appeal number: CHG100046078