THE VALUATION TRIBUNAL FOR ENGLAND

Summary of Decision: non-domestic rating appeal; Accuracy of Compiled list RV in 2017 Rating List; Guest House & Premises; DBU rate to apply to property; Comparable properties near the attractions; rental evidence; Decision: Appeal Partly Allowed

Re: 250 Queens Promenade, Blackpool FY2 9HA

APPEAL NO: CHG100101395

BETWEEN:	ATS Ventures Ltd	Appellant
	And	
	Valuation Officer	Respondent

PANEL: Mr I Lonsdale (Senior Member)
Mrs V Hollender

CLERK: Mr G Wayman

REMOTE HEARING: 7 December 2020

APPEARANCES:

Mr S Arunchalam the Appellant
The Respondent Valuation Officer was represented by Mrs K Porter

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Summary of decision

1. The appeal is partly allowed and the panel confirms a revised RV of £17,000 with effect from 1 April 2017.

Introduction

2. This was a 2017 Rating List appeal. The Rateable Value (RV) of the appeal hereditament is £19,000 from 1 April 2017, with a description of Guest House and Premises. This was a compiled list appeal so the material day was also 1 April 2017. The appeal was made on 19 September 2020 against the Valuation Officer's (VO) Decision Notice of 26 June 2020 in respect of the appeal property (hereditament) and the RV of £19,000. The VO's decision was to treat the appellant's proposal as not well founded and the entry of £19,000 RV was deemed as correct.

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. With the agreement of the parties, the panel determined that the respondent's representative should present her evidence first.

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.

Issue

7. The issue between the parties was the appropriate level of RV for the appeal property. Mr Arunachalam sought a reduction to £15,000 RV as outlined in his appeal papers, while Mrs Porter, representing the VO, defended the existing RV of £19,000.

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 of the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2015 (antecedent valuation date or AVD).

9. 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.

10. The panel was informed that the appeal property comprises an end of terrace guest house built over five floors with a lift and has guest bedrooms on the 1st, 2nd and 3rd floors. It is located on Queens Promenade which is on the A584 the main road along Blackpool sea front.

11. Mrs Porter stated that in order to establish a value for the appeal property rental evidence was analysed from guest and boarding houses situated on Blackpool Promenade, New South Promenade and Queens Promenade. Most weight was given to those rents closest to the AVD and in the immediate locality. The rental evidence suggested that for this type of property the value of £900 per double bedroom en-suite (DBU) was reasonable and a rate of £630 (70% of DBU) was reasonable for a single bedroom en-suite (SBU).

12. The appellant argued that it was unfair that the appeal property had a higher DBU rate than those properties located closer to the main centre of Blackpool where all the main Blackpool attractions were situated. It was his opinion that the properties closer to the centre were more valuable and more attractive to visitors. The appellant also highlighted how the area surrounding the appeal property had declined over the years which had a significant impact on his business and devalued his property.

13. The panel found it unfortunate that no map was within the evidence bundle showing where the appeal property and comparable properties were situated within Blackpool. It also found that no photographs of the properties were presented to help the panel make a comparison. However, the panel can only make a decision on what was presented to it on the day. The panel was informed that the properties in Adelaide Street, Hornby Road and Alexandra Road, were situated closer to the centre of Blackpool, whilst the appeal property was located further outside of the centre. This point was not contested at the hearing.

14. On examining the rental evidence presented by the VO the panel found that even though the properties located in roads closer to the main attractions in Blackpool namely; Adelaide Street, Hornby Road and Alexandra Road had a lower DBU of £800 their rents analysed to a very similar value to those in The Promenade which had been used to value the appeal property.

15. The VO argued that it was her opinion the appeal property was in a superior location as it had sea views and was in a prominent position. Whereas the properties in Adelaide Street, Hornby Road and Alexandra Road were located in either residential streets or quieter locations several roads inland from the promenade without sea views. The VO contended that taking these differences into account a reasonable judgement had been taken that the appeal property would attract a higher DBU rate.

16. It was the panel's opinion that even though the appeal property may have sea views the main pulling power of Blackpool was its attractions namely the Pier, the Tower, shopping centres and pleasure beach. Therefore, in the panel's opinion even though the properties in Adelaide Street, Hornby Road and Alexandra Road may not have sea views and are located in in quieter residential locations any disadvantage would be offset by the fact that they are located closer to the main attractions in Blackpool.

17. It was noted the analysed rental evidence presented by the VO suggested that values were similar in the appeal property's location and that of Adelaide Street, Hornby Road and Alexandra Road. Having established that both locations had advantages of either having a sea view or being located closer to the attractions the panel could not find any justification why the two locations should attract different DBU rates.

18. The evidence before the panel suggested that it was fair and reasonable to apply a DBU rate of £800 to the appeal property in line with Adelaide Street, Hornby Road and Alexandra Road.

19. The appellant contended that different DBU rates should be applied to the different floors within the appeal property. However the panel was informed that different DBU rates only applied to properties that did not have lifts. No substantive evidence was provided to support the appellant's argument that different DBU rates should be applied to properties that had lifts. Therefore, as the appeal property had a lift the panel considered that the same DBU rate should be applied to all the floors.

20. The appellant further contended that the car park at the front of the property should not be valued for rating purposes as he received no revenue from it. The panel accepted that the appellant may not receive any direct revenue from the car park. However, it agrees with the VO that the parking makes the property more attractive for potential customers, consequently it adds value to the appeal property and should be valued for rating purposes.

21. The appellant argued that there had been a general decline in the area with other hotels and guest houses closing and Blackpool generally being less attractive for visitors. He also pointed out that his business had been affected by works taking place on nearby roads and on the Tram system. It was not clear from the evidence provided the dates when these changes occurred.

22. The panel was aware that only physical circumstances as at 1st April 2017 were taken into consideration on revaluation, which included any economic decline in the area and closure of hotels and Guest houses. Any changes that have taken place after this date were not within the scope of this proposal. If the appellant considers that a material change has taken place in the location since 1st April 2017, he would have to make a new check, challenge and appeal based upon a material change of circumstances.

23. Having considered all the evidence presented and taken it all into account, the panel consider for the reasons stated above that a DBU rate of £800 is fair and reasonable to place on the appeal property.

24. The panel partly allows the appeal and confirms that a DBU rate of £800, a rate of £560 for SBU (70% of DBU) and a value of £600 for the six car parking spaces should be applied giving a rounded RV of £17,000 with effect from 1 April 2017.

Order:

25. In accordance with Regulation 38 (4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to alter the appeal property's entry in the Rating List to £17,000 Rateable Value with effect from 1 April 2017. The Valuation Officer must comply with this Order within two weeks of its making.

26. Any fee paid will be refunded in full in accordance with regulation 13E.

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Dated: 17 December 2020