THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 list appeal; Local Government Finance Act 1988; Statutory Assumptions; Empty property; Change of use; Capable of beneficial occupation; Appeal dismissed.

Re: 1 ST FLR 148 High Street, Southend-On-Sea, Essex SS1 1JX

APPEAL NUMBER: CHG100150355

BETWEEN:	Property Partners	Appellant
	And	
	Ms Susan d'Arcy	Respondent
	(Valuation Officer)	

PANEL:	Mr M J Heslop-Mullens	(Chair)
	Miss Leanne Westwell	(Member)
CLERK:	Mr Duncan Adamson IRRV (Hons)	
REMOTE HEARING 1:	5 May 2022	
PARTIES PRESENT:	Mr James Winbourne of Winbourne	
	Martin French Limited	Appellant's representative
	Ms Susan d'Arcy	Respondent's representative

Summary of decision

1. The appeal was dismissed. The rateable value (RV) remains at £3,950 with effect from 1 April 2017.

Introduction

2. This 2017 compiled list appeal had been brought in respect of the property at 1st Floor 148 High Street, Southend-On-Sea, Essex SS1 1JX.

3. The property was first and second floor offices situated above retail property in High Street, Southend. The access to the upper floors was originally from a ground floor entrance next to the retail outlet at 148 High Street. However, this area was later incorporated into the retail outlet and now the only access was externally at the rear of the property via the fire escape.

4. The appellant submitted a check on 8 October 2019, completed on 20 November 2019 and then submitted a challenge against the rateable value on 16 December 2019. The challenge was completed 7 March 2021.

5. The RV was £8,900 with effect from 1 April 2017 but was initially reduced during the challenge stage to £5,500 and then later further reduced to £3,950. The appeal was now against the RV of £3,950.

6. The appellant had stated that the basis of valuation was disputed and the RV should be reduced to a nominal value or removed from the list as the poor external access rendered the appeal property incapable of beneficial occupation. However, the appellant also submitted their own revised valuation of £2,755 and confirmed that this was now the value they sought.

7. This is not intended to be an exhaustive record of the proceedings, but the parties can be assured that all of the evidence presented was fully considered by the panel before coming to a decision. Consequently, the absence of a reference to any statement, or item of evidence, should not be construed as it having been overlooked.

Issue

8. The rateable value of the hereditament.

Evidence and submissions

9. The evidence bundle submitted by the respondent comprised all of the documents exchanged between the parties as part of the challenge process; the Valuation Officer's challenge case decision notice; the appellant's challenge submission and photographs and location plans of the appeal property.

10. The respondent stated that the property was clearly no longer offices but was still a hereditament. It still had value but at a lower rate and should be valued as a store and premises due to the reduced access.

11. The office value was £72.50/m^2 with the storage value calculated at the usual 70% of that amount, £50.75/m^2. The VO, in recognising that the access issues would have presented a severe limitation on the property for the prospective hypothetical tenant and that they

appeared to be unique to this property, considered that a 35% end allowance was appropriate. The resultant RV for the first and second floors was therefore reduced to £3,950 with the second floor valued at a relativity of 90% of the first floor:

Floor	Description	Area m^2	£/m^2	RV
First	Office	60.00	32.99	1979
First	Kitchen	3.80	32.99	125
First	Office	14.30	32.99	472
Second	Office	42.70	29.69	1268
Second	Office	5.10	29.69	151
			Total	£3,995 (£3,950 rounded)

12. In support of the 35% end allowance usage the VO provided a number of other upper floor assessments where there were access issues and end allowances given.

13. The appellant's representative had initially stated that the property should be removed from the list as it was not capable of beneficial occupation and could not be let. This had been proven by the unsuccessful attempt to market the property. He had contended that there was no evidence to show a demand for rear storage accommodation accessed by a fire escape. He had inspected the property and stated that he could not see that anyone would want to let it but did now agree that there may be some benefit as basic storage property.

14. The access to the property via the fire escape was further hampered by a four foot high parapet wall. Further, the rear of the property was on the service road and was not a particularly desirable area. The property had recently been burgled.

15. He suggested that the property be valued at an RV of £2,755 as this would properly reflect the lack of beneficial use even as basic storage.

Floor	Description	Area m^2	Storage rate £/m^2	30% access end allowance	RV £
First	Office	60.00	32.5	22.75	1,365.00
First	Kitchen	3.80	32.5	22.75	86.45
First	Office	14.30	32.5	22.75	325.33
Second	Office	42.70	29.25	20.475	874.28
Second	Office	5.10	29.25	20.475	104.42
			Total		£2,755.48 (£2,755 rounded)

16. He stated that the VO had based their revised valuation on adjustments of office rents whereas it should have been based on the storage rate applied to storage above shops and then by applying a disability allowance for the rear and remote access of 30%. This was how the neighbouring properties at 150, 156 and 158 High Street had been valued and the appeal property should be valued accordingly.

Decision and reasons

17. The panel referred to the Local Government Finance Act 1988. The term 'rateable value' being defined in paragraph 2(1), Schedule 6 to the Act:

"The rateable value of a non-domestic hereditament (none of which consists of domestic property and none of which is exempt from local non-domestic rating) shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions –"

18. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

19. The panel noted that the appellant did now agree that the property could be of some benefit and therefore that it is capable of beneficial occupation. The panel therefore found that it remained to be a hereditament and there was no need for any further discussion on this point.

20. In the panel's opinion, the property is clearly useable space and it is not uncommon for tenants / residents to use a fire escape for access to their property. Further, a prospective tenant would recognise that the parapet wall could be removed thus making access a little easier.

21. The panel were not presented with any evidence of how the property had been marketed or for how long and found that they therefore could not give much weight to the appellant's statement. The panel found that the property was marketable but any success in that area was probably very dependent upon how it was offered to the market.

22. The panel found that the property mode of category should be changed to "Storage and Premises" as this was a proper description of its current function.

23. The panel were presented with evidence of other upper floor storage areas in the vicinity that had been valued at 70% of office value and given a percentage end allowance where there was evidence of restricted access.

24. 174 High Street had been valued at 70% (storage) of the office rate of £72.50/m^2 with a 10% access allowance. There were access issues in that access to the first floor had been boarded up and the only access was from the second floor.

25. 118 High Street had similar access issues to 174 High Street and the appeal property as its internal staircase had also been boarded up but the only access was by a fire escape. This had been valued in the same way but with only a 5% end allowance for access.

26. The panel therefore found that the valuation of the appeal property was in line with other similar properties in the locality but had been given a much greater end allowance to reflect its more severe issues in respect of access to it.

27. The panel noted the valuation of the property by the VO at £3,950 and found that they had not been presented with any evidence to reduce the RV any further.

28. The appeal was therefore dismissed.

Date: 11 May 2022

Appeal number: CHG100150355