

THE VALUATION TRIBUNAL FOR ENGLAND



Non-Domestic Rating; 2017 Rating List; Shop and premises; Zone A price; Rental evidence/assessment of comparable properties; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; appeal dismissed.

Re: 30 High Street, Doncaster, South Yorkshire DN1 1DW

APPEAL NUMBER: CHG100347406

BETWEEN:	Wickframe Limited	Appellant
	and	
	Ms J Moore (Valuation Officer)	Respondent

BEFORE: Mr MH Smith (Senior Member) and Mr PJ Hickson

CLERK: Miss K Hendry

REMOTE HEARING: Tuesday 25 January 2022

APPEARANCES:

Mr A Powell of Powells Business Rating Specialists (on behalf of the Appellant)
Mr H Wadsworth (Respondent's representative)

Summary of decision

1. Appeal is dismissed. The panel determined the rateable value (RV) of £20,500 with effect from 1 April 2017.

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. The VTE conducted the hearing of this appeal remotely via a Microsoft Teams conference call using an audio/video-link.
5. Mr Powell was appearing on behalf of the appellant as both advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC).
6. Mr Powell declared that he was not instructed under any conditional fee arrangement. He confirmed that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported the client’s case.
7. This appeal has been brought in respect of the following: 30 High Street, Doncaster, South Yorkshire DN1 1DW which was entered in the 2017 Rating List as Shop and premises at £20,500 effective from 1 April 2017.
8. The appellant’s Challenge to the VO was made on 17 July 2020. The appeal to this Tribunal was made on 15 September 2021 following the VO’s Decision Notice of 8 September 2021, in respect of the appeal property (hereditament). This is a compiled list appeal so the material day is 1 April 2017.
9. The appeal property is a three storey retail shop situated on High Street in Doncaster town centre.
10. 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 when coming to its decision. Consequently, the absence of a reference to any statement, or item of evidence, should not be construed as it having been overlooked.

Issue

11. The correct Zone A value for the appeal property, with effect from 1 April 2017

Evidence and submissions

12. The panel had been provided with a bundle of evidence, which comprised the challenge submission and VO’s Decision notice, photographs of the appeal property, location plans and details in relation to comparable properties.
13. Mr Wadsworth referred to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 and contended that the correct starting point was the rent passing on the appeal property.

14. Mr Powell had not provided any rental evidence for the appeal property. In his opinion the Zone A adopted by the VO of £300 was excessive. He sought a reduction to £15,300 RV, which was based on a Zone A rate of £198/m².
15. Mr Wadsworth contended that the current RV was reasonable and accordingly sought dismissal of the appeal.

Decision and reasons

16. The panel noted that neither party had provided any rental evidence in support of their contention and therefore the panel had to consider tonal evidence in relation to the assessment.
17. Mr Powell provided settlement details of properties he had already agreed in the town centre. He argued that he also had other outstanding appeals which showed a substantial reduction in rental values since 2008. He therefore referred to three properties and calculated an average reduction of 34% in order to arrive at a revised rateable value of £15,300 RV for the appeal property.
18. The properties referred to were as follows;

Address	Previous RV	Revised RV	% reduction
39 Hallgate, Doncaster	£17,250	£14,000	23%
24/26 Wood Street, Doncaster	£17,250	£11,750	46%
26 St Sepulchre Gate, Doncaster	£90,000	£67,500	33.33%

19. Mr Powell argued that the collapse of Lehman Bros in the late 2008 had affected the rents of Doncaster town centre. The only reliable evidence stems from open market lettings and in his experience of Doncaster town centre, there has been a dearth of open market lettings since 2008. This had resulted in either empty shop units or much lower rents being agreed between the landlord and tenant. The introduction of the empty rates bill had also had a dramatic effect on the market and led to landlords agreeing much lower rents.
20. The tone of values in High Street, Doncaster had dramatically decreased in some areas. 50-51 High Street confirms this. It was in the 2010 rating list at Zone A unchallenged £575/m². It entered into the 2017 rating list at a Zone A value of £425/m². Mr Powell challenged this and the value was agreed at a reduction to Zone A £375/m². This was a reduction in value of £34.78% between lists. 50-51 High Street is in a far superior retail location so there should be some reduction on the appeal property to reflect this.
21. Mr Powell argued that if it was assumed that the level of rents reduced at a similar level to the 2010 list, then a reduction of 34% would apply, equating to a Zone A value of £198/m² at the appeal property.
22. There was also a new letting in respect of Ground Floor and Basement at 22 High Street. The rent was agreed at £100,000 per annum with effect from 24 May 2012. This breaks down to a Zone A value of £221.49/m². Whilst this rent is three years prior to the AVD, the retail market has remained stagnant since the collapse in 2008, and there has been no real difference in rents agreed in 2012 or 2015.

23. As a result, Mr Powell was asking the panel to reduce the RV of the appeal property to £15,300 RV based on a Zone A value of £198/m².
24. In defence of the current rateable value, Mr Wadsworth referred to the case of *Lotus v Delta* and argued that the appropriate level of value for a property in its locality is therefore determined having regard to all the retail evidence available, 'a basket of evidence'.
25. The appeal property forms part of a parade that includes similar retail premises that number from 17 to 30 High Street, Doncaster. The adopted prices range from £375/m² to £300/m².
26. Mr Wadsworth argued that Mr Powell had not provided any rental evidence in support of a reduction, nor were any of the settlements he referred to in the same location as the appeal property. The rental evidence provided in relation to 22 High Street was agreed three years prior to the AVD. Mr Wadsworth confirmed that he was not aware of any rental evidence on or immediately around the AVD within this parade. He was however aware of other rental evidence from either lease renewals and other rental evidence.
27. There was a lease renewal on 23 High Street which had an analysed rent of £356/m² in August 2017. This had a Zone A value of £350/m². There was also rental information from 19-20 High Street which the analysed rent was £376, equating to a Zone A price of £375/m². 26 High Street which analysed to £271, supported a Zone A value of £300/m².
28. Numbers 17, 18, 19-20 High Street all had a Zone A value of £375/m². 23 High Street had a Zone A value of £350/m². 24 High Street had a Zone A value of £325/m². The remaining parade 26, 27, 29 and 30 High Street, furthest away from the town centre had a value of £300/m².
29. Mr Wadsworth argued that little weight should be applied to the recent settlement of 50-51 High Street where an adopted price of £375/m² was agreed. This property is closer to the main shopping area of the town centre and a higher value is to be expected in comparison to the appeal property.
30. Having regard to all the evidence, the panel concluded that the reduced rate of £300/m² was not excessive and was not persuaded by the evidence before them to disturb the tone. Mr Powell had not put forward any evidence to support a reduction. The new letting rent on 22 High Street was too far removed from the AVD. The panel placed little weight on the settlement evidence provided by Mr Powell as the properties which were settled were not in the same parade of shops as the appeal property.
31. The panel therefore dismissed the appeal and confirmed £20,500 as the correct RV with effect from 1 April 2017.

Date: 2 February 2022

Appeal number: CHG100347406