THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 rating list; Warehouse and premises; Comparable properties; Unadjusted base rate; Appeal dismissed.

RE: Unit B, 119 Garstang Road, Preston PR3 0PH

APPEAL NUMBER: CHG100636925

BETWEEN: Clarke & Pulman Ltd (represented by Ken Batty Chartered Surveyors) — Appellant

and

Amanda Hitchings (Valuation Officer) — Respondent

PANEL: Mrs J Ellis (Presiding Senior Member)
Mr W J Read (Senior Member)

CLERK: Ms S Hodgson

ON: 23 November 2022

REMOTE HEARING

APPEARANCES: Mr K Batty of Ken Batty Chartered Surveyors for the appellant
Mrs R Fahy of the Valuation Office Agency for the respondent

Summary of decision

1. Appeal dismissed. The existing valuation is not excessive and the entry in the rating list is confirmed at £37,250 rateable value (RV) with effect from 9 November 2018.

Introduction

2. This is a 2017 rating list appeal. Unit B, 119 Garstang Road, Preston PR3 0PH, (the ‘appeal property’) had been entered in the 2017 rating list as Workshop and Premises at a RV of £37,250 with effect from 9 November 2018.

3. The challenge proposal was submitted by Ken Batty Chartered Surveyors on behalf of the appellant and was received by the Valuation Officer (VO) on 2 March 2021. It sought a reduction in RV from £37,250 to £33,500 with effect from 9 November 2018.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received on 23 May 2022.

5. The appeal property comprised a unit within a complex of three units all under the same ownership. The units were individually assessed due to the diverse natures they were used for. The appeal property was in the list as a workshop and premises and was used as an agricultural equipment showroom and dealership.

6. The unit was originally built in the 1960's and had a 1995 ground floor addition. The whole unit was refurbished in 2018. It measured 1,087.89m^2 with the 1995 addition making up 134.59m^2 of that. There was also a total of 4,533.10m^2 of land included in the assessment.

7. This tribunal decision document is not and does not purport to be a verbatim record of proceedings. Consequently, the absence of a reference to any statement, or evidence, should not be construed as it having been overlooked.

Issue

8. The issue for the panel to consider was the correct RV to be ascribed to the assessment.

Evidence and submissions

9. Mr Batty argued that the subject property had been valued at two different rates, one for the older part of the unit and one for the 1995 addition. He contended that the hypothetical tenant would not accept this rate for the 1995 portion and stated that mixed age units used to be valued on one rate and then given a mixed age allowance where necessary. Mr Batty had referred to five comparable locations and requested that the RV was reduced to £33,500 with a base rate of £22 per square metre (psm) as a starting point for the whole unit.

10. Mrs Fahy contended that in this case, an overall rate would not be appropriate as even though the main part of the unit was built in the 1960's, it had an extensive refurbishment in 2018. She had provided comparable evidence for both the older part of the unit and the 1995 addition. Photographs and location maps were included in the evidence bundle. Mrs Fahy asked for the appeal to be dismissed and the current RV of £37,250 be confirmed with effect from 9 November 2018.

11. Mr Batty appeared on behalf of the appellant as both Advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Batty declared that he was not instructed under any conditional fee arrangement. Mr Batty declared 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.

Decision and reasons

12. The Valuation Tribunal is governed by rating legislation laid down by Parliament where Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, provides that:

2(1) 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—

(a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

(b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;

(c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

13. 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 AVD of 1 April 2015, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

14. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 9 November 2018.

15. Mr Batty's argument rested on the contention that the 1995 section of the assessment had been valued too high. To counter this, he put forward a valuation using a £22psm base rate which he had uplifted by 20% for the 1995 addition. Mr Batty had based the valuation on the assessments of workshops at the comparable properties he had referred to:

Units 1-6 Preesall Mill Industrial Estate	£20.00psm
Arch Bell Greenwood Structures Ltd	£18.59psm
New Hollins Garage	£19.50psm
Preston House	£23.40psm
Colour Banners	£22.00psm

16. Mrs Fahy stated that the above comparables had all been taken from the scheme for older industrial properties (1940 to 1964) and were not like for like with the subject property. She commented that Preesall Mill and Arch Bell were both larger than the appeal property and were in a different size bracket for valuing. There were also differences in relation to air conditioning and heating between the comparable properties and the subject property, and not all of the comparables were in the same location with four found in the FY5, FY6, and FY7 postcodes.

17. The panel then referred to the comparable evidence put forward by Mrs Fahy. The Ground Floor Workshop of the subject property was valued using an unadjusted base rate of £37psm. Five comparable workshops were presented that were all located in Preston. Three of the units were constructed in 1990, 1996 and 1998 and were all valued at £37psm

18. The evidence submitted for the older part of the unit showed one property valued at £20psm however that was twice the size of the subject property. The other six comparable properties were all smaller than the subject property and were valued at £26.50psm. All of the properties were located in Preston.

19. It was the panel's opinion that the comparable properties put forward by Mrs Fahy were the strongest and therefore the most weight was attached to them. The panel was not persuaded that the current valuation of the subject property was excessive.

20. Mr Batty had also requested a reduction in the rate used for the rough surface land from £2.75psm to £2.50psm on the basis that it was very rough and unusable. The panel found that no evidence had been provided to support this contention and therefore dismissed this part of the appeal.

21. Consequently, based on the evidence before it, the panel dismissed the appeal and the RV of £37,250 was confirmed with effect from 9 November 2018.

Date: 22 December 2022

Appeal number: CHG100636925

Right of appeal
Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.