VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 rating list appeal; Local Government Finance Act 1988; Price per m^2 in dispute; 5% end allowance for shape; Lotus and Delta v Culverwell (VO) [1976] RA 141; No rental evidence; Comparable assessments; Appeal dismissed.

APPEAL NUMBER: CHG100694776

RE: 97 - 99, Kew Road, Richmond, Surrey TW9 2PN

BETWEEN: Scope AT Ltd Appellant

And

The Valuation Officer Respondent

SITTING ON: 26 November 2024 (Remote Hearing number 3)

BEFORE:	Mr Martin Smith	(Presiding Senior Member)
	Dr Sally Penni	(Senior Member)
CLERK:	Mr Duncan Adamson IRRV (Hons)	
APPEARANCES:	Mr Dan Bond	for the appellant
	Mr Jonathan Reeve	for the respondent

Summary of decision

1. Appeal dismissed. The rateable value (RV) of the appeal property was confirmed as £57,500 with effect from 1 April 2017.

Introduction

2. This 2017 rating list appeal had been brought in respect of the following: the appellant was the non-domestic ratepayer of the appeal property 97 – 99 Kew Road, Richmond, Surrey TW9 2PN.

3. The property had been entered in the 2017 rating list as an office and premises with an RV of £60,000 based on a rate of £300/m^2 with effect from 25 May 2017.

4. The challenge proposal was submitted by the appellant's representative on 19 May 2021 to reduce the base price from £300m^2 to £255m^2, reducing the RV to £43,500.

5. The VO issued a challenge decision notice on 30 March 2022 which stated that, based upon the evidence and information available, the rating list entry was reasonable and disagreed with the entry proposed.

6. The appeal property was a modern office building comprising of a ground floor and mezzanine floors of open planned space, air conditioning and fully raised access floors. The RV was reduced to £57,500 due to the correction of some of the areas of the premises.

7. The tribunal had been informed that the appellant would be professionally represented by Hampton Lovett Consultant Surveyors, however, they were unable to attend and the Director of Scope AT Ltd therefore attended.

8. To assist the appellant and with the agreement of all parties, the panel varied the tribunal's model procedure and invited the LO's representative to present his case first.

9. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.

Issue

10. The issue in dispute was whether the base rate should be reduced.

Evidence and submissions

11. The bundle comprised all of the documents exchanged between the parties as part of the challenge process including the appellant's challenge submission, initial response to the challenge and the VO's challenge case decision notice.

12. The appellant had stated that the base rate should be reduced to £255/m^2 drawing on the scheme reference to support his claim and had submitted three comparable properties from the same scheme reference 398426 with their current base rates:

Units 13 and 17, St Georges House	£240.00/m^2
85 Sheen Road	£286.43/m^2
Units A & B, 98, Lower Mortlake Road	£225.00/m^2

13. He referred to the location of the appeal with it being 0.3 miles from Richmond Station and a 6 minute walk, however, that involves crossing busy roads including the very heavily trafficked A316. Further, the A316 is a natural divide within the Richmond area and the side where the appeal property was located was not as good a location as the Richmond side as there was less accessibility.

14. The quality of the appeal property was also poor and he referred to a photo showing the front of the building, however, the main body behind was covered with a corrugated roof and looked more like a scout hut. The VO comparable properties were of much better quality, situated in the middle of Richmond, closer to the railway station and were nearer the Thames rive where valuations are generally higher. They were also not in the same scheme as the appeal property.

15. The appellant had also submitted a graph from CoStar stating that it was a 2015 AVD open market graph suggesting the rental figure was £55,667 per annum. He also referred to the VO's contention that the current rent was not between connected parties stating that this was not correct as the parties owning and renting the appeal property were closely connected. He stated that little weight should be given to this evidence.

16. For these reasons he contended that the base rate should be reduced to £255/m^2.

17. The VO's representative stated that the appellant had not submitted any rental evidence to support his proposed main rate of £255/m^2. He had only cited three items of comparable property evidence and these did not support a reduction.

18. The rent on the subject property in 2014 a year before AVD was £80,000 per annum with connected parties. In the recent Form of Return(FOR) the rent was £120,000 but no connected parties. He sought clarification of the rent citing the starting point in accord with the Lotus and Delta Limited v Culverwell (VO) [1976] RA 141 case.

19. He had submitted three comparable properties whose rents devalued to values over £300/m^2.

20. He submitted that the CoStar graph should be given little weight as it did not consider locality or the difference in specification.

Decision and reasons

21. The panel referred to the Local Government Finance Act 1988 in respect of the definition of rateable value in paragraph 2(1), Schedule 6 to the Act (as amended). The rateable value of any hereditament is to be taken to be the amount, determined in accordance with the statutory assumptions, equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year, on 1 April 2015 the "antecedent valuation date" (AVD). The material day for this appeal was 1 April 2017.

22. The panel was aware that the leading judgment in non-domestic rating assessments was *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141.

23. The panel noted both parties comments in relation to the current rent on the appeal property and accepted that it was between connected parties and therefore attached little weight to it.

24. The panel made reference to the photo of the appeal property and had noted that the appellant had mentioned the roof being corrugated and of poor quality, however, the photo was only of the front of the property, there was no visual evidence presented and the panel found that for this reason little weight could be given to this evidence.

25. Form what the panel did see, it found that the property was appealing and appeared to be in a good location. It was near to Kew Gardens and actually on the same road and no evidence had been submitted in respect of the quality of the areas of the parties comparable properties.

26. The panel found that the VO's submitted comparable properties were helpful particularly 1st Floor, 83 – 84 George Street as it was withing walking distance to the station and in a similar location, was 239.63m^2 and so of a similar size. It was older than the appeal property and the rental information of £95,580 effective from 1 July 2015 on a four year lease and analyses to £363.1/m^2. The panel found this to be of high weight.

27. The panel also found 2nd Floor, Midmoor House, was comparable to the appeal property in terms of size and location and the rental analysis from 1 July 2015 devalues to £390.13/m^2.

28. The panel also found Suite 3, Printworks House to be comparable to the appeal property, however, it was much older having been built pre-1900 and smaller at 106.21m^2. The rent devalued to £320/m^2 and supported the argument that properties within close proximity to Richmond station were of a higher value.

29. The panel therefore found that this comparable evidence supports the appeal property's RV.

30. The panel noted the appellant's submitted comparable properties and noted the comments from both parties in respect of their location. However, the panel found that they were not in as good a location as the appeal property which was close to Richmond railway station. The panel noted that properties to the north of the appeal property were amongst residential property, coffee shops and retailers whereas properties within walking distance of Richmond Station were amongst well-established retail and dining establishments.

31. The panel noted the reference to the CoStar graph, however, it found that it should be given little weight as it was not specific enough to be of serious consideration.

32. Overall, the panel was not presented with any evidence to show that the rateable value for the appeal property was unreasonable and the appeal was therefore dismissed.

Date issued to parties: 20 December 2024

Right of further 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.