THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 Rating List; offices; tone of value of main space; end allowance not warranted; appeal allowed in part.

RE: Ground-2nd Floor Offices, Old Guildhall Yard, Doncaster DN1 1QL ("the subject hereditament")

APPEAL NUMBER: CHG100728264

BETWEEN:	Guildhall Yard Ltd	Appellant
	and	
	Joanne Moore (Valuation Officer)	Respondent

SITTING: Remotely via Microsoft Teams Conference Call

ON: 9 January 2024

PANEL: Mr K Everett (Presiding Senior Member)
Mrs F Cortese (Senior Member)

CLERK: Mr S Fletcher IRRV (Hons)

APPEARANCES: Mr A Powell, Powells Business Rating Specialists (Appellant's representative)

Ms C Miles (Respondent's representative)

DECISION and STATEMENT OF REASONS

Summary of decision

1. Appeal allowed in part. The panel determined the rateable value (RV) of the subject hereditament to be £15,000 with effect from 1 April 2017.

Introduction

2. The appeal process began with a challenge made by the appellant's representative on 13 September 2021 in respect of the Valuation Officer's (VO) compiled list entry of the subject hereditament at £22,500 RV with effect from 1 April 2017. The appellant's representative proposed a revised assessment of £11,250 RV from that date based on a reduced main space rate and an end allowance for the purported 'piecemeal' nature of the offices and a non-Disability Discrimination Act (DDA) compliant lift.

3. The respondent issued a challenge case decision notice on 25 July 2022, which stated that based on the evidence available, the existing rating list entry of £22,500 RV was unreasonable and determined a revised entry of £17,000 RV with effect from 1 April 2017. The revised RV accounted for a reduced main space rate to reflect the poor quality of the offices, however, the respondent did not consider that evidence had been provided to warrant an end allowance. The appellant's representative appealed that decision to this Tribunal on 20 November 2023 on the grounds that the valuation for the subject hereditament remained unreasonable.

4. The subject hereditament was a three-storey office block with a large basement. The appellant was the freeholder owner of the property at the material time.

5. The appellant's representative appeared at the hearing by audio-link only due to technical issues with his video conferencing software. Attempts were made to rectify the issue but to no avail. The parties stated they were content with that arrangement, and the panel was satisfied with the method of the appellant's representative's participation at the hearing. The appellant's representative stated that he was appearing as advocate for the appellant only.

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

Issue

7. The issue for the panel to determine was the correct rateable value to be attributed to the subject hereditament in the 2017 rating list. The issue in dispute concerned the tone of value for the main space, and whether an end allowance was applicable.

Evidence and submissions

8. Arguments and factual evidence from both the appellant's representative and the respondent were provided. This comprised of documentation exchanged between the parties as part of the challenge process, the appellant's representative's challenge submission, the respondent's challenge decision notice and reference to properties deemed comparable to the subject hereditament by the parties.

9. The appellant's representative sought a revised RV of £11,250 given the age, condition, location, and character of the subject hereditament. He referred to two comparable properties which were offices at Consort House, Waterdale and Ground Floor, Colonnades House, Duke Street. The subject hereditament was the sole property in its Valuation Scheme, whereas the two comparable properties were in the same Valuation Scheme which had a tone of value for main space in the range of £35 per m^2 to £100 per m^2. He sought for a reduced tone of value for the main space to £30 per m^2 for the subject hereditament, with a further 10% end allowance for the piecemeal nature of the property and a non-DDA lift.

10. The respondent had revised the list entry of the subject hereditament with effect from 1 October 2017 by giving a reduction to the tone of value of the main space rate from £50 per m^2 to £40 per m^2. This resulted in a revised RV of £17,000. The respondent considered that no end allowance was applicable as there was no evidence provided to demonstrate a piecemeal nature and that properties the age of the subject hereditament often had non-DDA compliant lifts.

Decision and reasons

11. The subject 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 be let from year to year on a number of assumptions. Those assumptions are listed in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988.

12. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841), the date of the hypothetical rent was 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

13. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject hereditament, the material day is 1 April 2017.

14. The appellant's representative contended that disadvantages of the subject hereditament made it difficult to let when vacant at the AVD compared to other town centre offices. The property was refurbished in 1997 and very little work had been undertaken at the property since. There was a non-DDA complaint lift, no suspended ceilings, no CAT5 cabling, the offices were of 'piecemeal' nature and the property was located in a poor position on the periphery of the town centre. No direct rental evidence was provided as the offices were vacant for a significant period of time following the appellant's purchase. No photographs of the interior were provided, and the property had also recently been converted to flats.

15. He referred to two comparable offices, Consort House, Waterdale and Ground Floor, Colonnades House, Duke Street. He argued that those properties were of a higher quality and far more desirable offices in prominent positions in the town centre when compared to the subject hereditament, and stated they had a main space rate of £40 per m^2. He stated that they benefited from large open plan office spaces with natural light.

16. The respondent's representative agreed that the two comparable properties were of a higher internal quality based on the description by the appellant's representative. She was unable to inspect the interior as the property was now flats, and no photographs of its previous state had been provided. She agreed that the tone of value of the main space rate should be reduced, but only to £35m^2 per unit. The appellant's representative argued that remained insufficient but would forgo an end allowance if the main space rate was reduced to £30m^2 per unit.

17. In the absence of any photographs of the interior of the subject dwelling, the panel considered a reduction to the main space rate to £30 per m^2 as requested by the appellant's representative was unwarranted. It therefore determined that a main space rate of £35 per m^2, as proposed by the respondent's representative in open Tribunal, to be reasonable, given that it was clear that the subject hereditament was of lesser quality than the two comparable properties submitted by the appellant's representative and £35m^2 per unit was at the bottom of the range of tone for offices in the Scheme of the comparable properties. Given the reduction to the main space rate, and a lack of any comparable evidence to support an end allowance for the disadvantages of the subject hereditament as described by the appellant's representative, the panel determined that no end allowance was justified.

18. Having regard to the evidence, the panel was persuaded that the tone of value for the main space should be reduced and determined that a main space rate of £35 per m^2 was fair and reasonable. No end allowance was applicable. The revised assessment for the compiled list entry with effect from 1 April 2017 as determined by the panel was as follows:

COMPONENT PARTS OF PROPERTY				
Floor	**Description**	**Area m^2/unit**	**£ per m^2/unit**	**Value (£)**
Ground	Offices/Staff Room/Storage	207.00	35.00	7,245
First	Offices/Kitchen/Reception/Storage	113.70	35.00	3,980
Second	Offices	109.88	35.00	3,846
			Valuation sub-total	15,071
			Say RV	**15,000**

19. The panel therefore allowed the appeal in part as it considered the respondent's valuation of the subject hereditament unreasonable, but not to the extent as sought by the appellant's representative.

Order

20. In accordance with Regulation 38(4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the respondent is ordered to alter the subject hereditament's entry in the rating list to £15,000 RV with effect from 1 April 2017. The respondent must comply with this order within two weeks of its making.

21. Any fee paid will be refunded in full in accordance with regulation 13E of the above Regulations.

Date: 25 January 2024

Appeal number: CHG100728264

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.
