IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No: CHG100804346

Sitting remotely using Microsoft Teams

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating; Local Government Finance Act 1988; Warehouse and premises; End allowance for access; Removal of land as non-storage; Lotus and Delta v Culverwell (VO) [1976] RA 141; Comparable assessments; Appeal dismissed.

Before:

MR A RAMSAY
PROF. I SOLANKE

Between:

SIG TRADING	**Appellant**
- and -	
THE VALUATION OFFICER	**Respondent**

Regarding:

UNITS B-F OAKWOOD HOUSE, TONBRIDGE ROAD, HAROLD HILL, ROMFORD, ESSEX RM3 8TS

Mr Steven Dowds-Jones of Colliers International for the appellant,
Mr Kieran Chamba for the respondent.

Hearing date: 27 MAY 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was dismissed.

2. The Rateable Value (RV) of the appeal property was confirmed as £60,000 with effect from 1 April 2017.

Introduction

3. This 2017 rating list appeal had been brought in respect of the following: the appellant was the non-domestic ratepayer of the appeal property Units B-F Oakwood House, Tonbridge Road, Harold Hill, Romford, Essex RM3 8TS.

4. The property had been entered in the 2017 rating list as Warehouse and premises based on a rate of £50/m^2 giving an RV of £60,000 with effect from 1 April 2017.

5. A challenge proposal was submitted by the appellant's representative on 11 May 2022 to reduce the RV with a 12.5% end allowance for fragmentation due to dividing walls and pillars within the warehouse The proposal also wanted the RV of hard surfaced, fenced land of 1,025m^2 at £10/m^2, RV of £10,250, to be removed from the valuation. This would give an RV of £43,500.

6. The valuation officer (VO) issued a challenge decision notice on 12 May 2023 which stated that the rating list entry was reasonable based on the evidence and information available and therefore disagreed with the entry proposed in the submission.

7. The appellant decided that, after receiving the basket of evidence from the VO, he was now seeking a 7.5% end allowance for fragmentation not 12.5%, to give an RV of £46,000 with effect from 1 April 2017.

8. The appeal property was built between 1955 and 1964 and was of concrete portal frame construction with corrugated asbestos roof covering and was situated on a self-contained site fronting Tonbridge Road amongst other industrial properties close to Gallows corner.

9. The appellant was represented by Mr Steven Dowds-Jones of Colliers International who appeared 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) he confirmed that he was instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that 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.

10. The panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and was allowable due to the Tribunal's rules on admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial).

11. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

12. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

Relevant Law

13. Local Government Finance Act 1988.
14. *Lotus and Delta v Culverwell (VO)* [1976] RA 141.

Issue

15. The issue in dispute was the RV of the appeal property.

Discussion

16. 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.

17. The panel was aware that 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. The material day (the date by which physical factors have to be taken into account) in respect of this appeal was 1 April 2017.

18. The panel was aware that the leading case law in non-domestic property valuation was *Lotus and Delta v Culverwell (VO)* [1976] RA 141 which sets out the manner by which a property should be valued. This judgment provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property was considered to be the correct starting point and then rents and assessments on other comparable properties. All of the evidence could then be weighted.

19. The appellant's representative stated that the current occupier had been in occupation of the appeal property for over 15 years since 2006 and the current rent was agreed as a lease renewal and not a new letting as stated by the VO. In his opinion, less weight should therefore be given to this rental evidence in comparison to a new open market letting.

20. He stated that the occupier had become established in the area and to move would be costly due to dilapidations and other associated costs and therefore they would be willing to pay more to remain. Furthermore, as the occupier is quasi-retail, they have also built up a customer presence at the premises.

21. Further, he had attached the original lease extract from 2003 showing that the initial rent agreed was £60,000 that was later agreed as a renewal of £65,000 in 2014. However, in his opinion, if the property was to be let on the open market at 2014 one would expect the rent to be higher as the current occupier would effectively pay a premium in order to remain at the location.

22. The VO's representative stated that the rental evidence for the appeal property was the most important rental evidence for determining the RV on the appeal property. The appellant's representative had included in his submission only a fraction of the lease, not the whole lease. The VO's representative was of the understanding that the 25 December 2014 rent was for £65,000 and was agreed just three months prior to the AVD. The rental value was

higher than the current RV and therefore supported it. The letting was still of significance but did not carry as much weight as a new letting.

23. He also referred to the rent agreed in December 2019 for £98,000. Although this was agreed four years after the AVD it was way in excess of the RV and therefore did not suggest that any reduction in the RV was appropriate.

24. The appellant's representative referred to the layout of the property as being five joined units with two internal dividing walls thereby creating three separate sections with pillars between units. He had submitted three properties that had been given an end allowance for fragmentation. 5% for 24 and 26 Fulton Road having two joined units, 7.5% for Units 3, 3A and 3B Fenton Way for having three joined units and 10% for 7A – 7D International Avenue for having four units. As the appeal property was effectively split into three sections, a 7.5% end allowance was appropriate as any hypothetical tenant would rather have one large warehouse.

25. On 11 September 2023 he had also submitted new evidence for an end allowance. This new evidence was agreed to be accepted by the VO's representative at the start of the hearing. It was in reference to Units 1 – 2 Langley Connect where a 10% end allowance was agreed for the fragmentation of two buildings.

26. In response, the VO's representative stated that the appellant's representative had not provided any evidence of the internal layout of the appeal property or of the properties he considered comparable and it was therefore difficult to compare. He had inspected the appeal property on 2 February 2024 and noted that the access between units was approximately 4 metres wide and therefore ample for access.

27. He was not of the opinion that a hypothetical landlord would discount the rent on this basis but also that certain occupiers prefer to have separate workshop / workhouse areas. Further, it was common to have pillars in older properties. For these reasons he did not believe any allowance was appropriate in this case as allowances were generally given where the fragmentation was much more pronounced.

28. In respect of the land, the appellant's representative stated that it was required for essential circulation and access which would normally be reflected in the £/m^2 rate. Only where additional land is used for storage over and above that commonly found with warehouses and premises should it be included as an addition. For these reasons, he felt it should be removed from the valuation. To support his assertion he had attached an overhead photo of the site outlining that the entirety of the land in front of the warehouses was for access and loading. He stated that there were loading doors at the front of each unit and the remainder of the space is required so lorries can have space to turn. For a lorry to access at the far left and far right loading doors it would have to swing around the entire yard to gain access.

29. He had also included other properties in the same situation as the appeal property with the land being required for access and loading and included overhead photographs.

30. The properties at 1 and 43 Phoenix Way and 606 Central Way where the VO had agreed to remove the land. 20 – 25 Ashford Industrial Estate and Unit 3C Ridgeway Distribution Centre where the land was been removed and 1 Kingston Road where the amount of land had been reduced.

31. The VO's representative referred to the photographs submitted by the appellant's representative and felt that, in his opinion, they clearly showed that the yard in front of the units had cars, empty car spaces, pallets and other items stored there. In addition there was no separate value for the car spaces, even though there appear to be at least 15 marked. The land had been included in the assessment throughout the 2010 rating list and a 2010 rating appeal was withdrawn by Colliers International surveyors that included the land which, in his opinion, meant that its inclusion was accepted. For these reasons, he believed that the land should remain to be included in the valuation.

32. The panel found that the rent on the appeal property was good evidence but was aware that it was not an open market letting and therefore had less weight. However, the panel noted that no rental evidence had been submitted by the appellant's representative of his submitted comparable properties.

33. The panel found that it was difficult to compare internal layouts of the appeal property or the comparable properties submitted without photographic or layout plan evidence. In any case, the panel found that the photographs they had been shown of the inside of the appeal property clearly showed that there was ample space within the units and little evidence of movement or access being restricted.

34. The panel also found that it was clear from the photographs that the land in front of the units was being used for storage be it temporary or otherwise. There were many palettes of goods in front of the units to the extent that the doors were completely blocked by them. There were many empty palettes stored by the side of the units and there was racking situated in the yard in front of the units. The appellant's representative had stated that the yard had to be kept clear for access and loading yet this was not apparent.

Decision

35. In cases such as this the onus is on the appellant to provide sufficient evidence to support his case that the valuation of the appeal property was unreasonable, however, the panel found that no such evidence had been provided.

36. The appeal was therefore dismissed.

Right of further appeal

37. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) within **four weeks** of the date this decision and statement of reasons is issued.

38. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions*" available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mr A Ramsay, Senior Member (Presiding)
Prof. I Solanke, Senior Member
25 June 2025

Mr D Adamson
Clerk to the Tribunal
Date issued to the parties: 25 June 2025