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

Case No: CHG100818530

Sitting remotely using Microsoft Teams

Date: 18 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — fragmented site; should allowance be given for fragmentation; settlements details where allowances were given for fragmentation – appeal allowed

Before:
MR C M TAYLOR
PROF P CATTERALL

Between:

MOLECULAR PRODUCTS LIMITED **Appellant**

- and -

(VALUATION OFFICER) **Respondent**

Regarding:
EAST POINT, PARKWAY, HARLOW, CM19 5FR
(the “subject property”)

Mr M Webb of Colliers Internation for the Appellant
Mr L Stevens for the Respondent

Hearing date: Thursday 31 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed. The panel confirms a 12.5% allowance for fragmentation which in turn confirmed rateable value (RV) £214,000 with effect from 1 April 2017.

Introduction

1. This appeal has been brought in respect of the following: an appeal was lodged by Colliers International on behalf of the occupier Molecular Products Ltd Ltd on 23 November 2023 against the Valuation Officer's decision of 7 August 2023.

2. Mr Webb 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 Webb's declaration of truth included a statement that he was not instructed under any conditional fee arrangement. Mr Webb 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.

3. Mr Stevens appeared both the panel in the dual role of advocate and expert witness.

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

Preliminary Issue

5. It was noted that the VO had objected to evidence that had been included in the appeal documents but had not been included during the check and challenge stage. This information related to settlements details. At the hearing the respondent no longer objected to the inclusion of the evidence and the panel accordingly admitted the document as a whole.

Issue

6. The issue before the panel concerned whether or not an allowance should be applied to the subject property's assessment due to fragmentation of the site. In the check/challenge the appellant's representative had sought a 12.5% allowance for fragmentation and 7.5% for increase repair liability and duplication of unusable areas but in his appeal the appellant's representative had sought only a 12.5% allowance for fragmentation. The respondent considered that the current RV was reasonable having regards to the rent on the subject property.

7. The antecedent valuation date is the 1 April 2015 and the material date is 1 April 2017.

8. The subject property is described as a warehouse and premises, and it is located on the Harlow Business Park in Essex. It comprises five separate modern industrial units (three in one terrace and two in another terrace) with no internal connection between any of the units. The units had been assessed as one hereditament with a RV of £245,000 with effect from 1 April 2017.

Decision and reasons

9. Mr Webb referred to the subject property's rent from 2009, which was six years before the AVD and was subject to both a two year rent free period and incentives. It was reviewed in 2014 with no change in the rent payable due to a clause in the lease which considered the market rent for each individual unit but in 2019 the rent had increased. He considered the rent not to be relevant in this instance as it valued the five units individually and not as one unit.

10. Mr Webb considered that an allowance should be applied to the subject property due to it being fragmented with no internal connection between any of the five units. He did not consider the locality of a property had an impact on whether or not an allowance should be granted but based on each property accordingly.

11. In support of his contention that an allowance was applicable he referred to other properties that had been awarded allowances for fragmentation which had ranged from 5 % to 15% some of which had been confirmed by Valuation Tribunal decisions. He also referred to a settlement of an appeal where an allowance of 5% was increased to 15% on a consent order. He did not consider the fact that no other hereditament within the same scheme as the subject property had an allowance for fragmentation was good evidence not to award an allowance for the subject property. He considered that a 12.5% should therefore apply to the subject property.

12. In answer to a question Mr Webb analysed the rent to approximately £45 per m² and that the price per m² adopted was £52,000.

13. Mr Stevens stated that whilst he had not inspected the property internally, he had externally. He understood that the lease commenced in 2009, but the property was not entered into the rating list until 2012 following its refurbishment.

14. Mr Stevens stated he was considering five units as one unit fresh to the market and the property must have been suitable for the occupier's operations with good loading to front and barrier control entrance/exit and security hut. He understood that the lease was £350,000 per annum with 2 years rent free and therefore the RV of £245,000 appeared reasonable.

15. Mr Stevens accepted that allowances for fragmentation had been granted around the country, but he did not have the rental evidence for those properties and considered that when considering the rent passing the RV was reasonable and the appeal should be dismissed.

16. In answer to a question Mr Stevens stated that the rent had been analysed to £96.98 per m² but accepted this may not be correct due to rent free period and other incentives.

17. The panel noted that the respondent considered that the RV was not unreasonable due to the rent payable of £350,000 per annum. However, it would appear that the rent free period had not been taken into account especially in the VO's analysation of the rent which Mr Stevens admitted appeared to be incorrect. The panel considered the appellant's representative approximate analysation of £45 per m² appeared reasonable.

18. The panel therefore noted that Mr Webb's analysed rent of £45 per m² was lower than £52.50 per m² adopted. The analysed rent was lower than the price per m² adopted which the panel considered illustrated that the current RV was not reasonable.

19. Mr Webb provided details of other assessments where allowances were granted for fragmentation. A 5% allowance had been granted for two adjoining units, 7.5% for three units but with internal connectivity and 10% for two adjoining units. An allowances of 15% had been granted for two properties that consisted of five units. The panel therefore considered the 12.5% sought by the appellant's representative for five separate units was reasonable when compared with other hereditaments.

20. The panel having considered the evidence presented had been persuaded by the appellant's representative that RV £245,000 was unreasonable. From the evidence presented the panel considered that a 12.5% allowance for fragmentation was reasonable and should be applied. The panel therefore allow the appeal and confirm RV £214,000 with effect from 1 April 2017.

Valuation

Line	Floor	description	area(m²)	price (£/m²)	Value
1.10	ground	ware	1141.5	£ 52.50	£ 59,928.75
1.20	ground	production area	421	£ 51.19	£ 21,550.99
1.30	ground	office	170.39	£ 63.00	£ 10,734.57
1.40	ground	works office	33.73	£ 52.50	£ 1,770.83
1.50	first	office	160.97	£ 63.00	£ 10,141.11
1.60	first	office	33.33	£ 57.75	£ 1,924.81
1.70	ground	store	240.29	£ 51.19	£ 12,300.45
1.80	ground	office	135.18	£ 63.00	£ 8,516.34
1.90	ground	laboratory	117.63	£ 63.53	£ 7,473.03
1.10	ground	office	26.11	£ 57.75	£ 1,507.85
1.11	first	canteen/office	195.53	£ 57.75	£ 11,291.86
1.12	first	changing rooms	101.44	£ 57.75	£ 5,858.16
1.13	ground	store	268.42	£ 51.19	£ 13,740.42
1.14	ground	store	108	£ 52.50	£ 5,670.00
1.15	ground	office	94.96	£ 63.00	£ 5,982.48
1.16	first	office	93.93	£ 63.00	£ 5,917.59
1.17	ground	store	907.4	£ 51.19	£ 46,449.81
1.18	first	office	120.79	£ 63.00	£ 7,609.77
					£ 238,368.81
		surfaced open spaces	46	£ 150.00	£ 6,900.00
					£ 245,268.81
		allowance for fragmentation		12.50%	£ 30,658.60
					£ 214,610.21
		say RV			£ 214,000.00

Determination

21. Accordingly, we order that the entry in the 2017 Rating List be amended to £214,000 with effect from 1 April 2017 within two weeks of the date of this order.

Right of further appeal

22. 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.

23. 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 CM Taylor, Senior Member (Presiding)

Prof P Catterall, Member

18 August 2025

Mr A Jolly
Clerk to the Tribunal
Date issued to the parties: 18 August 2025