VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; rental evidence: comparable hereditaments; previous Valuation Tribunal decision on subject property; comparison between Rating Lists; appeal allowed

APPEAL NUMBER:	CHG100841900	
RE:	211 Camden High Street, London, NW1 7BT (the “subject property”)	
BETWEEN:	URBN UK Ltd	Appellant
	and	
	Mr A Ricketts (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	Monday 20 May 2024 11:30 am	
BEFORE:	Mr A Ramsay (Presiding Senior Member) Mr AN Backway (Senior Member)	
CLERK:	Mr A Jolly	
APPEARANCES:	Mr S Tivey of Simon Tivey Rating representing the appellant Miss L Tang representing the respondent	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed. The rateable value (RV) is confirmed at £257,500 with effect from 1 April 2017.

Introduction

2. This appeal has been brought in respect of the following: An appeal was lodged by Simon Tivey Rating on behalf of the occupier on 2 January 2024 against the Valuation Officer’s (VO) Challenge Decision Notice of 27 November 2023.

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

4. Mr Tivey 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 Tivey's declaration of truth included a statement that he was instructed under a conditional fee arrangement.

5. Mr Tivey 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.

6. 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).

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

8. Miss Tang, on behalf of the respondent, was acting in the dual role of both advocate and expert witness.

Issue

9. The issue before the panel concerned the price per m² to be adopted having regards to all the evidence available including rental evidence, tonal evidence and previous Valuation Tribunal decisions and the weight to be attached to that evidence.

10. The subject property was a ground floor shop within a four-storey terraced building with flats on the upper floors. It was located within Camden High Street approximately 120 m² from the underground station. It had a narrow shop frontage which led to a narrow corridor and then opened into a large retail space which had formerly been an indoor market. Due to the layout of the subject property it was valued on an overall basis. The property was originally entered into the Rating List at £420,000 based on a price per m² of £700 but following the check and challenge process the RV was reduced to £382,500 based on a price per m² of £635. The appellant's representative sought a reduction to £257,500 based on a price of £425 per m².

Evidence and submissions

11. The bundle comprised a summary of the case from the appellant's representative, the VO's challenge Notice, rental evidence, tonal evidence, photographs, previous Valuation Tribunal decision on the subject property concerning the 2010 Rating List entry and valuations.

Decision and reasons

12. Mr Tivey stated that the uplift between the RV in the 2010 Rating List and the 2017 Rating List had originally been 75% which was reduced to 58% following the check challenge stage. He considered this stood out like a 'sore thumb' when compared with the uplift for other hereditaments within the locality. He stated that the other retail units in the building where the

subject property was situated had seen a zero increase between the lists and the buildings which had been used in the Valuation Tribunal decision to assist in valuing the subject property in the 2010 Rating List having an uplift of 6% and 7%.

13. Mr Tivey stated that the tenure was assigned on the previous lease and has been subject to a rent review in December 2016 and therefore the rental evidence was not of assistance.

14. In support of his contention that £425 per m² should be adopted he referred the panel to a previous Valuation Tribunal decision in relation to the subject property concerning its entry in the 2010 Rating List. The decision was that the subject property should be valued having regards to the price per m² adopted on 115-119 Camden High Street and then apply an uplift of 1.6 to reflect the increase in rental levels and superior position of the subject property compared to that of 115-119 Camden High Street. This gave a price per m² of £400 for the subject property in the 2010 list.

15. He considered that the principle set in the Valuation Tribunal for the 2010 Rating List should still be applied for the 2017 Rating List. As there had been a 6% increase between the 2010 and 2017 Rating List in the price per m² adopted for 115-119 Camden High Street he applied the same 6% to the 2010 price per m² adopted by the previous panel to arrive at a price of £425 per m² for the subject property.

16. Miss Tang considered the subject property was in a tourist destination having 7.8 million visitors to the area in 2014 and as the subject property was located close to the underground station it was a prime locality and therefore her valuation of £382,500 was not unreasonable as you could not ignore the locality.

17. In support of her contention of £635 per m² being adopted Miss Tang referred to the lease which was assigned in 2013 with a premium being paid of £700,000 together with £1,300,000 cost for fitting out the property. She analysed the rental evidence to £1,094 per m².

18. Miss Tang stated that 115-119 Camden High Street and 143-147 Camden High Street, both of which had been valued using the overall basis, were considerably larger than the subject property and were located further from the underground station so would have a lower price per m².

19. Miss Tang stated that each rating list is different and therefore you were not able to rely on a 2010 rating assessment for a 2017 rating assessment and that you must consider the market at the antecedent valuation date. She also stated that you should also stand back and look at the assessment and did it seem correct.

20. Miss Tang having regards to the rental evidence and other evidence in the locality considered the RV of £382,500 for the subject property was not unreasonable.

21. The panel did not consider the rental evidence on the subject property was of assistance as it was too remote from the AVD and would be subject to adjustments to accord with a FRI lease as at 1 April 2015. It also considered that there was limited comparable evidence from the locality due to the subject property being valued on an overall basis and the immediate neighbouring retail units being valued on a zoned basis, although it noted that the price per m² had not altered between the 2010 and 2017 Rating Lists. It also noted that only two other retail hereditaments within the locality had been valued on an overall basis but further noted that they were located further from the underground station and were larger.

22. The panel considered the issue of the location being a ‘tourist destination’ as raised by the respondent in support of her valuation. The panel had regard to the fact that the subject property’s only access was off the Camden High Street so all footfall in the area would have passed those properties where there had been no increase between the Rating Lists. The panel therefore were not persuaded there should be a significant increase in the price per m².

23. The panel was aware that a previous Valuation Tribunal was not binding on it, and it was for the panel to consider how much weight it should place upon it. It noted that the decision related to the 2010 Rating List entry for the subject property and whilst comparisons of values between lists was not a reliable method of valuing it considered that the decision was of assistance as to the method behind valuing the subject property in the absence of suitable rental and comparable evidence.

24. In the previous Valuation Tribunal decision, it was decided to use the price per m² adopted on 115-119 Camden High Street and uplift the price of £250 per m² by a factor of 1.6 to account for difference between the two properties which gave a value of £400 per m². In the absence of other suitable evidence to arrive at a price per m² the panel had been persuaded by Mr Tivey that this method should be applied to the assessment for the 2017 Rating List. The panel noted that the assessment for 115-119 Camden High Street had been increased by 6% from the 2010 Rating List entry and that Mr Tivey had increased the £400 adopted for the 2010 Rating List entry for the subject property by 6% to arrive at a price of £424 per m² but applied £425 per m². The panel also calculated the increase to the entry of 115-119 Camden High Street in the 2010 to 2017 Rating List from £250 to £265 per m² and then applied the factor of 1.6 which also equated to £424 and therefore considered that £425 per m² was reasonable

25. From the evidence presented the panel had been persuaded by the appellant’s representative that the method adopted in the 2010 Rating List to value the subject property should be used to value the subject property for the 2017 Rating List and that the present entry was unreasonable. The panel therefore allows the appeal and confirmed RV £257,500 with effect from 1 April 2017.

Valuation

Description	**Area**	**Price per m²**	**Value**
Ground floor retail	598 m²	£425	£254,150
Air conditioning	504 m²	£7	£3,528
			£257,678
			Say RV £257,500

Order

26. As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2017 Rating List entry to £257,500 with effect from 1 April 2017 within two weeks of the date of this order.

Refund of appeal fee

27. As the ground of the appeal has been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

Date issued to parties: 10 June 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.
