VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; Non-Domestic Rating; Price per square metre; Rental evidence/assessment of comparable properties; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; appeal dismissed.

APPEAL NUMBER:	CHG100890748
RE:	Palmer & Harvey McLane, Millfield Lane, Haydock Industrial Estate, St Helens, Merseyside WA11 9UT (the “appeal property”)
BETWEEN:	Law Distribution LTD — Appellant and Amanda Hitchings BA (Hons) MRICS (Valuation Officer) — Respondent
SITTING:	*remotely using Microsoft Teams*
ON:	Thursday 2 May 2024
BEFORE:	Mrs R Heald, Senior Member Mr AN Backway, Member
CLERK:	Miss K Hendry IRRV(Tech)
APPEARANCES:	Ms E Draycott of Altus Group representing the appellant Mr U Ali representing the respondent

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DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel confirmed the rateable value (RV) £397,500 with effect from 24 May 2019.

Introduction

3. This is a 2017 rating list appeal. Palmer & Harvey McLane, Millfield Lane, Haydock Industrial Estate, Haydock, St Helens, Merseyside WA11 9UT (the appeal property) had been entered

into the 2017 rating list as ‘workshop and premises’ at a RV of £397,500 with effect from 24 May 2019.

4. The challenge proposal was submitted by Altus Group on behalf of Law Distribution Limited and was received by the Valuation Officer (VO) on 21 December 2022. It had been made on the grounds that the RV shown in the rating list on 24 May 2019 was inaccurate. A revised RV of £345,000 was proposed with effect from 24 May 2019, based upon a reduced unadjusted rate from £30.00/m^2 to £26.00/m^2.

5. The VO issued a challenge case decision notice on 11 September 2023 which disagreed with the proposed alteration of the list and stated that the rating list entry was reasonable based on the evidence and information available.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was lodged by Altus Group on behalf of the appellant and received by the Tribunal on 12 January 2024.

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

Background

8. The issue between the parties is whether the subject properties should be valued at a main rate of £30/m^2 as submitted by the VO or a main rate of £26/m^2 as the appellant’s agent submitted.

Relevant Law

9. The panel is governed by Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, which provides that:

> 2(1) The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions—
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> (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;
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> (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;
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> (c) the third assumption is that the tenant undertakes to pay all usual tenant’s rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

10. 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

11. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 24 May 2019, being the date the appeal property was amended in the list.

Discussion

12. Ms Draycott informed the panel that the appeal property was an industrial unit in St Helens, which in effect was a large shed. Historically it had been used for factory purposes and had entered the list on 1 April 2017 with an RV of £447,500. However, prior to the appellants occupation, the property had been stripped out which resulted in a revised assessment of £397,500 with effect from the 24 May 2019, the date of the appellants occupation.

13. Ms Draycott stated that the appeal property had been valued on the wrong scheme. It had been valued in scheme 424673 which was applicable to wholesale warehouses which covered a significant geographical area, covering Cheshire West, Chester, Knowsley, Liverpool, Sefton, St Helens and Wirral. The appeal property was not a wholesale warehouse it was used for storage. Ms Draycott in her opinion stated that she felt the VO had failed to take into consideration the prevailing passing tone or RV's that exist in the St Helens location.

14. Ms Draycott stated that other properties within the scheme were significantly smaller than the appeal property at less than 6263.85/m^2 and had been valued at £31.00/m^2, compared to the appeal property which had been valued at £30.00/m^2 for 13,423.18m^2. She referred to the following comparable properties to support a reduction of the base rate to £26.00/m^2:

    a) John K Philiips Group Limited, Stadium Industry Park, Peasley Cross Lane, St Helens, Merseyside WA9 3AN had been valued at £20.50/m^2 and it measured 12459.10m^2.

    b) 151 Products Ltd, Abbotsfield Road, St Helens, Merseyside WA9 4HU which had been valued at £20.50/m^2.

15. Both of which were reduced from £26.00/m^2 in October and November 2021. Therefore, she asked the panel to reduce the base rate to £26.00/m^2 resulting in a revised RV of £345,000.

16. In response to Ms Draycott's argument, Mr Ali did not consider the comparable properties put forward by the appellant's representative to hold any weight. John K Philips Group Limited was situated directly opposite St Helens Rugby Football club stadium, 4.7 miles away from the appeal property. It had poorer access compared to the appeal property. He considered Haydock Industrial Estate to have a far superior location as it was situated on the East Lancs and very close to the M6. 151 Products Ltd was situated even further away, at 6.7 miles. This property also had inferior access to the motorway.

17. In support of £30.00/m^2 Mr Ali referred to the following comparable properties:

    a) Unit 4, North Florida Road, Haydock Industrial Estate, Haydock, St Helens, Merseyside WA11 9UB. This was on the same industrial estate. It had a new ten-year lease from June 2012 with an area of 8280.67m^2, which analysed to £29.12/m^2. It had been valued at £30.00/m^2.

b) Unit A, Haydock Cross, Kilbuck Lane, Haydock, St Helens, Merseyside WA11 9UX. This was also situated on the same industrial estate. It had a lease renewal from December 2012 which analysed at £31.46/m^2 for an area of 11,429.40/m^2. It had been valued at £30.00/m^2 and was a similar age to the appeal property.

c) Coral Products, North Florida Road, Haydock Industrial Estate, Haydock, St Helens, Merseyside WA11 9TP. Situated on the same industrial estate, with a size of 9216.29m^2. It had been valued at £30.00/m^2.

18. At the hearing Mr Ali informed the panel that Brooker Cash & Carry Ltd had been agreed at £43.00/m^2, which Ms Draycott was not aware of. She asked for a brief adjournment to investigate into this, which the panel granted. However, the panel did not apply any weight to this property as it was not considered like for like with the appeal property, given that it had a trade centre and was open to the public.

19. The panel concluded that the appellant's representative had not successfully demonstrated that the appeal property should be assessed at a base rate of £26.00/m^2. Having regard to the evidence, the panel placed greater weight on the comparable properties which were located on the same industrial estate as the appeal property. Both parties had confirmed that they were similar to the appeal property and were not trade centers open to the public. The best comparable was Unit A, Haydock Cross which was slightly smaller than the appeal property at 11,429.40/m^2 and had been valued at £30.00/m^2. Ms Draycott had argued that the appeal property was significantly larger, but the panel found no evidence that the appeal property should be reduced any lower than £30.00/m^2 based on quantum. The comparable properties sited by the appellant were considered to be further away and in poorer locations, therefore the panel applied less weight to those properties.

20. Based on the evidence before it, the panel held that £30.00/m^2 was not unreasonable.

Disposal

21. In view of the above findings, the panel concluded that it had not been demonstrated that the present RV of £397,500 was unreasonable and therefore the appeal was dismissed.

Date issued to parties: 24 May 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.
