THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 Rating List appeal; guest house and premises; DBU factor in dispute; appeal allowed.

RE: 17 Pulteney Road, Bath, BA2 4EZ

APPEAL NUMBER: CHG100927278

BETWEEN:	Mr E A Dyer	Appellant
	and	
	Ms L Formela-Osbourne (Valuation Officer)	Respondent
PANEL:	Mr M Smith (Presiding Senior Member) Ms S Penni (Senior Member)	
CLERK:	Mrs L Horne	

REMOTE HEARING 1 on Tuesday 6 February 2024

APPEARANCES:	Mr and Mrs Dyer, the appellants Mr C Lambert from Whitestone Commercial, representing the appellants Mrs S Cronk, representing the Valuation Officer Ms M Mills, witness of fact for the Valuation Officer

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Summary of decision

1. Appeal allowed. The panel determined a revised rateable value (RV) of £7,100, with effect from 1 September 2019.

Introduction

2. This is a 2017 rating list appeal. 17 Pulteney Road, Bath, BA2 4EZ (the ‘appeal property’), had been entered into the rating list as ‘self-catering units’ at £12,000 RV. There had been several alterations made as follows:

- In June 2017, the RV was increased to £40,000 based upon a correction of single bed spaces.
- In October 2017, the RV was altered to £27,000 following a review of practice notes.
- The RV was altered to £31,000 with effect from 21 September 2019 to reflect a total of six studio flats, as the basement had changed to domestic use.

3. The challenge proposal was submitted by the appellant and received by the Valuation Officer on 17 February 2023. It had been made on the grounds that circumstances had changed on 1 September 2019: the basement flat had changed to domestic use, which resulted in a reduction in the total number of single bed spaces from 16 to 12 across six en-suite bedrooms. It was further proposed that the description of self-catering units was incorrect as there were no cooking facilities. The appellant requested a revised valuation at £4,500 RV based upon £750 per room. Following receipt of the Valuation Officer's initial response, the appellant revised his valuation to £5,700 RV.

4. The Valuation Officer issued a challenge decision notice on 25 April 2023 which stated that based upon the evidence and information available, the rating list entry was unreasonable, but disagreed with the appellant's proposed alteration. A change of description to "Guest House and Premises" and a revised RV of £19,500 was notified.

5. The appellant subsequently instructed Mr Lambert from Whitestone Commercial to act on his behalf. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal submitted by Mr Lambert on 3 August 2023 was made on the grounds that the valuation for the appeal property was not reasonable.

6. The appeal property was a guest house located in a residential area of Bath. There were six en-suite guest rooms located over three levels: ground, first and second floors. The present valuation of £19,500 RV was based upon a room rate of £2,300 and a Double Bed Unit (DBU) count of 8.55. A 15% discount was applied to the rooms on the second floor due to the lack of a lift.

7. Mr Lambert appeared on behalf of the appellant as advocate, and confirmed that he was not instructed on a conditional fee arrangement.

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

Issue

9. The only issue remaining in dispute was the DBU count to be adopted in the assessment of the subject property.

Evidence and submissions

10. The bundle comprised all of the documents exchanged between the parties as part of the challenge process: initial response to the challenge; Valuation Officer's challenge case decision notice; and appellant's challenge submission.

11. On 2 January 2024, the Valuation Officer issued a request for a consent order to Mr Lambert, which proposed a revised RV of £10,500 with effect from 1 September 2019. This was based upon a reduced room rate of £1,250 and no change to the DBU factor of 8.55.

12. Mr Lambert declined to agree to the consent order request as he still believed that the assessment was excessive and out of line with the established tone for the locality. His revised valuation at £7,100 RV applied the same room rate of £1,250, but with a lower DBU factor of 5.7.

Decisions and reasons

13. In accordance with paragraph 2(1) of Schedule 6 of the Local Government Finance Act 1988, the appeal property must be viewed vacant and to let and valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions. The date of the hypothetical rent is 1 April 2015, the antecedent valuation date (AVD) for the 2017 rating list.

14. 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 was 1 September 2019.

15. The panel noted that there had been agreement reached on the room rate to be adopted, and the only issue outstanding was the DBU count to be applied in the subject assessment. In short, the panel was required to determine whether each of the rooms should be assessed as a suite at a factor of 1.5, or a double room at a factor of 1.

16. Mrs Cronk outlined the Valuation Officer's method for calculating the number of DBUs as follows:

Double/twin	1
Single bed	0.7
Family	1.25
Suite	1.5

17. The present DBU count of 8.55 was based upon the Valuation Officer's classification of six suites at a multiplier of 1.5, less a 15% reduction for the rooms on the second floor.

18. Mrs Cronk contended that the rooms were correctly classified as suites as they were large enough to accommodate additional beds, but had been marketed as large double rooms. Acting as a witness on behalf of the Valuation Officer, Ms Mills stated that she had found the rooms to be spacious, with the benefit of a sofa, table and chairs.

19. Mr Lambert disputed the Valuation Officer's classification as suites. He stated that all six rooms were furnished and advertised as standard double bed units. He contended that the room sizes, layouts and amenities did not warrant a higher DBU factor, as they were typical of Victorian guest houses in the locality and did not offer any premium features such as separate living areas that would justify categorising them as suites.

20. In support of his case, Mr Lambert referred to guidance contained in the Valuation Officer's Rating Manual, which suggested that rooms between 10-20m^2 were classified as double, while units of over 30m^2 or containing two rooms were classified as suites. The rooms at the subject property were all below 30m^2.

21. As Mrs Cronk had confirmed that the guidance referred to by Mr Lambert applied to the 2010 rating list, the panel attached little relevance to the room sizes, as this was no longer included in the guidance for the 2017 rating list.

22. In full consideration of the parties submissions, and with reference to the photographs of the subject property, the panel determined that the rooms were more accurately described as double rooms rather than suites. It was clear that some of the rooms appeared spacious, as demonstrated by the presence of a small sofa, and/or a small table and chairs. However, as highlighted by Mr Lambert, the size of the rooms was typical of Victorian guest houses in this locality. In the panel's opinion, it was not unusual to find a table/desk in a double room, and the addition of a small sofa was not sufficient to change the character from a double room to a suite. It was also considered by the panel that a suite would normally comprise more than one room, in addition to the bathroom, which was not the case at the subject property.

23. The appeal was allowed as the panel upheld Mr Lambert's contention for an alteration to the DBU count from 8.55 to 5.7. The revised valuation of £7,100 RV was confirmed as follows:

Ref	Floor	Description	Area m^2/unit	£ per m^2/unit	Value (£)
1.1	Ground	Double – en-suite	2	1,250	2,500
1.2	First	Double – en-suite	2	1,250	2,500
1.3	Second	Double – en-suite	2	1,062.50 (1,250 less 15%)	2,125
				Valuation sub-total	7,125

Rounded down to £7,100 RV

Order:

24. Under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to alter the entry in the rating list to £7,100 with effect from 1 September 2019.

25. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

26. A refund of the paid fee will now be arranged provided there is no review of the Tribunal's decision. The refund will take around six weeks to process.

Date: 4 March 2024

Appeal number: CHG100927278

Right of appeal

Any party who is aggrieved by the Tribunal's decision 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.