THE VALUATION TRIBUNAL FOR ENGLAND

Non-Domestic Rating Appeal; 2017 Rating List; shop and premises; accuracy of compiled list entry; rental evidence; comparable evidence; allowance for zone A; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal dismissed.

APPEAL NUMBER: CHG100930454

BETWEEN:	The Mortgage Library Ltd	Appellant
	and	
	Joanne Moore Valuation Officer	Respondent

RE: 123-125 Broadway West, Leigh-on-Sea, Essex, SS9 2BU (“the subject property”)

PANEL: Ms Janet Gittens (Presiding Senior Member)
Mrs Amanda Adeola (Senior Member)

CLERK: Mrs Deborah Davies BA (Hons), IRRV (Hons)

SITTING ON: 11 March 2024 (Remote Hearing 2)

APPEARANCES: Ms Rachel Emms, from Hampton Lovett Consultant Surveyors Ltd, the appellant’s representative
Mr Lee Stevens, on behalf of the respondent

Summary of Decision

1. The appeal was dismissed; the appeal property’s assessment remained unaltered at £13,750 Rateable Value with effect from 1 April 2017.

Introduction

2. The appellant challenged the accuracy of the compiled list assessment in the 2017 Rating List. The challenge was submitted on 23 February 2023. The Valuation Officer determined that the proposal was not well founded, declining to make any change to the appeal property’s rateable

value, and issued a decision notice to that effect on 12 July 2023. The Valuation Officer's decision was appealed to this tribunal and the appeal was registered on 22 August 2023, the grounds being that the current valuation for the hereditament was not reasonable, under Regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

3. The appeal property was a shop with a return frontage, located at the end of a parade.

4. In order to assist the tribunal, the parties had agreed all basic facts before the hearing. The total area was of the subject property was $61.23m^2$. The depth of the shop was under 6.1m, meaning that for the purposes of valuation it is all within zone A. The adopted base rate was £225.00 per m^2.

5. Both parties appeared before the panel as advocates.

6. This hearing was held remotely via Microsoft Teams.

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

Issues

8. There were two issues before the panel:
   a. the correct base rate to be applied to the subject property's rating assessment
   b. whether there should be an allowance of 5% to reflect the fact that the property was valued fully in terms of zone A

Evidence and submissions

9. The evidence before the panel comprised two documents, containing all of the evidence disclosed and exchanged during the challenge process. This included rating assessments in support of tone, the parties' skeleton arguments, external photographs of the appeal property and location plan of the subject and comparable properties.

10. For the respondent, Mr Stevens contended that the appeal property's existing assessment of £13,750 Rateable Value was reasonable, based on an base rate of £225 per m^2. The

appellant's representative put forward a revised valuation of £8,500 (adopting £150 per m^2). The appellant's representative also argued that the unusual shape of the shop, being wide and shallow, and on a corner plot, was a disadvantage in terms of valuation because it did not benefit from zones as other shops, even smaller ones, did.

Decision and reasons

11. The term 'rateable value' was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant being responsible for all rates, taxes, repairs and insurance. In respect of all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires the rental levels to be taken as at 1 April 2015, the antecedent valuation date (AVD).

12. The material day (the date by which physical factors have to be considered) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. For this appeal, the material day is 1 April 2017.

13. The panel analysed the competing evidence with reference to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141, which was included in the evidence documents. The Lands Tribunal decision provided guidance on the weight to be attached to rental and assessment evidence. The rent was considered the starting point. The rent for the subject property was £15,600 but this was set in November 2020, over five years after the AVD. The panel noted that the rent was more than the current RV and almost double the proposed RV. The appellant provided evidence of three rents from the same parade from between March 2014 and October 2017. Two of the properties were larger than the subject, at $95m^2$ and $96m^2$ and the third was smaller at $42m^2$. The rents were £14,000, £13,281 and £8,500, respectively. The appellant 'analysed' the rents to base rates of £147.37, £138.34 and £202.38. The panel recognised that the rents had been analysed on an overall basis rather than in terms of zone A, as was the norm for shops. The respondent did not agree that the rents supported the appellant's case, arguing that the RV was lower than the rent in each case. In the panel's opinion, this was an important consideration and demonstrated that the rental evidence did not support any reduction in the appeal property's RV.

14. In line with *Lotus*, the panel then moved on to consider the assessments on other comparable properties. The appellant provided details of four shops on Broadway West that were smaller than the appeal property and had a base rate of £150 p/m^2. The Valuation Officer's location plan showed that these properties were not on the main shopping street, being located 'off' the front and were therefore not as visible to passers-by as the appeal property. The appellant's representative did not contest this.

15. The respondent provided a table with details of 29 comparable properties on Broadway West for the panel to consider. Every property was assessed at £225 p/m^2 and only two, one of which was the subject property, had been challenged. The panel found this supportive of the Valuation Officer's case.

16. The panel considered the appellant's contention that the property should receive an end allowance of 5% in recognition of the contested 'disadvantage' of being assessed entirely in terms of zone A. The appellant had not provided any evidence in support of this reduction and the representative, when asked, was unable to provide an example of another similar allowance. She was also unable to articulate what the disadvantages of a shop being assessed entirely in zone A were. The panel was therefore unconvinced by this argument and determined that an allowance should not apply in this case.

17. Taking all of the evidence into consideration, the panel determined that the present price of £225 per m^2 for the appeal property was not unreasonable. The appeal was dismissed.

Date: 8 April 2024

Appeal number: CHG100930454

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.