



VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List; Shop and premises; Compiled List Entry; 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: CHG100953034

RE: Art Of Living, 72 High Street, Reigate RH2 9AP
(the "appeal property")

BETWEEN:	Art of Living (Reigate) Ltd	Appellant
	and	
	Lucy Dyer MRICS (Valuation Officer)	Respondent

SITTING: *remotely using Microsoft Teams*

ON: Friday 25 October 2024

BEFORE: Ms R Sharma (Presiding Senior Member)
Ms C Y Jones (Senior Member)

CLERK: Miss K Hendry IRRV(Hons)

APPEARANCES: Ms K Breen of Hampton Lovett Consultant Surveyors Ltd
(Appellant's Representative)
Mr J Griggs (Respondent's Representative)

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.
2. The panel confirmed the rateable value (RV) £18,000 with effect from 1 April 2017.

Introduction

3. The challenge proposal was submitted by the appellant's representative and was received by the Valuation Officer (VO) on 10 March 2023. It had been made on the grounds that the RV shown in the rating list on 1 April 2017 was inaccurate. A revised RV of £13,500 was proposed with effect from 1 April 2017, based upon a reduced unadjusted rate from £500/m² to £375/m².
4. The VO issued a challenge case decision notice on 19 July 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.
5. 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 the appellant's representative on behalf of the appellant, and received by the Tribunal on 17 November 2023.
6. The appeal property was a three-storey shop and premises located in the submarket of Elmbridge in Surrey. It measured 126.02m² and was currently valued on a base rate of £500/m². The appeal property had been valued in valuation scheme 331410 – 'The value is applicable to Reigate Town Centre shops in Bell Street, Cage Yard, Church Street, High Street, London Road and West Street.' The tone of properties in this scheme ranged from £160/m² to £700/m².
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 appeal property should be valued at a main rate of £500/m² as submitted by the VO or a main rate of £375/m² as the appellant's agent submitted.

Relevant Law

9. The subject property must be 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 (see paragraph 2(1) of Schedule 6 of the Local Government Finance Act 1988).
10. The panel was aware of the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 cited by the parties. This case had established six propositions, which gave clear guidance to be followed, namely:
 - (1) 'Where the hereditament which is the subject of consideration is actually let that rent should be taken as the starting point.
 - (2) The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of Gross Value in s.19(6) of the General Rate Act 1976 the more weight should be attached to it.

- (3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.
 - (4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.
 - (5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attributed to the differing types of evidence depending on the one hand on the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.
 - (6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in such circumstances, it would be clearly more difficult to reject the evidence of the actual rent.'
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 1992/556) as amended. In respect of the subject appeal, the material day is 1 April 2017.

Discussion

12. The appellant's representative stated that in her opinion the appeal property's current base rate of £500/m² was excessive in comparison to similar properties also situated on the High Street. In particular, 84 High Street which was located just a couple of doors away, and was in the list at a base rate of £375/m². She was aware of the rent on the subject property, but considered that the rent should not be considered independently, but regard should have to the basket of evidence.
13. In response, the VO stated that he did not agree that a reduction was warranted. He referred to the rent on the appeal property from 2016 of £19,000 which was higher than the current RV and did not support a reduction.
14. In addition, the VO had reviewed the comparable properties and held that the appeal property had been valued at £500/m² because it was considered to be located on the more valuable part of the High Street close to prime stores, thus attracting a bigger footfall.
15. He pointed out a natural break in properties by way of the Methodist Church situated across the road from the appeal property. He argued that the base rate for shops located after the break are gradually reduced the further they go up the High Street because they are considered to be in a less valuable part of the road. Shops from 52 to 72 High Street had all been valued at 500/m², 84 to 88 High Street had been valued at £375/m² and 90 and 92 High Street had been valued at £325/m².
16. The panel concluded that the appellant's representative had not successfully demonstrated that the appeal property should be assessed at a base rate any lower than £500/m². Whilst rent on other properties had not been provided, and the rent on the appeal property was the starting point. The panel held that it did not support a reduction as the rent was higher than the RV. Also, the comparable properties situated close to the appeal property had all been

valued at £500/m² and the appellant's representative had not demonstrated that the appeal property was situated on a less valuable part of the High Street.

Disposal

17. In view of the above findings, the panel concluded that it had not been demonstrated that the present RV of £18,000 was unreasonable and therefore the appeal was dismissed.

Date issued to parties: 13 November 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.
