THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 rating list appeals; Local Government Finance Act 1988; Valuation £/m^2; Appeal dismissed.

RE: Units 9 -10, Mills Road, Sudbury, Suffolk CO10 2XX

APPEAL NUMBER: CHG101054605

BETWEEN:	RVM Plumbing and Heating	Appellant
	and	
	Jo Moore (Valuation Officer)	Respondent

BEFORE:	Mrs Stacey Patel	(Chair and Senior Member)
	Mrs Amanda Adeola	(Senior Member)
CLERK:	Mr Duncan Adamson IRRV (Hons)	
REMOTE HEARING 2:	5 February 2024	
PARTIES PRESENT:	Mr Richard Mills	Appellant
	Mr Christopher Cole	Respondent's representative

Summary of decision

1. Appeal dismissed. The Rateable Value (RV) of the appeal property was confirmed as £11,500 with effect from 19 July 2021.

Introduction

2. This appeal had been brought in respect of the following: the appellant was the non-domestic rates payer of the appeal property at Units 9 -10, Mills Road, Sudbury, Suffolk CO10 2XX.

3. The appeal property was a single storey brick built industrial unit on Mills Road with a metal roof constructed in 1986 and refurbished in 2021. It had two offices situated to either side of the front of the property separated by two roller doors giving access to the workshop. In the main workshop space, there were two smaller rooms of breeze block construction with windows and doors opening into the workshop.

4. The RV of the property was £12,000 with effect from 19 July 2021 and the appellant had proposed that two parts of the property, “Former Office A” and “Former Office B” should have a different description and rate of assessment £/m^2.

5. The 20.6m^2 office area currently at £50.94/m^2 should be valued at the workshop rate of £46.31/m^2 and the 12.8m^2 office area currently at £50.94/m^2 be valued as internal storage space at £23.16/m^2. These alterations would reduce the RV to £11,000 after rounding down.

6. The VO renamed the two areas as Works Offices and revised the valuation rate to £46.31/m^2. This reduced the RV to £11,500, however, the appellant still sought a further reduction to £11,000.

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

Issue

8. The valuation rate £/m^2 of the appeal property.

Evidence and submissions

9. The bundles comprised all of the documents exchanged between the parties as part of the challenge process including the VO’s case decision notice, assessment summaries and the appellant’s challenge submission.

10. The appellant wanted the descriptions changed to reflect the two former office areas current usage and their £/m^2 rate reduced.

11. He contended that there were three grounds for his appeal. These were:

    - Can the VO reverse a decision made on a Check case at the Challenge stage.

    - Should the source of natural light be considered in assessing the quality of a space?

    - Is internal storage always rated the same as its accompanying workshop?

12. He had stated that the floor areas of the appeal property were actually slightly different to those quoted by the VO and that the 12.8m^2 should be 12.6m^2, the 17.1m^2, 17m^2 and the 92.1m^2, 92m^2.

13. He argued that “borrowed light” instead of “natural light” was a physical characteristic of the Former Office B space and would have an effect on the valuation of the property.

14. He was aggrieved that the VO had not taken the action that he understood he were to take in the decision notice, in particular, that the Former Office B be renamed as internal storage and valued at a rate of £23.16/m^2. He had stated that internal storage was always valued at 50% of the main space rate and that this had originally been the case in respect of the mezzanine floor storage previously present in the property.

15. The VO's representative accepted the revised floor areas submitted by the appellant. He had also reduced the valuation of the 12.6m^2 area to be the same as that of the larger workshop at £46.31/m^2. Further, that the descriptions for both areas had been changed to Works Office.

16. In respect of the argument regarding "natural light" he stated that the amount of light was not an important factor in the rating hypothesis unless there was an absence of light and that was not the case here. Further, that internal storage has the same valuation rate as the main space rate of £46.31/m/^{2}.

17. These changes had not altered the overall rateable value of the appeal property as the valuation was rounded down to the same value of £11,500.

18. He stated that the internal storage space of the appeal property was not the same as the previous inferior mezzanine storage and therefore had not been valued at the 50% rate.

19. For these reasons, he therefore asked the tribunal to dismiss the appeal and confirm the RV of £11,500 with effect from 19 July 2021.

Decision and reasons

20. The panel referred to the Local Government Finance Act 1988 in respect of the definition of rateable value in paragraph 2(1), Schedule 6 to the Act (as amended). 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. The material day for this appeal was 19 July 2021.

21. However, the panel noted that no rental evidence had been produced by either party and this was simply because neither party had contended that, generally, the valuation rates £/m^2 were incorrect. The main issue was that the appellant felt that the rates should be used dependent on the type of space and he disagreed with the VO's interpretation.

22. The panel noted that the appellant felt that the VO had changed his mind during the Check, Challenge, Appeal (CCA) process in respect of the Former Office B redesignation and revaluation. However, during the hearing the panel found that whilst there had been some different interpretations of comments made these did not amount to any deliberate misleading by the VO.
23. In terms of the valuation, the panel was aware that office spaces that have a higher specification than workshops were valued at between 10% to 20% higher than the workshop value depending on the level of quality.

24. Further, that office space with no additional quality is valued at the same rate as workshop areas and internal storage is valued at the same rate as the main workshop space.

25. For the appeal property, the panel found that the VO's representative had adequately explained the changes he had made to the descriptions of the property even though these were not considered satisfactory to the appellant. He had explained how natural and borrowed light may affect the valuation of a property in that its importance becomes more relevant where there is no natural light at all. The panel found this to be a reasonable explanation.

26. The panel was aware that mezzanine areas are generally considered less valuable than, say, workshop areas and this had clearly been shown and explained to be the case in respect of the appeal property in its previous state where the mezzanine area was valued at half that of the main area, however, the panel found that this was now not applicable to the appeal property. Both Former Offices A and B had been valued at the same main workshop rate of £46.31/m^2.

27. The panel noted that the actual RV had changed from £11,732 to £11,578, however, both values are reduced to £11,500 in accordance with the rules in respect of rounding down used by the VO.

28. The panel found that the revised valuation by the VO of the appeal property to £11,500 RV was reasonable and the reasons for the decisions taken by the VO were reasonable and the appeal was therefore dismissed.

Date: 15 February 2024

Appeal number: CHG101054605

Rights 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.