**VALUATION TRIBUNAL FOR ENGLAND**

*2017 Rating List Appeal: warehouse and premises; accuracy of compiled list entry; rental evidence; comparable evidence;*

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| APPEAL NUMBERS: | (a) CHG101057189, (b) CHG101063411, (c) CHG101057273 |
| RE: | (a) Unit 7 Fairway Trading Estate, Fairway Close, Hounslow, TW4 6BU,<br>(b) Unit 10 Fairway Trading Estate, Fairway Close, Hounslow, TW4 6BU,<br>(c) Units 4 & 5, Central Park Estate, Staines Road, Hounslow, TW4 5DJ<br>(the "appeal properties") |

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| BETWEEN: | (a) Steelo Limited,<br>(b) Prestige Food and Wine Limited<br>(c) Expressway Handling | Appellants |
| | and | |
| | Lucy Dyer<br>(Valuation Officer) | Respondent |

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| SITTING: | *remotely using Microsoft Teams* |
| ON: | 30 May 2024, Remote Hearing 3 |
| BEFORE: | Mr A Hussain, Presiding Senior Member |
| CLERK: | Mrs D Davies IRRV(Hons) BA (Hons) |
| APPEARANCES: | Mr Andrew Hair, from Altus Group, on behalf of the appellant as both advocate and expert witness<br>Mr Yonathan Napal, on behalf of the respondent as both advocate and expert witness<br>Ms Jemima Snelgar, on behalf of the respondent as a witness of fact |

**DECISION AND STATEMENT OF REASONS**

**Decision**

1. The appeals for Unit 7 and Unit 10 Fairway Trading Estate are dismissed; the appeal in respect of Units 4 & 5 Central Park Estate is allowed in part.

2. I determined that:

 a) the assessment for Units 4 & 5 Central Park Estate should be reduced to £107,000 Rateable Value (RV) with effect from 14 February 2020 and
 b) there should be no change to the assessments for Units 7 and 10 Fairway Trading Estate.

**Introduction**

3. These are 2017 rating list appeals. The respective properties have RVs of:
 a) Unit 7 Fairway Trading Estate - £90,000 effective from 1 April 2017
 b) Unit 10 Fairway Trading Estate - £106,000 effective from 1 April 2017
 c) Units 4 & 5, Central Park Estate - £108,000 effective from 14 February 2020

4. The appellant was seeking a reduction in the unit price from £85/m$^2$ to £75/m$^2$, which if applied would result in revised RVs of:
 a) Unit 7 Fairway Trading Estate - £80,000, effective 1 April 2017
 b) Unit 10 Fairway Trading Estate - £91,000, effective 1 April 2017
 c) Units 4 & 5, Central Park Estate - £96,000, effective 14 February 2020

5. The appeals were registered on 27 September 2023 for the Fairway Trading Estate properties and 7 February 2024 for Units 4 & 5. The grounds were that the current valuations for the hereditaments were not reasonable, under Regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

6. There was a slight delay to the start of the hearing due to minor technical difficulties with Teams, and the second member was unfortunately unable to join. In accordance with Paragraph 11 of the Tribunal Business Arrangements, I am satisfied that I am authorised to hear and determine this appeal alone. The parties raised no concerns.

7. In order to assist the tribunal, the parties had agreed all basic facts before the hearing. The only remaining dispute concerned the correct unadjusted rate (UAR) to be applied to the subject properties.

8. The representatives of both parties appeared before me as advocates and expert witnesses. Mr Hair confirmed that his company was employed on a contingency fee basis. Both parties declared that they understood and fully accepted that their duty was to the Tribunal in giving evidence and that they would comply with this as well as the requirements of the professional body, regardless of whether or not the evidence supported the client's case. I accepted the expert witness evidence on the above basis: the appeal was not considered complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations. I determined that it was appropriate to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the issue before it.

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

*<u>Background</u>*

10. The appeal properties are warehouses on two neighbouring industrial estates in Hounslow. Similar in age and construction, and ranging in size from 1002m$^2$ to 1236m$^2$, they are all assessed at the same UAR of £85/m$^2$; the appellants are seeking a reduction to £75/m$^2$.

11. The submissions before me comprised of the evidence disclosed and exchanged during the challenge process. These included photographs of the appeal properties, location plans, rating assessments in support of tone, the parties' skeleton arguments, schedules of comparable rental evidence, copies of the proposed valuations.

*Preliminary issue*

12. On 4 May 2024 Ms Snelgar had inspected the properties on behalf of the Valuation Officer. In the course of this inspection she noted that amendments were required to reflect partial heating. In respect of Units 4 & 5 Central Park Estate this resulted in a proposed reduction in RV from £108,000 to £107,000. The proposed changes had been circulated to the parties and this Tribunal in advance of the hearing. As there was no objection from the appellants' representative to the inclusion of this evidence, I determined that it was in the interests of justice to have the most up to date information before me, and so the hearing proceeded on that basis.

**Relevant Law**

13. 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).

14. 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 the Fairway Trading Estate appeals the material day is 1 April 2017; it is 14 February 2020 for Units 4 & 5 Central Park Estate.

15. I analysed the competing evidence with reference to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141, referred to within the evidence provided by both parties. This Lands Tribunal decision provided guidance on the weight to be attached to rental and assessment evidence.

**Discussion**

16. In accordance with *Lotus and Delta* I began by considering the rent on the appeal properties. There was no rental evidence available from the AVD in respect of Units 4 & 5; the rent from February 2019 analysed to £128.56/m$^2$. The appellants' representative had provided rental evidence from 2020 for the Fairway Trading Estate properties; this was supplemented by the valuation officer who had provided additional rental evidence from 2015, which is closer to the AVD. According to the appellants' representative, the 2020 rents for the units analysed to £72.39/m$^2$. The rents from November 2015 analysed to £98.07/m$^2$ for Unit 7 and £83.29/m$^2$ for Unit 10.

17. Reviewing the rental evidence of comparable properties, I noted that the analysed rents provided by the parties ranged from £75 to £110.47 per metre$^2$, consistent with the rents of the appeal properties. The comparable properties were in close proximity to the appeal

properties, and they were all warehouses which had been constructed in the 1970s and 1980s. Number 2 Heathrow International Trading Estate measures 1034m$^2$. The rent, agreed in December 2014, analysed to £89.98/m$^2$. A rent on Unit 2 Skyport Heathrow, agreed in September 2015, analysed to £84.99/m$^2$. These figures suggested to me that £85/m$^2$ was not excessive for the appeal properties.

18. I went on to consider the rate per m$^2$ on comparable assessments. Both the appellants' representative and the valuation officer had provided details of comparable properties which were rated from £75/m$^2$ to £90m$^2$. Unit 14 on the Haslemere Heathrow Estate is larger than the appeal properties at 1870m$^2$ and it is valued at £80/m$^2$. Allowing for quantum I found this supportive of £85/m$^2$ for the appeal properties. The slightly smaller Unit 15A on the same estate has a rate of £90/m$^2$ and an August 2014 rent which the valuation officer analysed to £84.55/m$^2$. I considered that this supported a rate of £85/m$^2$ for the larger appeal properties.

19. Unit 9 Fairway Trading Estate, of a similar age and size bracket to the appeal properties, was confirmed at a rate of £85/m$^2$ by the VT in November 2019. I found this to be very persuasive in support of £85/m$^2$ for the appeal properties.

### Disposal

20. In view of the above findings and conclusions, and considering the whole basket of evidence, I am satisfied that the current assessments of £85/m$^2$ are reasonable. The rateable value in respect of Units 4 & 5 Central Park Estate should be reduced to £107,000 to reflect the partial heating in line with the valuation officer's revised valuation.

21. The Valuation Officer is ordered to reduce the 2017 Rating List entry for Units 4 & 5 Central Park Estate to £107,000 RV, with effect from 14 February 2020, within two weeks of the date of this Order.

## Refund of fees

22. As one of the appeals was allowed in part a refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review requested of the Tribunal's decision. The refund will take around six weeks to process.

**Date issued to parties:** 25 June 2024

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### 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.