VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; warehouse and premises; tone of value in the rating list; rental evidence; comparable properties; appeal dismissed.

APPEAL NUMBER:	CHG101060350	
RE:	13 Glebe Road, Huntingdon, Cambridgeshire PE29 7DX (the "subject property")	
BETWEEN:	Quad Electroacoustics Ltd	Appellant
	and	
	Joanne Moore IRRV (Hons) (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	4 October 2024	
BEFORE:	Miss A M Price, Presiding Senior Member Mrs N Carman, Senior Member	
CLERK:	Mrs A Sloan IRRV(Hons)	
APPEARANCES:	Mr M Saxby of Colliers International (Appellant's representative) Ms E Stanhope-Smith (Valuation Officer's representative)	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel was satisfied that the entry in the 2017 rating list for the subject property was reasonable and confirmed the Rateable Value (RV) at £92,000 with effect from 1 October 2019.

Introduction

3. The appellant made a proposal on 11 May 2023 to challenge the entry in the 2017 rating list of £97,000 with effect from 1 October 2019. The proposal sought a reduction in the main

space price from £50/m^2 to £40/m^2 and a 7.5% end allowance to reflect fragmentation at the subject property. The parties agreed on a 5% allowance, but the Valuation Officer (VO) refused any reduction in the tone. The Challenge decision was issued on 15 September 2023 with a revised RV of £92,000 with effect from 1 October 2019. An appeal against that decision was received by the Tribunal on 15 January 2024.

4. Mr Saxby stated that he was appearing in a dual role as both Advocate for the appellant and Expert Witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson* (VO) [2018] UKUT 0253 (LC), he confirmed that he was not instructed on a success related fee for his appearance. Ms Stanhope-Smith was also appearing in a dual role for the Respondent and provided a statement of truth and declaration prior to the hearing.

5. The subject property is valued as a warehouse and premises. There was no dispute over the survey data and the parties agreed on the appropriate end allowance for fragmentation. Therefore, the only issue for the Tribunal to determine was the correct main space price for the valuation.

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

Issue and Relevant Law

7. The issue to be determined by the panel was the main space price to be applied to the valuation of the subject property. The VO maintained £50/m^2 was fair and reasonable, the appellant contended £40/m^2 was correct.

8. Both parties' submissions referred to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, which provided guidance on the weight to be applied to different forms of evidence.

Discussion

9. Mr Saxby contended that the RV should be reduced to £73,500 on the basis that the evidence supported a main space price of £40/m^2. He referred the panel to settlements on other properties in the same scheme as the subject warehouse (scheme 394645), where the main space price had been reduced. The scheme covers industrial properties built between 1980 and 1989 in the Huntingdon urban area. Mr Saxby explained that the VO had changed the quantum brackets within the scheme since the list was compiled and he considered that the original brackets were correct and would have been established considering evidence at the time.

10. In support of the appellant's case for a reduction in the main space price, Mr Saxby referred to settlement evidence on industrial properties in the same scheme as the subject property, all of which had the unadjusted rate reduced from £50/m^2 to £40/m^2. The panel noted that each of the examples was significantly larger than the subject property at 3,261m^2 (2 Stonehill), 3,172m^2 (6 Blackstone Road), 2,962m^2 (20 St Margarets Way) and 5,381m^2 (3 Redwongs Way). The subject property measured 2,012m^2 at the material date of 1 October 2019.

11. Ms Stanhope-Smith stated that the settlements relied upon by the appellant were all located over a mile from the subject property. She accepted that the quantum brackets had been adjusted since the 2017 list was compiled but contended that this was in response to rental

evidence obtained that suggested an adjustment was required. It was submitted that properties within the scheme measuring from 1,050m^2 to 2,100m^2 were valued at an unadjusted rate of £50/m^2 and those between 2,600m^2 and 5,000m^2 were valued at £40/m^2. Ms Stanhope-Smith stated that the range of values within the scheme was from £40/m^2 to £60/m^2 and the subject property was valued within that range. She did not consider the examples Mr Saxby relied on were comparable in size or location to the subject property.

12. In support of the VO's case to maintain the existing valuation based on £50/m^2, Ms Stanhope-Smith referred the panel to a table of rental evidence. There was no rent passing on the subject property as it is occupied on a freehold basis. Therefore, she explained that the VO had placed most weight on the properties closest in size to the subject property in the same locality and scheme. 2/4 Tower Close measures 2,149m^2 and a rent was agreed on 1 April 2016 at £115,965. It was submitted that this analysed to £53.94/m^2 and therefore supported the valuation for this property at £50/m^2. Although she accepted that this property is just over 2,100m^2, Ms Stanhope-Smith contended that the rent suggested it was a better fit for the lower quantum bracket and the rent supported the same main space price for the subject property, at a similar size. It is located just 0.3 of a mile from the subject property.

13. Also relied upon by the VO was the assessment for 17/18 Alms Close. This warehouse measures 1,917m^2 and a rent was agreed on 1 December 2018 at £109,750. The rent analysed to £49.50/m^2, so it was valued at £50/m^2 although adjusted for the lack of central heating. The panel found this example less useful evidence as the rent was agreed some time after the statutory valuation date.

14. While the panel noted Mr Saxby's contention that the rent on 2/4 Tower Close was unusual being a three-year lease and that the rent agreed in April 2016 was a renewal rather than a new letting, it found this example to be the best evidence. It noted that there were other examples in the schedule of rental evidence where three-year leases had been agreed and was therefore not persuaded that it was particularly unusual for the locality. No evidence had been presented by Mr Saxby to demonstrate that a premium would have been paid for a shorter term, so the panel accepted Ms Stanhope-Smith's submission that it was a renewal agreed on an open market basis, just a year after the antecedent valuation date (AVD) of 1 April 2015.

15. The panel concluded that 2/4 Tower Close was comparable in size to the subject property, in the same scheme, and located nearby geographically. It found that a rent agreed close to the AVD on a comparable property in the same locality carried more weight than settlements on properties that were further away and significantly larger. After considering all the evidence available, the panel considered that the existing valuation at £92,000, including an allowance for fragmentation, was reasonable.

Disposal

16. In view of the above findings and conclusions, the panel dismissed the appeal.

Date issued to parties: 22 October 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.