VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal; Local Government Finance Act 1988; warehouse and premises; end allowance for access and shape; tone: appeal dismissed.

APPEAL NUMBER:	CHG101060555	
RE:	Evolution Interiors Limited, Unit 1C, West Horndon CM13 3ED (the "subject property")	
BETWEEN:	Evolution Interiors Ltd	Appellant
	and	
	Jo Moore (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	10 June 2024	
BEFORE:	Miss KB Riddy, Presiding Senior Member Mr A Hussain, Senior Member	
CLERK:	Miss N Shepherd (IRRV Hons)	
APPEARANCES:	Mr M Webb of Colliers International, on behalf of the appellant Mr L Stevens, on behalf of the respondent	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel found that the entry in the 2017 rating list was not unreasonable and confirmed the Rateable Value (RV) at £79,000 with effect from 1 September 2019.

Introduction

3. The appeal process began with a challenge made by the appellant's representative on 11 May 2023 in respect of the Valuation Officer's rating list entry of the subject property at £79,000 RV with effect from 1 September 2019. The appellant's representative proposed a revised

assessment of £55,000 RV from that date based on a reduction in main space rate and a 12.5% allowance being awarded to reflect the shape and access of the subject property.

4. The respondent issued a challenge case decision notice on 3 October 2023, which found that the proposal was not well founded, and the current rating list entry was reasonable based on the information and evidence available. The appellant's representative appealed that decision to this Tribunal on 25 January 2024 on the grounds that the valuation for the subject hereditament remained unreasonable.

5. The subject property was a warehouse and premises built between 1995-1965, which comprises of both warehouse and office space. It is located at the entrance to Horndon Industrial estate, approximately 1 kilometre from the A127 and 4 kilometres from the M25. It had a Gross Internal Area (GIA) of 1,652m^2.

6. Mr Webb appeared on behalf of the appellant as advocate. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC) his statement of truth included a statement that he was instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that he would comply with this as well as the requirements of his professional body, regardless of whether or not the evidence supported the client's case.

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

Discussion

8. In accordance with paragraph 2(1) of Schedule 6 of the Local Government Finance Act 1988, the appeal property must be viewed vacant and to let and 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. The date of the hypothetical rent is 1 April 2015, the AVD for the 2017 rating list.

9. 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 No. 556) as amended. In respect of the subject appeal, the material day is 1 September 2019.

10. The panel referred to the evidence and arguments provided in support of each issue in dispute.

11. Mr Webb submitted that the subject property had been part of a larger warehouse, which had subsequently been split up into separate units. As a result, due to the fact that the subject property was not purpose built it suffered from a number of disadvantages, in particular it's L shape layout. Mr Webb contended that this shape meant that part of the subject property was unable to be used for storage purposes. He submitted that he considered a 7.5% allowance to be appropriate to reflect the disadvantages caused by the shape of the subject property and a 5% allowance be applied to reflect the poor access at the industrial estate.

12. Mr Webb had provided details of four properties which he considered suffered similar disadvantages to the subject property as a result of irregular shape and which had been afforded an end allowance to reflect these disabilities. The Valuation Officer disputed the

comparability of the properties submitted, contending that two were triangular shape, which differed from the subject property as storage was clearly impaired at the rear. Another only allowed pedestrian access as a result of the layout and the other was significantly smaller than the subject property.

13. With regards to the access at the subject property Mr Webb referred to the fact that access was shared with other occupiers on the industrial estate, meaning that the entrance could often be blocked. The panel had regard to a photograph provided, which Mr Webb submitted demonstrated that access was awkward and tight, as well as providing evidence of comparable properties he deemed to be comparable.

14. Mr Stevens submitted that although access was shared, the subject property was located adjacent to the entrance of the industrial estate which was 12 metres wide, which he considered to be reasonable. Furthermore, he contended that worse positioned properties, situated further from the entrance with more restricted access on the industrial estate did not have any allowances for access.

15. The panel noted that all of the comparable properties submitted by Mr Webb were not situated within the locality of the subject property, and instead were in a variety of locations across the country. The panel considered that allowances had been agreed on these properties within the basis of their locality. As such, it was not persuaded that the comparable properties presented supported an allowance in respect of the subject property.

16. On the issue of whether any allowance was applicable to reflect disadvantages at the subject property in respect of layout and access, the panel ultimately found in favour of the Valuation Officer. The panel was not satisfied that it had been provided with sufficient evidence to demonstrate that there would be any impact upon the hypothetical rental value that could have been achieved at the AVD and that therefore a 7.5% allowance was not warranted for the layout of the subject property and that a 5% allowance was not warranted for access.

17. Mr Webb also referred to the two other warehouses within the same scheme as the subject property and that settlements at these properties supported a reduction in tone at the subject property of 20%. Unit 1, Childerditch Lane had a GIA of 5,389m^2 with a base rate of £21.39m^2 and Unit 4 Childerditch Lane had a GIA 3,294 m^2 with a base rate of £39.62m^2. The panel noted that Unit 1's base rate had been reduced by 55% and Unit 4's base rate had been reduced by 21%.

18. The panel noted the difference in sizes between these two properties and the subject property. The panel considered that taking the difference in sizes into account it would not be unreasonable to expect the larger Unit 1 Childerditch Lane and Unit 4 Chiderditch Lane to have a lower base rate than the subject property. Taking this into consideration, the panel therefore found that these comparables did not necessarily support a lower assessment for the subject property.

19. Having regard to the evidence and submissions of both parties the panel found that it had not been provided with sufficient evidence to persuade it that the current tone of the subject property was unreasonable.

Disposal

20. In view of the above findings and conclusions, the panel therefore confirmed the RV at the subject property to be £79,000 with effect from 1 September 2019 and dismissed the appeal.

Date issued to parties: 9 July 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.
