IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF 2017 RATING LIST APPEALS

Case No: CHG101069616 & CHG101107058

Sitting remotely using Microsoft Teams

Date: 11 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating; 2017 rating list; warehouse and premises; rental evidence; comparable properties; appeals allowed in part.

Before:
MR A HUSSAIN
MR A IQBAL

Between:

PETS AT HOME & PETSMART **Appellant**

- and -

(VALUATION OFFICER) **Respondent**

Regarding:
PETS AT HOME, UNIT C, HUNTINGDON RETAIL PARK, ST PETER'S ROAD, HUNTINGDON, PE29 7DZ
AND
PETSMART HUNTINGDON RETAIL PARK, ABBOTS RIPTON ROAD, HUNTINGDON PE28 2LA
(the "subject hereditament")

Mr Y Ke from GL Hearn for the Appellant
Mrs K Cockhill for the Respondent

Hearing date: 16 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals were allowed in part.

2. The assessments of PetSmart Huntingdon Retail Park, Abbots Ripton Road, Huntingdon PE28 2LA and Pets At Home, Unit C, Huntingdon PE29 7DZ (hereafter, referred to as the subject hereditament) should be reduced to £202,000 rateable value (RV) with effect from 1 April 2017 and 18 July 2019.

Introduction

3. These appeals were 2017 rating list appeals brought in respect of the subject hereditament. PetSmart Huntingdon Retail Park, Abbots Ripton Road, Huntingdon PE28 2LA was entered into the 2017 rating list as a ‘Warehouse and Premises’ at £218,000 RV with effect from 1 April 2017. Due to a name change, Pets At Home, Unit C, Huntingdon PE29 7DZ was entered into the 2017 rating list as a ‘Warehouse and Premises’ at £218,000 with effect from 18 July 2019.

4. GL Hearn, on behalf of the Appellant, submitted a Challenge proposal that was received by the Valuation Officer (VO) on 2 June 2023 with regards to Pets at Home and 8 August 2023 with regards to PetSmart. The proposal sought a reduction in the subject hereditament’s assessment a base rate of £168 per m², which had resulted in a proposed RV of £188,000 with effect from 18 July 2019.

5. After a review of the evidence and available information, the VO issued a Challenge Decision Notice on 2 April 2024 with regards to PetSmart and 21 June 2024 with regards to Pets at Home stating that the assessment of the subject hereditament would not be amended. An appeal against the Challenge Decision Notices was received by this Tribunal on 31 July 2024 on the grounds that the valuation for the subject hereditament was excessive.

6. Mr Ke for the Appellant and Mrs Cockhill for the Respondent both appeared in the dual role of advocate and expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson* (VO) [2018] UKUT 0253 (LC), Mr Ke confirmed that he was not instructed under a contingency fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body, regardless of whether the evidence supported the client’s case.

7. It was, therefore, appropriate for the panel hearing the evidence to consider the “expert” evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

8. Both parties had agreed to the consolidation of the two appeals, allowing them to be heard together.

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

Background

10. The disputed issue was the main space rate to be applied in the subject hereditament’s assessment. A valuation had been put forward by Mr Ke during the Challenge process.

However, he proposed a revised assessment of £190,000 based upon the rent determined for the subject hereditament, which had analysed to £170 per m². The VO maintained that the current main space rate of £195 per m², producing an assessment of £218,000 RV was reasonable.

Relevant Law

11. The subject hereditament 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 to the Local Government Finance Act 1988).

12. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841), the date of the hypothetical rent was 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

13. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined 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 was 1 April 2017 with regards to PetSmart and 18 July 2019 with regards to Pets at Home, when the assessments had been entered into the 2017 rating list.

Case Law

14. The following case law was provided within the evidence pack.

Lotus & Delta v Culverwell (VO) and Leicester City Council [1976] RA141
O'Brien v Harwood (VO) RA 22 2002
K Shoe Shops Ltd v Hardy (VO) and others [1983] 3 All ER 609
Futures London Limited v Stratford (VO) [2006] RA 75

Discussion

15. *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141. This Lands Tribunal judgment provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject hereditament was considered to be the correct starting point but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

16. In this case, the subject hereditament had been subject to a 19 year lease which had commenced from 25 December 1998. The rent passing at that time had been £217,332 per annum. A rent review had taken place in 2008 which resulted in a nil increase. In 2016, a reversionary lease had been agreed to extend the term by 10 years from 25 March 2018 with a rent free period from 1 February 2017 to 31 December 2017. The rent agreed had been set at the same rental figure of £217,332 per annum. Mr Ke stated that the rental analysis of the reversionary lease had been considered to show the main space rate to be £180 per m².

17. The panel gave due consideration to the nature of the reversionary lease in question. A reversionary lease is defined as a lease agreement under which the term does not commence immediately but begins at a future date, typically following the expiry of an existing lease. This arrangement allowed the landlord to secure a future tenancy while

maintaining the current occupancy, thereby offering both parties the benefit of forward planning without necessitating immediate changes to possession or use of the premises.

18. The panel noted that the reversionary lease was agreed in 2016, which was circa one year post AVD of 1 April 2015. The panel referred to *Lotus & Delta v Culverwell*, where the rent of the subject hereditament was considered to be the correct starting point. However, as *Lotus & Delta v Culverwell* also required consideration to be given to the rents of similar properties to confirm or otherwise the level of value indicated by the actual rent of the subject hereditament, the panel considered other rental evidence that had been provided in conjunction to the subject property's lease.

19. Mr Ke referred to the comparable property at Unit D, Huntingdon Retail Park, which had an area of 1,405.50 m² and was currently occupied by B&M. The property was let on a new 10 year lease, which had been agreed on 25 December 2018, but would not commence until 30 July 2019, at an annual rent of £256,806. The lease included a 12 month rent-free period and the rental analysis equated to £165 per m².

20. Mr Ke informed the panel that since the issuance of the Valuation Office Agency Decision Notice, the assessment for Unit D, Huntingdon Retail Park, had been resolved at the Challenge stage and deemed 'Well Founded'. As a result, the RV basis has been reduced from £181 per m² to £160 per m².

21. Mr Ke argued that as the subject hereditament comprised 1,123 m² and, based on an adopted rate of £195 per m², reflected a value differential of approximately 18% when compared to Unit D, which was only marginally larger by 282 m².

22. Mr Ke stated that this level of differential was considered excessive, particularly given the relatively modest difference in floor area. Historical data from both the 2010 and 2023 Rating Lists indicated a value differential of approximately 7% between comparable units, suggesting that the adopted rate of £195 per m² was overstated.

23. Applying a 7% uplift to the agreed basis of £160 per m² for Unit D would support a revised rate of approximately £170 per m² for the subject hereditament. Therefore, Mr Ke requested that the panel allow the appeals and determined the main space rate for the subject hereditament at £170 per m², which would result in a revised RV of £190,000.

24. Mrs Cockhill stated that the rent of the subject hereditament was not highly weighted due to original lease, which had commenced in December 1998. She was of the opinion that the rent reviews that had taken place, with nil increase showed that the lease agreed in 2016 would not have been considered to be an open market rent, but a lease between Landlord and tenant to secure an already ongoing contract.

25. Mrs. Cockhill noted that, due to the absence of sufficient rental evidence, Mr Ke had referenced the rent for Unit D. However, as this was a new lease commencing in July 2019, four years after the AVD it was not considered a reliable indicator of value. Consequently, Mrs. Cockhill placed limited weight on the details of this comparable property.

26. Mrs. Cockhill directed the panel's attention to the comparable property occupied by Tapi Carpets, located at 1 Stukeley Road Retail Park, Stukeley Road, Huntingdon, Cambridge, PE29 6DA. This property, with a floor area of 737.46 m², was smaller than the subject property and had been newly let from 16 January 2017. The lease was agreed for a term of 11 years and five months at an annual rent of £164,992, with rent reviews scheduled every

five years. The main space rate for this property equated to £170 per m². Mrs. Cockhill considered this a more appropriate comparable, as the letting date was nearly two years after the AVD making it temporally closer to the AVD than either the subject property or Unit D.

27. The panel observed that Tapi Carpets was situated less than two kilometres from the subject hereditament, within a comparable retail park. However, it was significantly smaller in size and had a main space value of £170 per m². Mrs. Cockhill also referred the panel to another comparable property located at 2 Stukeley Road Retail Park, Stukeley Road, Huntingdon, Cambridge, PE29 6DA, which had a floor area of 937.80 m², slightly smaller in size to the subject hereditament. This property had a main space value of £215 per m². The panel noted that it was six years older than the subject hereditament yet carried a higher rental value. Mrs. Cockhill expressed the view that this evidence supported the application of a main space rate of £195 per m² for the subject hereditament.

28. The panel observed that Units 1 and 2 at Stukeley Road Retail Park differed not only in size but also exhibited a significant disparity in their main space rental values; £170 per m² for Unit 1 and £215 per m² for Unit 2. Despite being of the same age and located within the same retail park, the notable variation in rental values between these adjacent properties led the panel to assign limited weight to the comparability of the evidence provided for both units.

29. The panel concluded that neither party had presented substantial rental evidence that was closer to the AVD than the subject hereditament. Although the lease for the subject hereditament commenced in 2018, it had been agreed in 2016. The panel found that the analysed rent of 193 per m^2 had to be adjusted to take into account the fact that this was a reversionary lease between the parties and therefore may not fully reflect the market value.

30. The panel also had regard to the assessment of Unit D which was located in the same retail park, the lease was agreed four years post AVD. However, this hereditament was larger by 380 m^2 ITMS, it had a lower analysed rent of £165 per m^2. Allowing for adjustments to the market back to 2015 and for quantum the panel found that this indicated that the subject hereditament agreed rent may have been higher than the market value.

31. On balance, upon reviewing the differences in size and agreed rents between the subject hereditament and Unit D, which had a more comparable rental figure to the subject hereditament, the panel determined that the proposed main space rate of £195 per m² for the subject hereditament was excessive but held that Mr Ke’s proposed rate of £170 per m² to be too low.

Determination

32. In view of the above findings and conclusions, the panel concluded that a revised main space rate of £180 per m² was appropriate for the subject hereditament, as follows:

Floor	Description	Area	Price per m^2 unit	Value £
Ground	Ground Floor Sales	1123.00	180.00	202,140
			Total	£202,140
			Say RV	£202,000

33. Accordingly, we order, under the provisions of Regulation 38 (4) and (9) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, as amended, the VO is ordered to alter the rating list within two weeks of the date of the order to show PetSmart Huntingdon Retail Park, Abbots Ripton Road, Huntingdon PE28 2LA at £202,000 RV with effect from 1 April 2017 and Pets At Home, Unit C, Huntingdon PE29 7DZ at £202,000 RV with effect from 18 July 2019.

Refund of appeals fee

34. The Appellant is also entitled to a full refund of the fees paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

Right of further appeal

35. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) within **four weeks** of the date this decision and statement of reasons is issued.

36. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions"* available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mr A Hussain, Senior Member (Presiding)

Mr A Iqbal, Senior Member

11 August 2025

Clerk to the Tribunal: Ms R Muller
Date issued to the parties: 11 August 2025