VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List appeal: warehouse and premises; valuation scheme and price per m^2 in dispute; Local Government Finance Act 1988; rental evidence, comparable assessments; appeal dismissed.

APPEAL NUMBER:	CHG101075580
RE:	Swift Transport Services Ltd, Siskin Parkway East, Coventry, CV3 4PE (the "appeal property")
BETWEEN:	LPR - La Palette Rouge (GB) Limited — Appellant and (Valuation Officer) — Respondent
SITTING:	*Remotely using Microsoft Teams*
ON:	Monday 31 March 2025
BEFORE:	Ms T Blades, Presiding Senior Member Mr P Jennings, Senior Member
CLERK:	Mrs L Horne
APPEARANCES:	Mr D Johnson from Ryan Property Tax Services UK Limited, representing the appellant Mr T Simango representing the Valuation Officer

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DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed. The panel found that the entry in the 2017 rating list was not unreasonable, and confirmed the rateable value (RV) of £327,500 with effect from 1 April 2017.

Introduction

2. This is a 2017 rating list appeal. Swift Transport Services Ltd, Siskin Parkway East, Coventry, CV3 4PE (the 'appeal property') had been entered in the 2017 rating list as 'warehouse and premises' with an RV of £327,500 with effect from 1 April 2017.

3. The challenge proposal was submitted by Altus Group (now Ryan Property Tax Services UK Limited) on behalf of LPR - La Palette Rouge (GB) Limited, and was received by the Valuation Officer on 19 June 2023. It had been made on the grounds that the RV shown in the rating list was wrong. A revised RV of £285,000 was proposed with effect from 1 April 2017.

4. The Valuation Officer issued a challenge case decision notice on 26 March 2024, which disagreed with the proposed alteration, and stated that the rating list entry was reasonable based upon the evidence and information available.

5. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received by the Tribunal on 14 June 2024, in which the appellant's representative sought an alteration to £285,000 RV, based upon an adopted price of £45 per m^2.

6. Mr Johnson appeared on behalf of the appellant as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), he declared that he was instructed under a contingency based fee. He confirmed 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. The panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations, and was allowable due to the Tribunal's rules on admissibility of evidence. The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

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

Preliminary issue

9. Prior to the hearing, Mr Simango advised that following a joint inspection on 8 November 2024, the presence of air conditioning, heating and two portable buildings had been discovered. When added to the valuation, this resulted in a revised RV of £335,000, however, he confirmed that he was not seeking to amend the 2017 list, as it was now closed.

10. At the hearing, Mr Simango clarified that the air conditioning had been installed in June 2022, and the two portable buildings added in 2021. The clerk advised that as the alterations had been made after the material date of 1 April 2017, the panel could not take them into consideration for the purposes of this compiled list appeal.

Relevant Law

11. Rateable value is to be determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

"(1) The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions—

(a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

(b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic.

(c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

12. 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

13. 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 April 2017.

Discussion

14. The subject hereditament is a warehouse and premises located within Middlemarch Business Park, an established industrial/office site in Coventry. The property was built in the late 1940's/early 1950's, and had been refurbished in recent years to provide external cladding and a new roof. The total significant area had been agreed at 6,163.75m^2. The present valuation of £327,500 RV was based upon an adopted price of £55.00 per m^2, and an end allowance of 5% for age.

15. The case for the appellant was that the Valuation Officer had incorrectly placed the appeal property in valuation scheme 421390, applicable to large distribution warehouses. He referred to discussions with the VOA Specialist Rating Unit on a number of large distribution warehouse assessments which resulted in the following expectations:
    - Total area in excess of 8,000m^2.
    - Clear eaves height of between 12-14 metres.
    - Good land area/access.
    - Good, raised loading areas.
    - Age – generally modern buildings.
    - Actual use.

16. Mr Johnson submitted that the appeal property did not align with the above expectations. He proposed three alternative valuation schemes which he considered to be more appropriate, in support of his adopted price of £45 per m^2. In further support of his contention that £55 per m^2 was excessive, Mr Johnson referred to his analysis of the subject rent: £42.12 per m^2 effective from June 2020.

17. In defence of the present adopted price of £55 per m^2, the Valuation Officer referred to rental evidence and comparable assessments from the same valuation scheme. Mr Simango

argued that the subject rent was too remote from the AVD, and therefore less weight should be attached to it.

18. The panel referred to the extract of valuation scheme 421390 contained in the bundle:

> "This valuation scheme primarily applies to large distribution warehouses, but may include large modern production facilities. It is assumed that these properties have an eaves height in excess of 7.5 metres."

19. It was therefore clear to the panel that the scheme was not solely for large distribution warehouses. This was evidenced by the following properties presented by the Valuation Officer:
    - Macfarlane Packaging Ltd, Siskin Parkway East, Middlemarch Business Park – warehouse and premises of 1,053.42 m^2, with an eaves height of less than 12 metres.
    - Unipart Group Limited, Plot 6020, Siskin Parkway East, Middlemarch Business Park – warehouse and premises of 7,902.19 m^2, with an eaves height of less than 12 metres

20. With reference to the photographs, the panel found that the appeal property was reasonably described as a large modern warehouse. It had an eaves height of 8.8 metres, which was in excess of the 7.5 metres required by the scheme. Although it had been built in the 1940's /1950's, the recent refurbishment had brought the property to a modern standard, and the end allowance of 5% reflected that the property was not a modern build. The panel was therefore not persuaded by Mr Johnson's contention that the appeal property had been incorrectly placed in valuation scheme 421390. The panel also took into account the point made by Mr Simango that valuation schemes were used as a convenient method of grouping properties together.

21. The panel turned to the issue of the adopted price per m^2. Mr Johnson had cited his analysis of the subject passing rent in support of his contention that £55 per m^2 was excessive. On this point, the panel considered that a rent effective from June 2020 was too far removed from the AVD of 1 April 2015, and therefore attached more weight to the rental evidence of comparable properties scheduled by the Valuation Officer:

    Aga Rangemaster Plc, Juno Drive, Leamington Spa, CV31 3RG

    Warehouse and premises of 9,876.7m^2 – a rent effective from 31 August 2014 analysed at £56.93 per m^2. The property had an eaves height of 10 metres, and had been assessed at £65 per m^2.

    A larger property located ten miles away, but in a similar location to the appeal property. This was the closest rental transaction to the AVD, and therefore carried most weight.

    GEFCO UK Ltd, Siskin Parkway East, Middlemarch Business Park, CV3 4PE

    Warehouse and premises of 7,746.3m^2 – a rent effective from 1 November 2016 analysed at £60.41 per m^2. The property had an eaves height of 7.62 metres, and had been assessed at £60 per m^2.

    A smaller property in a similar location to the appeal property. As a post AVD rent, it carried less weight, however, the adopted price of £60 per m^2 demonstrated that £55 per m^2 for the appeal property was not unreasonable.

P& O Distribution, Siskin Parkway East, Middlemarch Business Park, CV3 4PE

Warehouse and premises of 15,216.73m^2 – a rent effective from 1 July 2016 analysed at £54.69 per m^2. The property had an eaves height of 12.5 metres, and had been assessed at £65 per m^2.

A larger property in a similar location to the appeal property. As a post AVD rent, it carried less weight, however, the adopted price of £65 per m^2 demonstrated that £55 per m^2 for the appeal property was not unreasonable.

Unit 3, Siskin Parkway West, Middlemarch Business Park, CV3 4PW

Warehouse and premises of 5,957.47m^2 – a rent effective from 1 July 2017 analysed at £65.88 m^2. The property had an eaves height of 7.1 metres, and had been assessed at £60 per m^2.

A smaller property in a similar location to the appeal property. As a post AVD rent, it carried less weight, however, the adopted price of £60 per m^2 demonstrated that £55 per m^2 for the appeal property was not unreasonable.

22. The panel found further support for the present assessment of the appeal property at £55 per m^2 with reference to the additional comparable properties from the same scheme, cited by the Valuation Officer:

    Unit 1 Front Plot J2, Central Boulevard, Prologis Park, Coventry CV6 4QJ

    Factory and premises of 1,939.49m^2, with an eaves height of 8 metres. The base price of £52.50 per m^2 had been agreed with Altus Group.

    Unit H4, Pilgrims Walk, Prologis Park, Coventry CV6 4QG

    Warehouse and premises of 2,969.21m^2, with an eaves height of 8.66 metres. The base price of £53 per m^2 had been agreed with Altus Group.

    Unit 2 Rear Plot J2, Central Boulevard, Prologis Park, Coventry CV6 4QJ

    Warehouse and premises of 1,645.92m^2, with an eaves height of 8 metres. The base price of £52.50 per m^2 had not been subject to a challenge.

23. The panel noted that the appellant's representative had not provided any rental or comparable assessments in support of his adopted price of £45 per m^2. Having determined that the appeal property was appropriately valued in scheme reference 421390 and assessed in line with comparable large modern warehouses, the panel considered that the appellant's representative had failed to demonstrate that the present RV was unreasonable.

Disposal

24. In view of the above findings, the panel confirmed the present assessment of £327,500 RV with effect from 1 April 2017 and dismissed the appeal.

Date issued to parties: 28 April 2025

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.