VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List appeal: vehicle repair workshop and premises; price per m^2 in dispute; Local Government Finance Act 1988; rental evidence; settlement evidence; appeal dismissed.

APPEAL NUMBER:	CHG101082706
RE:	Allens of Romford, Jutsums Lane, Romford, RM7 0ER (the "appeal property")

BETWEEN:	Allen Ford UK Ltd	Appellant
	and	
	Andrew Mouland (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 M Clayton from Ryan Property Tax Services UK Limited, representing the appellant Mr S Forbes representing the Valuation Officer

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 £207,000 with effect from 1 April 2017.

Introduction

2. This is a 2017 rating list appeal. Allens of Romford, Jutsums Lane, Romford, RM7 0ER (the 'appeal property') had been entered in the 2017 rating list as 'vehicle repair workshop and premises' with an RV of £207,000 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 Allen Ford UK Ltd, and was received by the Valuation Officer on 5 July 2023. It had been made on the grounds that the RV shown in the rating list was wrong. A revised RV of £174,000 was proposed with effect from 1 April 2017.

4. The Valuation Officer issued a challenge case decision notice on 17 May 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 30 May 2024, in which the appellant's representative sought an alteration to £174,000 RV, based upon an adopted price of £25 per m^2, and an increase in the end allowance for fragmentation from 5% to 10%.

6. At the hearing, Mr Clayton confirmed that following discussions with the Valuation Officer, he now conceded that the present end allowance of 5% for fragmentation was sufficient. He therefore proposed a revised valuation of £184,000 RV, based upon his adopted price of £25 per m^2.

7. Mr Clayton 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.

8. 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.

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

Relevant Law

10. 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.

11. 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).

12. 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

13. The subject hereditament is a vehicle repair workshop and premises, built in the 1960’s, with a total area of 5,489.51m^2. The property is held leasehold at a passing rent of £329,950 per annum, effective from 31 December 2018.

14. The present assessment of £207,000 RV is based upon an adopted price of £30 per m^2 and an end allowance of 5% for fragmentation.

15. The case for the appellant is that £30 per m^2 is excessive in light of the settlement evidence in respect of similar aged properties in the locality. Mr Clayton submitted that as the subject rent is almost four years post AVD, it is not helpful in ascertaining the correct price per m^2.

16. In support of his adopted price of £25 per m^2, he referred to Samal House, Langley Close, Romford RM3 8XB. This was a property of 4,806.84 m^2, built in 1973 and assessed in the same scheme as the appeal property. Mr Clayton stated that it had been valued at a higher level than the appeal property in previous rating lists, and there had been an agreement with the Valuation Officer to reduce the adopted price for the 2017 rating list from £35 per m^2 to £28.50 per m^2. Following the agreement for Samal House, Mr Clayton contended that the appeal property’s adopted value of £30 per m^2 was too high; he further submitted that Samal House had the benefit of a superior location directly off the A12.

17. On behalf of the Valuation Officer, Mr Forbes defended the present adopted price of £30 per m^2. While he acknowledged that little weight could be attached to a rent three years after the AVD, he highlighted that the rent of £329,250 from 31 December 2018, was in excess of the RV at £207,000. With reference to an earlier rent agreed for the appeal property at £235,000 with effect from 1 January 2013, he submitted that if adjusted to the AVD, it would also be higher than the adopted RV of £207,000.

18. Mr Forbes submitted that Samal House was not directly comparable with the appeal property, as it was located four miles away and subject to a different basis of valuation; the subject property is valued on a size matrix, while Samal House is valued on an address matrix. Mr Forbes also commented that there was no rental evidence provided for Samal House to establish if the agreed value was correct.

19. In arriving at the decision that the present adopted price of £30 per m^2 was not unreasonable, the panel decided to attach most weight to the subject rental evidence. The two rents that had been presented either side of the AVD, £235,000 in 2013 and £329,250 in 2018, were both in excess of the adopted RV of £207,000.

20. The panel noted that there had been some discussion between the parties as to whether the 2018 lease was a single letting, or four separate leases. Mr Forbes confirmed that the form of return completed by Altus Group referred to there being only one landlord. Mr Clayton asserted otherwise, however, he did not provide any evidence to support his position.

21. The panel decided to attach less weight to the Samal House settlement, for the reasons outlined by the Valuation Officer. As this had been the basis of Mr Clayton's case for a reduction in the adopted price per m^2, the panel found that he had failed to demonstrate that the present adopted price of £30 per m^2 was excessive.

Disposal

22. In view of the above findings, the panel confirmed the present assessment of £207,000 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.