IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No: CHG101104562

Sitting remotely using Microsoft Teams

Date: 3 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Shop and premises — Zone A price in dispute — Break in parade — Allowance for quantum — Appeal dismissed.

Before:
MRS M CHAGGAR
MR AMRAN HUSSAIN

Between:

SAM99P LTD — **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) — **Respondent**

Regarding:
SAM 99, 67-71 CRANBROOK ROAD, ILFORD, IG1 4PG
(the "subject property")

Mr A Marshall of Conneely Tribe for the Appellant
Mrs S Anderson for the Respondent

Hearing date: 7 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel confirmed the rateable value (RV) of the subject property at £79,500 with effect from 1 April 2017.

Introduction

3. This was a 2017 rating list appeal. The subject property had been entered in the 2017 rating list as “Shop and Premises” at an RV of £84,000 with effect from 1 April 2017. This was based on a Zone A rate of £400 per square meter (psm).

4. The challenge proposal was submitted by Conneely Tribe on behalf of Sam99p Ltd and was received by the Valuation Officer (VO) on 3 August 2023. It had been made on the grounds that the RV shown in the 2017 rating list was wrong and proposed a revised RV of £66,500 based on a Zone A rate of £350 psm and an end allowance of 10% for quantum.

5. Following the exchange of evidence and discussions throughout the challenge period, the VO revised his decision and reduced the RV to £79,500 with effect from 1 April 2017, due to a 5% allowance being applied for quantum. A challenge case decision notice was issued on 5 August 2024 to this effect.

6. Mr Marshall appeared on behalf of the appellant as both advocate and expert in retail valuations. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Marshall declared that his firm was instructed under a conditional fee arrangement.

7. Mr Marshall understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

8. The Tribunal 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 (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial).

9. The Panel therefore considered the expert evidence and attached such weight to it as it saw fit.

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

Background

11. The subject property was a retail unit located in Ilford. It was built pre-1900 and had a total area of 506.20m^2. It was located on Cranbrook Road which had shops on both sides of the road moving away from the town centre and railway station. There was a pedestrian crossing located at the intersection with York Road, closer to the railway station, and a second pedestrian crossing located at the intersection with Wellesley Road, moving north away from the railway station.

Relevant Law

The Local Government Finance Act 1988

12. Schedule 6 of the Act provides that:

    2(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.

13. 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.

14. 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

15. The panel heard from Mr Marshall that the first issue in this appeal was the Zone A rate applied to the subject property. The subject property was located on a retail street in Ilford where the Zone A rates reduced as the properties got further away from the main shopping area and railway station.

16. It is first helpful to describe the section of Cranbrook Road that the subject property is located on. On the west side of the road, the section starts after the York Road intersection. Heading north, there is a gap between numbers 97 and 99 which appears to lead to Rigby Mews located behind the shopping parade. On the east side of the road the parade of shops starts after an intersection with Wilko on one corner and Greggs on the corner where the parade begins. There is then a solid section of units until the Wellesley Road intersection. There are two pedestrian crossings in this section of Cranbrook Road. The first is located between Superdrug on the east side of the Road and 51-53 on the west side of the road. The second is located between 100-102 on the east side of the road and 103-105 on the west side of the road.

17. The subject property was located approximately halfway down the stretch of road on the west side.

18. Both parties agreed that in parades of shops like this, values would fall as the properties moved further away from the main shopping area, and in this appeal that was the town centre and the railway station. The panel heard that where there were natural break points, such as intersections, alleyways, residential entrances, these could be used as the point where values changed.

19. Mr Marshall stated that on the west side of the road, the Zone A rate applied to properties was £400 psm from York Road to the subject property. The properties immediately to the north of the subject property were valued at £350 psm. On the east side of the road, Superdrug was valued at £550 psm and the properties immediately to the north, and all the way to Wellesley Road were valued at £400 psm. It was Mr Marshall's contention that this indicated the pedestrian crossing was the break point and should be mirrored on the west side of the road and therefore the subject property should be valued at £350 psm.

20. Mrs Anderson stated that the subject property was considered to be the break point on the west side of the road due to the change in construction of the buildings. From 51-53 Cranbrook Road, up to and including the subject property, was one line of shops, and after the subject property the shop units had flat roofs due to the upper levels of accommodation being set back. The VO had considered the subject property to be a natural break in the road.

21. Mrs Anderson had submitted rental evidence for units on the west side of the road at numbers 51-53, 55/57, and 47. 51-53 Cranbrook Road was a shop and premises which had a total area of 754.31m^2. There was a new letting with effect from 5 August 2015 for a term of five years for £92,000 per annum. The property was valued in the rating list at £400 psm. 55/57 was a restaurant and 47 was a bank, both were valued in the rating list at £400 psm. Mr Marshall did not think these were comparable. Mrs Anderson stated they had been included to demonstrate consistency in the area. The panel noted that no analysis had been provided for any of the rental evidence.

22. Within the evidence bundle, it was stated that on the west side of the road values closest to the town centre started at £425 psm. The reduction to £400 psm started after York Road.

23. The panel reviewed all of the plans and the photographs provided by Mr Marshall. It noted that whilst Superdrug was located at the pedestrian crossing, the properties immediately to the north were also of a different construction, and identical to those immediately to the north of the subject property on the west side.

24. It was the panel's opinion that there was nothing precluding the east and west side of the road having different break points, as this would naturally happen. On the west side of the road there was a change in values at the York Road intersection with values reducing to £400 psm from 47 Cranbrook Road on the corner. The panel was of the view that there was no evidence to suggest that values should be reduced again after just two units and found this would not be reasonable.

25. The panel found that the break point was after the subject property. The photographs also demonstrated that this was visually the natural break in the parade. No rental evidence had been provided to demonstrate that the break should occur prior to the subject property and the panel was not persuaded that the subject property's RV was unreasonable.

26. The second issue for the panel to consider was the level of allowance for quantum that should be applied to the subject property. Mr Marshall contended that the zoning valuation method did not take into account large frontages and therefore an allowance should be applied. He

referred to 100 Cranbrook Road which had a 15% allowance for quantum and argued that based on that, the subject property should have a 10% allowance. This was because 100 Cranbrook Road measured 952m^2 and the subject property measured 506m^2.

27. Mrs Anderson had agreed that a level of allowance should be applied, however she contended 5% was sufficient as no other property immediately surrounding the subject property had an allowance. 100 Cranbrook Road was significantly larger, further down Cranbrook Road and a corner unit, located on the Wellesley Road intersection. It was her view that this did not warrant a higher allowance for the subject property.

28. The panel noted from the evidence bundle that units located closer to the subject property and on the west side of the road were similar in size, or larger and Mrs Anderson had confirmed no allowances for quantum had been applied. 51-53 Cranbrook Road was 754.31m^2 and 55/57 Cranbrook Road was 375.11m^2.

29. The panel found that sufficient evidence had not been provided to support a 10% allowance for quantum. It was the panel's opinion that 100 Cranbrook Road was significantly larger and as a corner plot had a different frontage to the subject property. The panel was satisfied that the 5% allowance which had been awarded was reasonable.

Determination

30. In view of the above findings and conclusions, the Tribunal Panel was satisfied that the RV of £79,500 with effect from 1 April 2017 was reasonable based on a Zone A rate of £400 psm and a 5% end allowance for quantum. Therefore, the appeal was dismissed.

Right of further appeal

31. 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.

32. 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/.

Mrs M Chaggar, Senior Member (Presiding)

Mr Amran Hussain, Senior Member

2 June 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 3 June 2025