IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101107483

Sitting remotely using Microsoft Teams

Date: 22 May 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2023 rating list; accuracy of the rateable value in the list as at 1 April 2023; warehouse and premises; rental evidence; comparable assessments; appeal allowed.

Before:
MRS A FIELDER
MR A HUSSAIN

Between:

CHASE HARDWARE LIMITED — **Appellant**

- and -

LUCY FORMELA-OSBOURNE (VALUATION OFFICER) — **Respondent**

Regarding:
UNIT 18, BRAMSHALL INDUSTRIAL ESTATE, BRAMSHALL, UTTOXETER ST14 8TD
(the "subject property")

Mr M Iles from Ryan Property Tax Services UK Limited for the Appellant
Mr D Griffiths for the Respondent

Hearing date: 2 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed.

2. The Tribunal panel reduced the subject property's assessment to £43,250 rateable value (RV) from 1 April 2023.

Introduction

3. This appeal was a 2023 rating list appeal brought in respect of Unit 18, Bramshall Industrial Estate, Bramshall, Uttoxeter ST14 8TD (hereafter, known as the subject property). The property was entered into the 2023 rating list with at an RV of £54,000 with effect from 1 April 2023. The subject property was described as 'warehouse and premises'. It had been placed into scheme 596532.

4. Ryan Tax Services UK Limited, on behalf of the appellant, submitted a Challenge proposal that was received by the valuation officer (VO) on 8 August 2023. The proposal sought a reduction in the subject property's assessment to £37,500 RV with effect from 1 April 2023.

5. Mr Iles 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 stated that he was instructed under a conditional fee arrangement.

6. He also 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 or not the evidence supported the client's case.

7. Mr Griffiths, on behalf of the respondent stated that he was appearing as both advocate and expert witness.

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 (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 comprised of a detached warehouse / industrial unit with office accommodation over two storeys to the front. The main part of the building was completed between 1940 and 1954, the offices and an extension to the rear of the main warehouse space were added circa 1999. The subject property had a total area of 1,722.58 m², of which the total significant area was 1,464,22 m².

12. The subject property was situated on Bramshall Industrial Estate in a semi rural location, approximately three miles to the west of Uttoxeter and was accessed by the B5027 connecting Uttoxeter and Stone.

13. The dispute was the main space rate to be applied to the subject property's assessment. Within the original assessment, the adopted unadjusted rate of £37.50 per m² had been applied by the VO to arrive at an assessment of £54,000 RV. However, after reviewing the evidence, the VO revised the assessment of the subject property to a base rate of £32 per m². This was to reflect the age of the subject property. This produced a revised RV of £43,750 with effect from 1 April 2023.

14. Mr Iles had originally requested a reduction in the main space rate to £26 per m². However, after taking into account all facts and relative disadvantages of the subject property, he revised his proposed main space rate to £30 per m², which resulted in a revised RV of £43,250 with effect from 1 April 2023.

Preliminary issue

15. Mr Iles had originally submitted new evidence, which had been contested by the VO. However, in an email in January 2025, the VO stated that he did not consider the new evidence presented as new evidence, but an expansion of the evidence already discussed during the Challenge stage. Therefore, the evidence submitted by Mr Iles was included within his evidence submission.

Relevant Law

16. The panel is governed by Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, which 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.

17. The appeal property 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).

18. The actual date of valuation is 1 April 2021, this being the AVD. As also noted above matters that affect the physical state or enjoyment of the property (termed hereditament) or the

locality were to be taken as at 1 April 2023, the material day for this appeal. When assessing the RV of any hereditament, rating law also requires that it must be assumed to be ‘vacant and to let’, and in the state set out in Schedule 6 of paragraph 2(7) of the Act, in relation to both its physical nature and mode or category of use.

19. Various case law was referred to within the evidence bundle:

Lotus and Delta v Culverwell (VO) & Leicester City Council, [1976] RA 141.
Specialeyes Plc v Felgate (VO) [1994] R.A 387
K Shoe Shops Ltd v Hardy (Valuation Officer) and Westminster City Council, [1980] RA 333
Jafton Properties Ltd v Prisk (Valuation Officer) [1997] RA 137

Discussion

20. The panel had to determine the rateable value for the subject property, which represented a rent that a hypothetical landlord and tenant would agree, as at the AVD, 1 April 2021. The common date was used to ensure that every property was treated in a consistent way.

21. The Lands Tribunal judgment in Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property 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.

22. The panel noted that the subject property was taken on a six year lease effective from 1 June 2020 at an annual rent of £50,000 without incentives. This was a new lease that had been granted following the sale of the occupying business, with the former business owner acting as the Landlord. The panel was informed that the rent return form stated that the parties were not connected and that the rent was determined on a open market value basis. However, the panel considered that the rent achieved should be treated with caution and placed weight upon it as it saw fit.

23. The panel was also informed that other units in Bramshall Industrial Estate were unreliable or not open market, as some of these had been on gentleman’s agreements or further connected party arrangements but that the majority of the properties situated on the Bramshall Industrial Estate were owner occupied. Therefore, he argued that limited weight should be placed on comparables from the subject estate.

24. Mr Iles referred to Units 127 & 128, Fauld Industrial Estate, Fauld, Tutbury, Burton-On-Trent, Staffs, DE13 9HR and 315a-315d Fauld Industrial Estate, Fauld, Tutbury, Burton-On-Trent, Staffs, DE13 9HR, where both had been valued at £30 in the 2023 rating list. The panel found that the comparable properties situated on Fauld Industrial Estate more closely aligned with the subject estate. Even though Units 127 & 128 was much larger in size than the subject property with an area of 2,595.66 m² and was a newer building. Both Units 127 & 128 and 315a-315d were situated within a rural location; had a similar tenant profiles with local owner – occupiers and did not have full time security or modern facilities.

25. The panel considered the comparable property Building 17 Marchington Industrial Estate, Stubby Lane, Marchington, Uttoxeter, Staffs, ST14 8LP. This comparable property was of a similar size to the subject property being 1,464.22 m² and was of a similar age (built between 1940 and 1954). Mr Griffith stated that this property had been valued at £32 per m². The

panel noted that Marchington Industrial Estate was also in a similar location to the subject property's location. Mr Iles considered that Building 17 was not a valid comparable, as it was situated in a superior location with 24/7 security, it had a café and a modern layout. He also stated that the presence of national tenants, like GXO attracted a wider market interest. The panel took into account that although the property was similar in size to the subject property and was of a similar age, the location and facilities were not comparable to where the subject property was located.

26. The panel was aware that rating valuation should assume a hypothetical open-market letting to a tenant fresh to the scene. The panel found that the units situated on Fauld Industrial Estate were more reflective of this than the units situated on Marchington Industrial Estate.

Determination

27. In view of the above findings and conclusions, the panel was satisfied that the correct value for the subject property was £30 per m², aligning with the values placed upon the comparable properties situated on Fauld Industrial Estate. Therefore, the appeal was allowed.

28. The Tribunal Panel orders under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the VO to amend the entry in the rating list to show a revised assessment of £43,250 RV for the subject property, with effect from 1 April 2023.

29. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

30. Any fee paid will be refunded in full in accordance with regulation 13E of the above Regulations.

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 A Fielder, Senior Member (Presiding)

Mr A Hussain, Senior Member

22 May 2025

Clerk to the Tribunal: Ms R Muller
Date issued to the parties: 22 May 2025