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

Case No: CHG101111634

Sitting remotely using Microsoft Teams

Date: 7 November 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2017 rating list; Local Government Finance Act 1988 accuracy of the rateable value in the list as at 1 April 2017; warehouse and premises; end allowance; comparable assessments; appeal allowed in part.

Before:
MR P BLYTHE-BARTRAM
MR SP WOOD

Between:

MULLER UK & IRELAND GROUP LLP — **Appellant**

- and -

(VALUATION OFFICER) — **Respondent**

Regarding:
1-2 ODHAMS TRADING ESTATE, WATFORD WD24 7RY
(the “subject property”)

Mr S Dowds-Jones from Colliers International Ltd for the Appellant
Mr L Stevens for the Respondent

Hearing date: 13 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed in part.

2. The Tribunal panel found that an allowance of 3.5% should be applied to the assessment of 1-2 Odhams Trading Estate, Watford WD24 7RY, (hereafter, known as the subject property), which resulted in a reduced Rateable Value (RV) of £192,000 with effect from 1 April 2017.

Introduction

3. This appeal was a 2017 Rating List appeal. A Challenge was submitted on 16 August 2023 and completed on 16 November 2023, and a decision notice was issued to reflect the changes with a reduction in RV for the subject property from £205,000 RV to £194,000 RV with effect from 1 April 2017.

4. Both Mr Dowds-Jones for the Appellant and Mr Stevens for the Respondent appeared in a dual role as Advocate and Expert Witness. Mr Dowds-Jones declared that he was instructed on a conditional fee basis. In view of the Upper Tribunal's judgment in Gardiner & Theobald LLP v David Jackson (VO) [2018] UKUT 0253 (LC), Mr Dowds-Jones 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 supports his client's case.

5. The panel accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and is 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).

6. As part of their induction training, a new tribunal clerk was observing proceedings. It was explained to the parties that it was the panel's intention to invite the new clerk to accompany it to the retiring room. The parties were assured that the new clerk would simply observe as part of their training. The parties did not have any issues or objections to this.

7. There had previously been an issue regarding the VO's objection to an email sent by Mr Dowds-Jones in March 2024 concerning comparable properties. However, Mr Stevens confirmed that this matter was no longer in dispute and that no objections would be raised in relation to these comparables before the panel today.

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

<u>Background</u>

9. The subject property was a warehouse that had been built in 1982 and consisted of two adjoining warehouse units, separated by a dividing wall. It was situated on the Odhams Trading Estate in Watford. It had entered the 2017 Rating List as a "warehouse and premises" with an agreed area of 2,635.19 m². An unadjusted rate of £70 per m² was applied to its assessment.

10. Initially, there was a dispute concerning the total area, the classification of an area as office space, and the allowance to be applied for fragmentation (divided/split site). Following the

Challenge, the VO inspected the property and amended the assessment to reflect the factual changes identified during the inspection. This resolved the area dispute, and the office space was revalued to reflect its lower quality compared to standard office accommodation. However, in the revised RV, the VO applied only a 2.5% allowance for the divided/split site rather than the 5% requested by Mr Dowds-Jones. Consequently, Mr Dowds-Jones sought a revised assessment incorporating a 5% allowance, which would reduce the RV to £189,000 with effect from 1 April 2017.

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, when the assessment had been entered into the 2017 rating list.

Case Law

14. Extracts of the following case law was detailed within the evidence pack.

    a) *Peter Dixon and Sons Ltd v Elliot* (VO) LT (1967) RA 295

        a. *"Disabilities must be markedly noticeable if not indeed substantial. They must not be merely refinements that subtract from the ideal"*

15. The VO also provided extracts from the following VT decisions.

    b) The Occupier v Staunder (VO)

        a. *The tribunal held "the granting of end allowances will always depend on the particular facts affecting any property. It is unreasonable to assume that, simply because one property has an assessment incorporating an end allowance, that another should automatically be entitled to the same allowance."*

    c) Hainsworth Park Golf Club v VO

        a. *"the principle of granting end allowances would always depend on the particular facts affecting a property. It cannot be assumed that, simply because one property has an assessment incorporating an end allowance, that another property should automatically be entitled to the same allowance. The panel prefers to have regard to the appeal property and to decide whether any allowance is justifiable on its own merits."*

Discussion

16. The panel considered the appropriate end allowance to reflect the site's fragmented layout. Mr Dowds-Jones explained that the dividing wall significantly reduced operational efficiency by limiting internal access between the two warehouse units, which affected circulation and overall functionality. Although some internal access existed, it was restricted and unsuitable for moving larger items between the warehouses. He argued that a hypothetical tenant would generally prefer a single, uninterrupted warehouse space covering the combined area of both units. In addition, the divided configuration increased the occupier's responsibilities for repairs and ongoing maintenance.

17. Mr Dowds-Jones further advised the panel that the warehouse yard areas were divided by metal fencing, which he argued diminished the overall efficiency of the site. He explained that an occupier would typically prefer the yards to be interconnected, as the current separation restricts functionality and ease of use.

18. To support his request for a 5% allowance for the divided nature of the property, Mr Dowds-Jones presented several comparables, mainly warehouses and one workshop, located in various postcode areas. The panel noted these examples generally involved adjoining units where a 5% split-site allowance had been applied.

19. The panel considered Mr Stevens comments on these comparables. It noted that two properties (W3 0BF and W3 8DH) lacked internal interconnection, unlike the subject property. For HA9 0TF, the 5% allowance was agreed under the 2005 Rating List, but no details confirmed an internal door, so limited weight was given by the panel.

20. Other comparables included WD25 9XX, which involved multiple buildings; WD18 8YS, where units were separated by a yard; and HP19 8RY, which had a dividing wall but no evidence of an interconnecting door. IG11 0TP and PE29 6XY also featured divided units without connecting doors.

21. The panel observed that most comparables were outside the local area. Mr Stevens stressed that locality was crucial when determining allowances, which should only apply where the subject property differs materially from properties setting the valuation tone.

22. To illustrate, Mr Stevens provided local comparables at WD18 8YU, WD18 8YS, and WD24 5RS, where a 2.5% allowance was deemed appropriate. The panel noted WD24 5RS had its fragmentation allowance agreed at Challenge stage and confirmed by decision notice.

23. The panel also noted that WD18 8YS had a similar interconnecting doorway to the subject property, with a 2.5% allowance applied. Another property at the same location received 5%, but it involved three units with very limited interconnection, a greater disadvantage than the subject property.

24. The panel referred to observations made in the previous Tribunal decisions of *The Occupier v Staunder (VO)* and *Hainsworth Park Golf Club v VO*. Although full copies of these decisions had not not provided and the panel acknowledged that such decisions are not binding, it agreed with the principle expressed in those cases: *an end allowance applied to one property does not automatically entitle another property to the same allowance.*

25. The panel accepted that both parties agreed an allowance should be applied to reflect the divided/split nature of the subject property. However, it placed limited weight on some of the

comparables cited by Mr Dowds-Jones, as those properties with a 5% allowance lacked interconnecting door. The panel noted that only one comparable presented by Mr Stevens had a 2.5% allowance applied for similar interconnecting doorway constraints, which was more comparable to the subject property.

26. The panel also considered the Lands Tribunal judgment in *Peter Dixon and Sons Ltd v Elliot (VO) LT (1967) RA 295*, which stated that *"the disabilities must be marked, noticeable, if not indeed substantial."*

27. Taking all factors into account, the panel concluded that, in addition to the restricted interconnecting door, the subject property also faced the issue of separate yard areas divided by metal fencing. Both of which was noticeable. While it found that a 2.5% allowance was insufficient, it also considered a 5% allowance excessive, given that the subject property did have an interconnecting door, albeit one that limited movement between the two warehouses.

Determination

28. Taking these findings into account, the panel concluded that an end allowance of 3.5% should be applied to reflect the site's fragmented layout. Using the subtotals provided of £199,719 by Mr Stevens and £199,113 by Mr Dowds-Jones, and applying the allowance of 3.5%, the panel arrived at the same revised RV of £192,000, effective from 1 April 2017.

Order

29. In accordance with Regulation 38(4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, as amended, the Tribunal directs the VO to amend the rating list within two weeks of the date of this order to show the RV of 1–2 Odhams Trading Estate, Watford WD24 7RY as £192,000, effective from 1 April 2017.

Refund of appeals fee

30. 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

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/.

Mr P Blythe-Bartram, Senior Member (Presiding)
Mr S Wood, Senior Member
7 November 2025

Ms R Muller
Clerk to the Tribunal
Date issued to the parties: 7 November 2025