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

Case No: CHG101113754

Sitting remotely using Microsoft Teams

Date: 18 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2017 Rating Appeal —zone A rate in dispute — rental evidence — tonal evidence — appeal dismissed.

Before:
MR AMRAN HUSSAIN
MRS PA CROWTHER-NEWMAN

Between:

LAP **Appellant**

- and -

(VALUATION OFFICER) **Respondent**

Regarding:
4 HENEAGE STREET, LONDON,E1 5LJ
(the "subject property")

The Appellant, the Appellant in person
Mr T Adeyemi for the **Respondent**

Hearing date: 19 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel found that the entry in the 2017 rating list was not unreasonable and confirmed the Rateable Value (RV) at £16,500 with effect from 1 April 2017.

Introduction

3. This is a 2017 rating list appeal. The subject property had been entered into the 2017 rating list as 'shop and premises' at an RV of £16,500 with effect from 1 April 2017.

4. The challenge proposal was submitted by the appellant and was received by the Valuation Officer on 17 August 2023. It had been made on the grounds that the current rateable value was unreasonable and sought a reduction in RV to £12,000.

5. The respondent issued a challenge case decision notice on 24 November 2023, which found the proposal to be not well founded and stated that based on the evidence available, the existing rating list entry of £16,500 RV was reasonable. The appellant appealed that decision to this Tribunal on 24 May 2024 on the grounds that the valuation for the subject hereditament remained unreasonable.

6. The subject property was a 1960's constructed terraced building providing retail units on the ground floor with residential space above. It was within walking distance of Aldgate East Station. It was valued on a Zone A rate of £400/m^2 with an area of 57.76m^2.

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

Relevant Law

8. The panel was 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.

9. 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).

10. 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

11. The panel had regard to *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141. The panel was aware that this was a leading judgment which had set out six propositions to be followed when considering the weighting of evidence. The starting point was the subject rent. Consideration of how the time, subject matter and conditions related to the statutory requirements was required in order to determine how much weight should be attached to the subject rent. The remaining propositions required consideration of the rents of similar properties and comparable assessments. In light of all the evidence an opinion could then be formed.

12. The appellant had provided two assured shorthold tenancy agreements in respect of the subject property dated 1 April 2014 for a period of 60 months at £400 per month and 15 July 2016 for a period of 48 months at £600 per month. The appellant contended that these tenancy agreements demonstrated that the subject property was being let out for an amount less than the current RV either side of the AVD and as such supported the current assessment being too high. The panel had consideration to the tenancy agreements provided but was aware that Assured Shorthold Tenancy's did not apply to properties which were let out for commercial purposes, such as the subject property, as there are different rights and obligations for tenants and landlords of both residential and commercial properties. As such, it found it could attach no weight to this evidence as the agreements provided were not commercial leases.

13. The appellant made reference to consultation he had held with a third-party law firm. He submitted that the law firm had submitted that it considered there had been a mistake with the current valuation and that instead £12,000 would be a more reasonable assessment, taking into account the tenancy agreements in respect of the subject property. The panel could understand the appellant's contention but as previously discussed considered the tenancy agreements to not be useful in accurately calculating the rental values that could have been achieved at the subject property at the AVD due to the differences between Assured Shorthold Tenancy's and commercial leases.

14. To support the current RV Mr Adeyemi provided rental details of a number of properties he considered comparable. Of these, the panel paid particular attention to 1 Brady Street and 60 Cleveland Way. 1 Brady Street had a total area of 51.23m^2 and had a new ten-year lease which was effective from 24 March 2015. Following adjustments for repairs and insurance, this analysed to £640.20/m^2. 60 Cleveland Way had a total area of 43.20m^2 and a 12-year letting effective from 25 July 2015 with three yearly rent reviews at £13,500 per annum. A full repairs and insurance basis had been assumed and the adjusted rent analysed to £441.90/m^2. The panel noted both of these properties had leases which commenced close to the AVD and both the analysed rents at these properties were higher than the Zone A rate of £400/m^2 at the subject property, therefore supporting that to be reasonable.

15. Of the other rental evidence submitted by Mr Adeyemi the panel considered the details pertaining to 8 Heneage Street to also be useful. This property was located on the same street as the subject property and also had an unadjusted rate of £400/m^2.It had a total area of 65.84m^2 and a 10-year lease effective from 1 September 2016 on a full repair and insurance basis at £31,000 per annum, analysing to £673.33/m^2, considerably higher than the £400/m^2 at the subject property. The panel considered this lease had been agreed 17 months post AVD, and as such attached little weight to this rental evidence. However, it considered this to be good evidence in respect of the tone for similar sized shops within the locality.

16. Mr Adeyemi also referred to the assessments of other shops located on Heneage Street, submitting that 1, 2, 6 and 10 Heneage Street all had unadjusted rates of £400/m^2 and measured between 30.70m^2 and 65.84m^2. He submitted that based upon the similarities to the subject property and close proximity the current zone A rate of £400/m^2 at the subject property was more than reasonable.

17. The panel ultimately attached most weight to the evidence provided by the Valuation Officer. It found the rental evidence pertaining to 1 Brady Street and 60 Cleveland Way to be compelling as this demonstrated that similar properties within the locality were being let in close proximity to the AVD for values in excess of the current zone A rate of £400/m^2 at the subject property. Taking this into account, and in conjunction with the tonal evidence provided in respect of Heneage Street the panel considered the current zone A rate of £400/m^2 at the subject property to be reasonable.

Determination

18. In view of the above findings and conclusions, the panel therefore confirmed the RV at the subject property to be £16,500 RV with effect from 1 April 2017 and dismissed the appeal.

Right of further appeal

19. 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.

20. 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 A Hussain, Senior Member (Presiding)

Mrs PA Crowther-Newman, Senior Member

18 June 2025

Miss N Shepherd
Clerk to the Tribunal
Date issued to the parties: 18 June 2025