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

Case No: CHG101131270

Sitting remotely using Microsoft Teams

Date: 23 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2017 rating list; accuracy of the rateable value in the list as at 1 April 2017; shop and premises; rental evidence; comparable assessments; appeal dismissed

Before:
MR AMRAN HUSSAIN
MRS C PARKES

Between:

ARGOS LIMITED **Appellant**

- and -

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

Regarding:
41 CITY ARCADE, COVENTRY CV1 3HX
(the "subject property")

Mr G Garnett of GL Hearn representing **The Appellant**
Ms S Biring for **The Respondent**

Hearing date: 5 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The assessment was confirmed at rateable value (RV) £176,000 with effect from 1 April 2017.

Introduction

3. This appeal has been brought in respect of 41 City Arcade, Coventry CV1 3HX (the ‘subject property’), which was entered in the 2017 rating list as ‘shop and premises’ at RV £189,000, effective from 1 April 2017.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, GL Hearn made an appeal to the Valuation Tribunal for England (VTE) on behalf of Argos Ltd. The appeal was made because the Valuation Officer decided to alter the 2017 rating list to RV £176,000, based on a tone of £70/m^2 following the appellant’s check and challenge. The appellant had sought a reduction to RV £80,500 with effect from 1 April 2017.

5. The appeal to the VTE was made on the grounds that the valuation for the appeal property was not reasonable, as the Valuation Officer had not made any alteration to the rating list in his challenge decision notice.

6. The appellant’s representative, when appearing as expert witness, stated that he was not on a conditional fee arrangement.

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

Background

8. The subject property is a shop and premises located in the City Arcade, Coventry, a shopping centre in Coventry city centre. There is parking available on the rooftop and good access to the A4053. The subject property is in scheme '424087' which is applicable to large shops and department stores in Warwickshire, Worcestershire, Herefordshire, Shropshire, Staffordshire, Birmingham and West Midlands. These are typically in excess of 1850m^2. The subject property has an area of 2523.25m^2.

9. The base level of value adopted for the subject property was not agreed. The valuation officer had adopted £75/m^2, however, the appellant’s representative sought a reduction to £32/m^2 in his analysis which resulted in an RV of £80,500.

10. The appeal to the VTE was made on the grounds that the valuation for the subject property was not reasonable.

Relevant Law

11. The term ‘rateable value’ is defined in Schedule 6 to the Local Government Finance Act 1988 (as amended):

"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".

Discussion

12. The panel had to determine the rateable value for the appeal property, which represented a rent that a hypothetical landlord and tenant would agree, as at the antecedent valuation date (AVD),1 April 2015. The common date was used to ensure that every property was treated in a consistent way

13. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* [1976] RA 141 which had been referred to by both parties 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. The panel noted that there was a lease agreed on the subject property for 25 years effective 22 August 1994 for £250,000 per annum and on agreed on 4 February 2022 for £50,000 per annum which was for 11 months and 28 days, it found both of these agreements to be too remote from the AVD to be particularly helpful.

14. In the decision notice the Valuation Officer had referred to a rent review on the subject property which had taken place in 2014 the panel noted that the rent had been agreed at £99.08/m^2 which was well above the rate adopted for the 2017 list. The panel noted that the rental agreement was an upwards only rent and the agreement was for a nil increase.

15. Mr Garnett explained that this was a dated 1960's style shop in an awful position in City Arcade a defunct shopping centre which is likely to be demolished to make way for housing. Mr Garnett stated that there were no other shops in Coventry like the subject property and he had, therefore, been unable to provide any rental or assessment evidence in the locality.

16. Mr Garnett relied upon one comparable property this was 178-180 Station Street, Burton-on-Trent, Staffordshire DE14 1BN. This was an Argos store the unit was not in the main shopping area of Burton-on-Trent and had been valued at £32/m^2 with an area of 2,644.98m^2. Mr Garnett argued that this store was superior to the subject property, and despite Coventry being a large city and Burton-on-Trent being smaller and a town, he believed it supported a tone of £32/m^2 for the subject property which he stated was in a very poor part of Coventry. The panel noted that no further details regarding rent had been

submitted, it also noted that this property was situated in Burton-on-Trent, a completely different location. It therefore attached weight to this evidence accordingly.

17. Ms Biring referred to what she believed were comparable properties in Coventry. In particular the panel noted that 101-102, Lower Precinct CV1 1DS had been agreed at £100/m^2 and had an area of 4,135m^2; H&M Hennes, The Lower Precinct, CV1 1DS is a similar size to the subject at 2,620.40m^2 and is unchallenged at £110/m^2; 99-101 Lower Precinct had an area of 4251.60m^2, was valued at £100/m^2. She also argued that Coventry was doing well in 2015/17 and the main shopping centre, West Orchard, was booming at the time, she stated that the picture was very different around the AVD prior to the pandemic. The panel found these comparable properties to be useful evidence which suggested that a tone of £70.00/m^2 for the subject property was reasonable, given its inferior location. The panel also accepted the argument that the retail market would have been considerably better around the AVD than it is today.

18. The panel was aware that in cases of this nature the burden of proof is on the appellant's representative to satisfy the Tribunal that the appeal should be allowed. In this case the panel found that there was insufficient evidence, and it was not persuaded by the arguments put forward by the appellant's representative that a reduction in the assessment was warranted. The panel confirmed the RV at £176,000 with effect from 1 April 2017.

Determination

19. In view of the above findings and conclusions, the appeal is dismissed.

Right of further appeal

20. 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.

21. 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 Amran Hussain, Senior Member (Presiding)

Mrs C Parkes, Member

23 June 2025

Mrs H Beresford
Clerk to the Tribunal
Date issued to the parties: 23 June 2025