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

Case No: CHG101133164

Sitting remotely using
Microsoft Teams

Date: 5 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2023 Rating List; Warehouse and Premises; Accuracy of compiled list entry; rental evidence; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal dismissed.

Before:
MS J HOPKINSON
MRS WJ BRIGGS

Between:

MONARCH ACOUSTICS LIMITED **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) **Respondent**

Regarding:
MONARCH EDUCATION FURNITURE, NOTTINGHAM AIRPORT, TOLLERTON LANE, NOTTINGHAM, NG12 4GA
(the “subject property”)

Mr C Cates (advocate) and Mr D Johnson (expert witness) of Ryan, representing the Appellant
Ms A Elkington for the Respondent

Hearing date: 22 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel determined a tone of value of £40.00 per m^2 for the subject hereditament was reasonable and confirmed the rateable value (RV) at £330,000 with effect from 1 April 2023.

Introduction

3. This was a 2023 Rating List appeal. The subject property had been entered in the 2023 rating list as 'Warehouse and Premises' at a RV of £372,500 with effect from 1 April 2023.

4. The challenge proposal was submitted by Ryan on behalf of the appellant and was received by the Valuation Officer on 22 September 2023. A reduction in the rate applied to the main space from £45.00 per m^2 to £30.00 per m^2 was sought resulting in a revised RV of £249,000 with effect from 1 April 2023.

5. The Valuation Officer issued a challenge case decision notice on 19 December 2024, which stated that based upon the evidence and information available, the rating list entry of £372,500 was considered unreasonable and proposed a revised entry of £330,000 based on a rate of £40.00 per m^2.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received by the Tribunal on 14 March 2025.

7. Mr Johnson appeared on behalf of the appellant as expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), he declared that he was instructed under a conditional fee arrangement. He 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 bodies regardless of whether or not the evidence supported the client's case.

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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

9. Ms Elkington appeared for the respondent in a dual capacity as both advocate and expert witness. Her statement of truth confirmed that she was not instructed under any conditional or other success-based fee arrangement.

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

Background

11. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included rental evidence and its analysis, the parties' skeleton arguments, expert witness statements and location maps and photographs of the subject premises and other comparable warehouses.

12. Additional evidence had been submitted by both parties in the form of settlement evidence in support of their respective cases. As this was mutually agreed by the parties, the panel allowed its inclusion.

13. The expert witness for the appellant, Mr Johnson had revised his opinion of the valuation of the subject property further to a review of the evidence and discussions with the respondent. The appellant was now seeking a reduction to a RV of £290,000 based on a main space rate of £35.00 per m^2.

14. The subject property comprises a large modern warehouse constructed in 2017. Within its total area of 8,177.3 m^2 there are 416.2m^2 of ground floor office space resulting in a ITMS (in terms of main space) area of 8,310.5m^2. There is car parking to the front and warehouse access and storage to the rear. It is located approximately five miles south of Nottingham City Centre on the site of Nottingham City Airport with the cities of Derby, Sheffield and Leicester easily accessible by road.

15. The subject property's rent was based on a new lease from 31 March 2017 for a term of 10 years, with three-year and seven-year rent reviews. The passing rent from 31 March 2017 was £250,000 per annum (pa) and this remained the same upon the first rent review of 31 March 2020 and at the second rent review on 31 March 2024.

Relevant Law

16. The term 'rateable value' is defined in paragraph 2(1), 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".

17. In respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021, in accordance with the Rating Lists (Valuation Date) (England) Order 2020 (SI 2020 No. 832).

18. 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 2023.

Discussion

19. In the case under consideration, the panel had analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141.

20. The starting point for consideration was the actual rent passing on the appeal property. The rent review on 31 March 2020 was agreed at £250,000 pa one year prior to the AVD. The appellant did not consider that the rent would be any higher at the AVD as there was a further review on 31 March 2024 with the rent staying the same. He also considered the effect of the national lockdown due to COVID19 was imminent on the 31 March 2020 review date, and the effects were still being seen at the AVD.

21. The respondent considered that rents were depressed at time of the March 2020 review, but the outlook had improved significantly by the AVD, particularly given a significant demand for larger modern warehouses such as the subject property. She therefore considered that the rent agreed at the AVD would have been higher, but that this was a starting point and should be considered along with the basket of rental and assessment evidence for comparable properties.

22. In support of a reduction, the appellant had provided details of warehouses with total areas ranging from 486m^2 to 10,617m^2 in Colwick, Cotgrave and Carlton on Trent, all in Nottinghamshire. Units 20a 20c & 20d Chris Allsop Industrial Estate, Private Road No 2, Colwick Industrial Estate, Colwick, Nottingham, NG4 2JR was let on a new lease with a rent of £150,000 pa effective from 1 June 2021. Based on its total size of 5377m^2 the appellant had analysed this rent to £31.92 per m^2 which is lower than the rate of £35 per m^2 at which it is currently assessed. The premises has been recently merged with Unit 20b (1023m^2) which was assessed at £49.00 per m^2, to form premises with a total area of 6400.9m^2. The merged assessment is currently valued at an unadjusted rate of £35.00 per m^2.

23. Units 7-14 24 & 27, Colwick Business Park, Private Road No 2, Colwick Industrial Estate, Colwick, Nottingham, NG4 2JR was let at £234,830 pa as a result of a lease renewal with effect from 1 March 2020 and was 10,616m^2 in size. The rent had been analysed at £31.75 per m^2 although its RV had been assessed at a rate of £28.00 per m^2. Units 1 & 2 (Site Entrance 2), Ossington Road, Carlton-On-Trent, Newark, Notts, NG23 6NX had a total area of 10,372m^2 and following a rent review on 25 March 2020, its rent had been agreed a £270,000 pa which had been analysed at £27.07 per m^2, close to the adopted rate of £27.00 per m^2.

24. The respondent contended that the properties put forward as comparable by the appellant were generally older than the subject property, built in the late 1990s, and were located on cramped sites, with limited access shared with other occupiers. She considered that the more modern subject property with its own two access points and well configured site would attract a higher rent than these appellant's comparable properties.

25. In support of this, she had provided details of properties which she considered showed that the current assessment for the subject property of £40 per m^2 was not excessive. Prolog,

Manton Wood Enterprise Park, Worksop, Notts, S80 2RS was a warehouse with a total area of 6,577m^2 constructed in 2003. It had let on a new 5 year, 3 month lease effective from 18 October 2021 at £376,667 pa analysed at £53.01 per m^2 and was assessed on a rate of £45.00 per m^2.

26. Champion Laboratories (Europe) Ltd, Mansfield Park, Crown Farm Way, Forest Town, Mansfield, Notts, NG19 0FT was a warehouse with a total area of 9,970m2 constructed in 1998. It had let on a new 5 year lease effective from 1 September 2021 at £508,750 pa analysed at £43.71 per m^2 and it had been assessed on a rate of £38.00 per m^2.

27. Units 5 6 7 & 8, Bemrose Park, Wayzgoose Drive, Derby, DE21 6XQ was a warehouse with a total area of 9,720m2 constructed in 1973. It had let on a ten year lease renewal effective from 1 June 2021 at £390,000 pa analysed at £41.62 per m^2. It is of brick construction reflecting its age which accounted for the lower base rate of £30 per m^2 applied to the assessment.

28. The panel noted that the subject property is fairly unique and there was a lack of similar sized warehouses in the immediate locality therefore both parties had looked further afield for comparable properties. The appellant argued that the respondent's comparables were between 16 and 26 miles from the subject properties in different towns or cities, and therefore in a different locality and market. The panel did not consider that the locations of the respondent's comparable properties were any less reflective of the subject property's location than those of the appellant's comparables, given that they were all in different localities.

29. Having had regard to the whole basket of rental evidence the panel considered that Prolog, Manton Wood Enterprise Park, although slightly smaller and fourteen years older than the subject property, was most comparable in terms of age and construction. Like the subject property, it had ample exterior circulation space and its own access, although unlike the subject property, it did not have separate access for goods and staff. It considered that the rent agreed in October 2021 was closer to the AVD than any of those provided by the appellant, but that the rent would have been slightly less at that date, hence the lower rate applied to the property.

30. Having considered the basket of rental evidence provided, the panel recognised that difference in location and ages of the majority of the comparable properties, but was not satisfied that the rental evidence for the subject property and the comparables demonstrated that the rate of £40.00 per metre adopted by the respondent was excessive.

Determination

31. In view of the above findings and conclusions, the Tribunal is satisfied that the rateable value of £390,000 for the subject property is not excessive and dismissed the appeal.

Right of further appeal

32. 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.

33. 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/.

Ms J Hopkinson, Senior Member (Presiding)

Mrs WJ Briggs, Senior Member

5 September 2025

Mr J Massey
Clerk to the Tribunal
Date issued to the parties: 5 September 2025