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

Case No: CHG101147738

Sitting remotely using Microsoft Teams

Date: 18 November 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — end allowance for shape and fragmentation — appeal allowed in part

Before:
MR WJ READ
MRS PA CROWTHER-NEWMAN

Between:

JAYLOW SUPPLIES LTD — **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) — **Respondent**

Regarding:
JAYLOW HOUSE, ARGALL AVENUE, LEYTON E10 7FD
(the "subject property")

Mr A Bacon for **JMA Chartered Surveyors** for the appellant
Mr Y Napal for the **Respondent**

Hearing date: 22 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal finds that the main space price should be reduced to an unadjusted rate of £70/m^2. However, it was not persuaded that there should be any additional fragmentation or shape allowance. The resultant rateable value (RV) was £297,500.

Introduction

3. The Appellant had made a challenge against the accuracy of the compiled list assessment in the 2017 Rating List, by way of a proposal that he served on the Valuation Officer (VO) on 13 October 2023. After considering the proposal and evidence submitted during the challenge period, the VO decided that the proposal was not well founded. A decision notice to this effect was served on the Appellant on 4 February 2025 and his representatives then appealed the VO's decision to the Tribunal on 23 May 2025, on the grounds that the current valuation for the hereditament was not reasonable, under regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

4. As part of their induction training, a new member of the Tribunal and a new Tribunal Clerk also observing proceedings. It was explained to the parties that it was the panel's intention to invite the new member and Clerk to accompany it to the retiring room. The parties were assured that neither the new member or Clerk would not participate in the decision making exercise but would simply observe as part of their training. Neither party had any issues or objections to this.

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

Background

6. The subject property was a warehouse and premises. It had an area of 4,500m^2 with eaves height of 8m. It had been built in the early 2000s. However due to an extension the VO increased the RV to £342,500 effective from 15 September 2019, based on an unadjusted main space price of £80/m^2. Mr Bacon was seeking a revised RV of £248,000, based on an unadjusted main space price of £65/m^2. He was also seeking a 15% allowance due to the shape of the extension and a 5% allowance for fragmentation. The VO had already allowed a 7.3% allowance to the main space price to reflect the lack of roof and wall linings.

7. As Mr Bacon appeared on behalf of the Appellant as both advocate and expert witness, the clerk asked if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in Gardiner & Theobald LLP v David Jackson (VO) [2018] UKUT 0253 (LC).

8. He declared that he was instructed under a contingency fee basis. However, Mr Bacon confirmed 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.

9. 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).

10. Mr Napal confirmed that he was representing the VO as advocate and expert witness.

11. The issues in dispute before the panel was the unadjusted main space price of the subject property and the amount of end allowance due to fragmentation that should be applied to assessment for the subject property. Although Mr Bacon had stated in his submission that he was disputing the effective date of the revised RV, he had dropped this part of his appeal.

12. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included the parties comparable assessments, skeleton arguments and a photograph of the appeal property.

Preliminary issue

13. There was a preliminary issue in that the VO objected to Mr Bacon's appeal submission as he was seeking a lower RV than he requested in the proposal.

14. He was previously seeking RV £290,000 based on an unadjusted main space price of £78m^2 for the main warehouse, with the extension valued at £39m^2 due to its shape. However, in accordance with his challenge submission, Mr Bacon was seeking RV £248,500 based on an unadjusted main space price £65/m^2 with a 15% allowance for the extension and a 5% fragmentation allowance.

15. Mr Bacon argued that after he received the VO's decision, he based his revised RV on the VO's scheme. It was not based on new evidence, but purely on his re-evaluation of the VO's scheme.

16. Given that Mr Bacon had revised his RV based on the VO's scheme, rather than new evidence, the panel decided to allow Mr Bacon's revised valuation.

Relevant Law

17. 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; and

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

18. As the subject property was owned by the appellant, there was no rental evidence. The warehouse was originally a rectangular shape. However, as there was some land surrounding the subject property, the appellant company decided to build an extension to the main warehouse on the land. This resulted in an 'L' shaped extension. But, the two outside walls were at an angle. Mr Bacon accepted that the extension was purposely built like that to make use of all of the land. However, there were only two doorways from the older part to the new extension and he argued that the extension was unable to accommodate standard racking and that some of it could not be used.

19. Turning to the main space price, Mr Bacon argued that being valued at £80/m^2, the subject property was valued higher than other similar units in the VO's scheme. He suggested that it should be valued at £65/m^2 in line with similar units such as Forest Freight Ltd which had been valued at £65/m^2.

20. However, the panel applied less weight to Mr Bacon's argument that the subject property should benefit from a quantum allowance as there was no evidence that properties within the scheme benefited from such an allowance. Units A2, Eastern Approach 25 and 2, Thames Gateway Park were similar in size but had been valued at £45.50/m^2 and £70/m^2 respectively.

21. Mr Napal contended that the VO's scheme was an addressed based scheme and that it covered assessments in a wide area. He contended that Mr Bacon's comparable properties, although they were in the same scheme, they were located 12 miles away from the subject property. However he had based the value of the subject property by reference to two other units, Alito, Argall Avenue which had an area of 2,950m^2 and had been assessed at £105/m^2 and 115 Brancroft Way which had an area of 4,548m^2 and had been assessed at £80/m^2. However, the panel was not persuaded that these two units were truly comparable to the subject property. 115 Brancroft Way was a builders merchants and therefore it was a different mode or category and Alto was more than 1,000m^2 smaller than the subject property.

22. Within Mr Bacon's evidence bundle, he presented a number of properties that ranged in size from 3,734m^2 to 6,589m^2 and had been valued from £45.50/m^2 to £70/m^2 (excluding the subject property). Apart from the issue of the quantum allowance, which the panel had already concluded there was no evidence to support this, Mr Bacon had not presented any substantial evidence to support a value of £65/m^2. The panel therefore concluded that the subject property should be valued at £70/m^2. This was in line with Unit 3, Thames Gateway Park which was similar in size to the subject property.

23. Although Mr Bacon had argued that the extension should be valued less than the main warehouse, due to the shape, the panel applied significant weight to Mr Napal's contentions that the angle of the outside wall was not as sharp as other units. He referred to 10 Maybells Commercial Estate where an allowance had been granted, but, the angle of the wall was steeper. The panel therefore decided that there should not be any allowance for the angle of the wall/shape of the extension and that the extension should also be valued at £70/m^2. The panel noted that there was gym equipment in the extension and whilst the panel understood

that the property should be valued vacant and to let, there was no evidence presented to the panel to demonstrate that the smaller part of the extension could not be put to any use.

24. Once the panel determined that the subject property should be valued at £70/m^2, it then considered Mr Bacon's argument that a 5% fragmentation allowance should be allowed. It was clear that there was limited access to the warehouse extension. However, the photographs that had been provided to the panel showed that the two doors were quite large and the photographs and plans showed that there was external access to the extension.

25. Mr Bacon had not presented any plans or photographs of other similar properties where a fragmentation allowance had been granted. Furthermore, he did not present anything to the panel to demonstrate that there had been any increased cost to the occupant. The panel was therefore not persuaded that this perceived disability would result in the hypothetical tenant negotiating a lower rental bid.

Determination

26. In view of the above findings and conclusions, the Tribunal concluded that the main space price of the subject property should be reduced to an unadjusted rate of £70/m^2. With the 7.3% allowance for the lack of roof and wall linings, this would be an adjusted value of £64.89/m^2. However, it was not persuaded that there should be any additional fragmentation or shape allowance.

27. The Valuation is as follows:

Floor	Description	Area	Rate/£	Value
Ground	Warehouse	2,470.00	64.89	160,278
Ground	Office	194.41	77.87	15,139
Ground	Mess/Staff Room	30.15	68.14	2,054
First	Office	112.20	73.98	8,291
Ground	Warehouse	1,737.00	64.89	112,714
			Total	298,476
			Rateable value say	297,500

Order

28. 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 Valuation Officer to reduce the entry in the rating list to rateable value £297,500 with effect from 15 September 2019.

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

Refund of appeal fees

30. As the grounds of the appeal have been made out, a refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision.

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 WJ Read, Senior Member (Presiding)
Mrs PA Crowther-Newman, Senior Member

18 November 2025

Mr Richard Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 18 November 2025