VALUATION TRIBUNAL FOR ENGLAND

2023 Rating List Appeal: Local Government Finance Act 1988; price per m² to be adopted; property comprises a building of different ages; should price per m² reflect different ages; property is divided into three sections should the 5% allowance be increased. Appeal allowed in part.

APPEAL NUMBER:	CHG101152758
RE:	Units 1-3 Pride Works, Park Lane, Halesowen, BS3 2RA (the "subject property")

BETWEEN:	Philip Gameson Joinery Limited	Appellant
	and	
	Lucy Formela-Osbourne MRICS (Valuation Officer)	Respondent

SITTING:	*remotely using Microsoft Teams*
ON:	09/12/2024 10:00
BEFORE:	Mr AN Backway (Presiding Senior Member) Ms TM Blades (Senior Member)
CLERK:	Mr A Jolly
APPEARANCES:	Mr M Illes of Altus Group representing the appellant Mr J Green representing the respondent

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DECISION AND STATEMENT OF REASONS

Correction of error

The VTE may at any time correct any clerical mistake or other accidental slip or omission in a decision, direction, order or any document produced by it, by—

(a) sending notification of the amended decision, direction or order, or a copy of the amended document, to all parties; and

(b) making any necessary amendment to any information published in relation to the decision, direction, order or document.

Decision

1. The appeal is allowed in part. The panel confirm ratable value (RV) £63,750 with effect from 1 April 2023 based on a price per m² for the new section of £32 and for the older section of £27 per m². The panel also considered as the subject property was a split hereditament the allowance should be 7.5%.

Introduction

2. This appeal has been brought in respect of the following: an appeal was lodged by the Altus Group on behalf of the occupier Philip Gameson Joinery Limited on 17 July 2024 against the Valuation Officer's decision of 28 March 2024.

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

4. Mr Illes appeared on behalf of the appellant as both Advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Illes's declaration of truth included a statement that he was instructed under any conditional fee arrangement.

5. Mr Illes 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 body regardless of whether or not the evidence supported the client's case.

6. 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).

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

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

Preliminary Issue

9. The respondent served upon the appellant's representative and the Valuation Tribunal new evidence on the 15 November 2024 which included the lease for the subject property and emails in relation to United Industrial Converters at Mucklow Hill. The respondent raised no objection to the evidence and submitted his comments on the evidence on 27 November 202. As no objection was raised by parties to the inclusion of this new evidence accordingly the evidence was admitted to the hearing.

Issue

10. The issue before the panel concerned the price per m² to be adopted to both the old and new section of the subject property. Also, the matter concerned the level of an end allowance for the split nature of the subject property.

11. Mr Illes was seeking a reduction to £23 per m² for those areas within the older section of the subject property and £27 per m² for those areas within the newer section and an increase of an end allowance from 5% to 10% for the split/divided nature of the subject property.

12. Mr Green was seeking £32 per m² for those areas within the older section and £37 per m² for the new section of the subject property with only a 5% allowance for the split/divided nature of the subject property.

13. The parties agreed a 5% allowance for an issue concerning access remained.

14. The subject property was an industrial unit located within Halesowen. Parts of the property was constructed in the 1920s with asbestos and low eaves height with the rear section being built in the 1950s. It was constructed with a number of separate bays which caused disadvantage of the movement between the bays.

Decision and reasons

15. Mr Illes stated that the rent passing for the subject property had been the same since 2004 and therefore in his opinion not reliable. In support of his contention that the current price per m² adopted by the Valuation Officer was unreasonable he provided details of rents within the locality. He had analysed the rents with values ranging from £19.35 per m² to £52.71 per m². He considered that the assessment for Unit 16 James Scott Road supported a reduction to £27 per m² for the newer sections together with 30 Mushroom Green and Diamond Works, 11-13 Maple Tree Lane and 13 Stourdale Road. He considered that his other rental evidence of older units supported a revised rate of £23 per m².

16. Mr Illes considered the 5% allowance, which had been as a result of a 2017 settlement, to reflect the split site issue was insufficient. The subject property had four distinct sections none of which were interconnected. The Upper Tribunal decision of *HB Foods* v *Johnson* sets out the magnitude of allowances to be applied in certain types of situations and that a 10% end allowance was more appropriate for this disadvantage.

17. Mr Green accepted that the rent passing on the subject property, being set in 2004, was of little assistance and that the 2020 rent for United Industrial Convertors Ltd at Mucklow Hill was a rent review and therefore of lesser weight. He also placed minimal weight on the rents for Diamond Works, Maple Tree Lane and 13 Stourdale Road as they were between connected parties. However, Diamond Works had been agreed at £32 per m² for the older section and the newer section had a 20% uplift to £38.40 per m² which supported his valuation was reasonable. He also placed little weight on 17 Banners Street and Unit 16 James Scott Road was they were smaller units and Stainless Fittings was in a different locality.

18. Mr Green considered Unit 3 Hayes Trading Estate, which was in the same locality as the subject property, was of assistance which had been valued at £37 per m² but accepted that they was some rental growth to take account of. He also considered the agreement on Diamond Works at £32 per m² for the older section and £38.40 per the new sections to be supportive.

19. Mr Green accepted that the subject property was fragmented but considered that there was good movement between the areas and that 5% adequately reflected the disadvantage.

20. The panel considered the best evidence was that of the settlement of Diamond Works and Unit 3 Hayes Trading Estate. It noted that Diamond Works, which had been settled at £32 for the older section and £38.40 per m² for the new section, was considerably smaller than the subject property and therefore the panel accepted there would be an element of quantum. Unit 3 Hayes Trading Estate had been analysed to £37 per m² but regard had to rental growth and therefore the panel considered the value would be lower at AVD.

21. From this the panel considered, having regards to the difference in size that the subject property value per m² would be lower than £32 for the older section and £38 for the newer section. Having regards to the other rents provided the panel considered that £27 per m² for the older section and £32 per m² for the new sections would be reasonable.

22. The panel then considered the issue of whether 5% allowance was reasonable for the split site or whether a higher allowance should be granted. Whilst the panel were informed that the subject property was divided into four sections that were not interconnecting the respondent stated that there was good movement between the sections. The panel accepted that being divided into four sections, even with good movement between, would be a disadvantage and that 5% was not sufficient to reflect the disadvantage. However, the appellant did not provide any compelling evidence that the disadvantage was such that 10% should be applied. The panel considered that 7.5% allowance was reasonable.

23. The panel therefore allowed the appeal in part confirming RV £63,750 with effect 1 April 2023 based on a price per m² of £27 for the older section and £32 per m² for the new sections and a 7.5% allowance to reflect the split nature of the subject property.

Valuation

Floor	**Description**	**Area (M²)**	**£/m²**	**Value**
Ground	Workshop	396.78	£ 32.00	£ 12,696.96
Ground	office	33.3	£ 35.20	£ 1,172.16
Ground	store	52.78	£ 31.20	£ 1,646.74
Ground	Workshop	699.66	£ 32.00	£ 22,389.12
mezzanine	store	29.07	£ 15.20	£ 441.86
Ground	office	80.55	£ 38.40	£ 3,093.12
Ground	store	108.54	£ 32.00	£ 3,473.28
Ground	office	92.33	£ 38.40	£ 3,545.47
Ground	store	37.4	£ 26.33	£ 984.74
Ground	Workshop	362.59	£ 26.33	£ 9,546.99
Ground	store	33.25	£ 26.33	£ 875.47

first	mess/staff room	33.25	£ 28.96	£ 962.92
Ground	Workshop	400.67	£ 27.00	£ 10,818.09
Ground	external storage	53.55	£ 19.74	£ 1,057.08
				£ 72,704.00
	plant and machinery			£ 290.00
				£ 72,994.00
allowances	access	5%		£ 3,649.70
	divided/split unit	7.50%		£ 5,474.55
				£ 63869.75
	say			£ 63,750

Order

24. As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2023 Rating List entry to £63,750 with effect from 1 April 2023 within two weeks of the date of this order.

Refund of appeal fee

25. As the ground of the appeal has been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

Date issued to parties: 28 February 2025

Right of further appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.