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

Case No: CHG101153400

Sitting remotely using Microsoft Teams

Date: 25 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 —warehouse and premises; appeal against the accuracy of the rateable value of the hereditament; appeal dismissed.

Before:
MS S KINSELLA
MRS B DHOOFER-SAGOO

Between:

OPTIMAL TECHNOLOGIES LTD **Appellant**

- and -

MS K GILES
(VALUATION OFFICER) **Respondent**

Regarding:
UNIT C, FOURTH DIMENSION, LETCHWORTH GARDEN CITY, SG6 2TD
(the "subject property")

Mr D Thompson for the **Appellant**
Ms N Awoyokun for the **Respondent**

Hearing date: 29 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal panel made no change to the rating list entry in respect of the subject property.

Introduction

3. This appeal has been brought in respect of Optimal Technologies Ltd, Unit C Fourth Dimension, Letchworth, SG6 2TD, which entered the 2017 rating list as ‘warehouse and premises’, at £111,000 Rateable Value (RV) with effect from 1 April 2017.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal has been made to this Tribunal on the grounds that the rateable value for the appeal property is not reasonable.

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

Background

6. The subject property is a purpose built industrial unit, constructed in 2002. It has a total significant area of 1936.30m^2 and an eaves height of 8.5 metres.

7. The RV for the hereditament with effect from 1 April 2017 was £111,000 RV. This was assessed using an adopted rate of £55/m^2.

8. In the proposal, the Appellant was seeking a reduction to £64,500 RV with effect from 1 April 2017, based on an adopted rate of £32.01/m^2. The Appellant had revised its position and was now seeking £95,500 RV based on an adopted rate of £47.50/m^2.

9. The property had been inspected by Ms Awoyokun, with the company’s Financial Director on 26 November 2024.

10. The evidence submission before the panel comprised all the evidence disclosed and exchanged during the challenge which included comparable assessment evidence and a photograph of the subject property.

11. Ms Awoyokun appeared on behalf of the Valuation Officer in the dual role of advocate and expert witness.

12. With the agreement of the Respondent, and in order to assist the Appellant who was not professionally represented, the Tribunal panel varied the Tribunal Model procedure to allow the Appellant to present his case second.

13. The parties confirmed at the end of the hearing that they had sufficient time to present their respective cases.

* Lease effective date in the decision notice was 3 October 2017
** Lease effective date in the decision notice was 4 December 2015

Relevant Law

14. The term “rateable value” was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant responsible for all rates, taxes, repairs and insurance. In respect of the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires the rental levels to be taken on 1 April 2015, the antecedent valuation date (AVD). In respect of the subject appeal, the material day is 1 April 2017.

Schedule 6
Non-Domestic Rating: Valuation

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(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.

Discussion

15. In the case under consideration, the panel analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141.

16. The starting point was the actual rent passing on the appeal hereditament. The passing rent was £178,000 with effect from 12 January 2019. The Valuation Officer argued that this rent to was too far removed from the AVD and little weight should be attached to it. At the hearing, Ms Awoyokun stated that according to the Form of Return (FOR) data, there was a new lease signed on 12 July 2018 for a period of 10 years, with a rent-free period of six months. The lease had five-yearly upward only reviews. According to the FOR data, £95,000 had been spent by the Appellant at the start of the lease, which she had amortised over the first five years to the first break clause. The Valuation Officer had analysed this rent to £86.18/m^2.

17. The panel noted that, although the Appellant asserted that the rent agreed in 2018 accurately reflected the property’s market value on 1 April 2015, on the basis that market conditions had not significantly changed, no supporting evidence was provided to substantiate this claim. Given that the rent was agreed three years after the AVD, the panel placed limited weight on its relevance.

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18. In terms of indirect rental evidence, the Appellant had relied on the rents in respect of Suite 608 and Suite 610, Jubilee Road. At the hearing Ms Awoyokun stated that in respect of the first property there was a lease renewal effective from 1 September 2017*, which she had analysed to £30.89/m^2. However, she argued that the mode or category of occupation of this property was different to the subject property, as it was a car auction and premises. Additionally, this property was much older than the subject property, having been built between 1955 and 1964 and it had a lower eaves height of 4.9 metres. She considered that it was not unreasonable to expect the subject property to be assessed at a higher rate reflecting its age, use and higher eaves height.

19. The second property relied on by the Appellant was Suite 610, Jubilee Road. Ms Awoyokun stated at the hearing that there was a new 10-year lease which was effective from 1 December 2015**, with a headline rent of £9,800 which she had analysed to £41.27/m^2. At the hearing, Ms Awoyokun stated that the FOR data showed that the property was in a poor state of repair, and it was not clear how much had been spent to bring it up to full specification, in addition, the property was older, having been built in the 1940s and much smaller at 223m^2 with an eaves height of 4 metres.

20. Ms Awoyokun argued that the main factors when considering the valuation of warehouses was the age of the property, location and eaves height. The additional costs of maintaining an older building would likely achieve a lower rent, equally a property with a low eaves height would be unable to command a higher rent.

21. In relation to the comparable assessment evidence, Ms Awoyokun referred to three properties in the vicinity which she considered to be comparable to the subject property. Each had been assessed at the same adopted rate of £55/m^{2,} and none had been subject to challenge. The panel noted that Unit A-B Fourth Dimension, a warehouse and premises located on the same industrial site, was among the comparable properties. Although larger than the subject property, with a total significant area of 3813.05m^2, it was assessed at the same adopted rate of £55/m^2.

22. Ms Awoyokun also referred to settlement evidence relating to 1-2 Aylesford Court and TD Bridger Ltd, Avenue One. In those cases, the agents for the parties accepted the adopted rate of £55/m^2 but had challenged other factors, such as the layout and fragmentation of the properties. She stated that these properties were in the same valuation scheme as the subject property.

23. In the Appellant's submission he had also referred to 1-2 Lacerta Court, which was a similarly sized unit measuring 1903.98m^2 and had a similar eaves height of 7 metres. It was the basis of this assessment that the Appellant was seeking a revised rate of £47.50/m^2. However, this property was in a different valuation scheme which related to properties that were built in the late 1980s and 1990s. The subject property was built in 2001. The panel considered that it was not unreasonable to expect the subject property to be assessed at a higher value as it was a newer building.

24. The Appellant's primary argument was that, at the time the property was first let, there had been a dispute between the landlord and the previous tenant. The company had assumed responsibility for carrying out substantial works to bring the building into compliance with EPC requirements; works that had originally been the obligation of the previous tenant but

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were not completed. As a result, the property was let at a reduced rate, with the company also accepting responsibility for restoring the property to a shell condition at the end of the tenancy. It was further argued that the two adjacent units were fully serviced.

25. Ms Awoyokun referred to the rental hypothesis, which assumes that a property is in a reasonable state of repair. She stated that the cost of any improvements would typically be amortised over the duration of the lease. Accordingly, she argued that if a tenant is required to carry out works, it would be expected that the rent would be adjusted to reflect this obligation.

26. At the hearing, Mr Thompson highlighted that the property was situated at the lower end of the trading estate, within a gated car park, which he claimed created access limitations due to the use of a single gate for vehicle entry and exit. However, the panel noted that no evidence of this constraint had been provided and no reference made to it earlier in the process; there was nothing beyond this bare assertion made for the first time at the hearing.

27. The panel was not persuaded that the rents relied on by the Appellant were for properties which were comparable to the subject property. It considered that the comparable assessment evidence relied on by the Valuation Officer was more compelling, particularly in respect of Unit A-B Fourth Dimension, which was on the same industrial site.

28. In the absence of any compelling evidence, the panel was not persuaded that £55/m^2 was unreasonable for the subject property.

Determination

29. In view of the above findings and conclusions, the Tribunal was not satisfied that any reduction in the rating list was warranted. The appeal was therefore dismissed.

Right of further appeal

30. 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.

31. 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 S Kinsella, Senior Member (Presiding)

Mrs B Dhoofer-Sagoo, Senior Member

25 September 2025

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Mrs K Edhouse-Thomas
Clerk to the Tribunal
Date issued to the parties: 25 September 2025

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