VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; areas in dispute, price per m² to be adopted, rental evidence, settlements; appeal allowed

APPEAL NUMBER: CHG101153965

RE: 5 Mcnicol Drive, London, NW10 7AJ
(the "subject property")

BETWEEN: Ranya Abouzaki — Appellant

and

Lucy Dyer (Valuation Officer) — Respondent

SITTING: *remotely using Microsoft Teams*

ON: Wednesday 9 October 2024 at 11:00 am

BEFORE: Mr A Sheth (Presiding Senior Member)
Mrs AE Fielder (Senior Member)

CLERK: Mr A Jolly

APPEARANCES: Mr M Hawkins of Colliers International representing the appellant
Mr K Chumba representing the respondent

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed. The rateable value (RV) of £400,000 based on £95 per m² is confirmed with effect from 31 March 2020.

Introduction

2. This appeal has been brought in respect of the following: an appeal was lodged by Colliers International on behalf of the occupier Ranya Abouzaki on 9 May 2024 against the Valuation Officer's Decision of 9 January 2024.

3. Both parties had on the 4 October 2024 and 8 October 2024 sought a postponement of the appeal to allow for a joint inspection for areas to be agreed. As the issues with areas had been raised in the challenge and not dealt with within the Notice of Decision and the parties had been notified of this hearing on 17 July 2024 the postponement was refused.

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

Issue

5. The issues before the panel concerned the areas of the subject property and the price per m² to be adopted.

6. The subject property was a factory and premises which had been entered into the 2017 Rating List as at 31 March 2020 at RV £482,500.

Decision and reasons

7. The appellant's representative stated that factual matters had not been agreed. In his challenge and subsequent correspondence with the valuation office he had indicated that the areas were incorrect with some areas being smaller than indicated and some areas not even included within the valuation office's valuation. He confirmed that he had measured the property in line with the valuation office method and had provided plans showing his measurements.

8. The appellant's representative considered the price per m² adopted of £105 per m² was unreasonable having regards to settlements of assessments from within the same scheme as the subject property. The subject property was freehold with an internal lease and therefore minimal weight could be attached to the lease.

9. In support of his contention that the price per m² should be £95 the appellant's representative referred to a settlement on Rock Building, 21-23 Waxlow Road, London, NW10 7NU where the price per m² was reduced from £100 per m² to £95 per m². This hereditament was in close proximity to the subject property and was valued within the same scheme and therefore the price per m² of the subject property should be reduced to £95 per m². He also referred to an agreement his company had reached in relation to Santa Fe House, 15 Central Way, London, NW10 7XW where the price per m² was reduced from £94 to £87.50 which he considered further reinforced his contention that £105 per m² was unreasonable.

10. The respondent stated that as he had been unable to inspect the subject property, he was unable to agree the floor areas and that he had to rely on the floor areas upon his records and he was unsure why the issue of areas had not been resolved previously.

11. The respondent accepted that the Rock Building was in close proximity to the subject property but he was unable to confirm whether it was comparable to the subject property. He considered the rental evidence of other hereditaments presented in the appellant's challenge were less comparable due to their distance from the subject property.

12. The respondent also accepted that minimal weight should be applied to the lease on the subject property due to it being an internal lease.

13. In questions the respondent understood that the subject property had been inspected in March 2024 but he was unable to contact the person who inspected the property and confirmed that the floor plan in his records appeared to be for a different property. He understood from the emails that there had been an issue in relation to gaining access to the subject property.

14. The panel first considered the issue of areas. It noted that the appellant's representative had raised the issue of areas in his challenge and that in the challenge decision the valuation officer had stated that a report had been raised to amend floor areas but this appears to may not have been actioned. The respondent did not provide any supporting evidence for his areas whereas the appellant's representative had provided his plans and areas. In the absence of any areas and plans from the respondent the panel accepted the plans and therefore the areas of the appellant's representative.

15. The panel noted that the lease on the subject property, which was a freehold building, was an internal lease and therefore between connected parties and accordingly minimal weight was given to the lease.

16. The panel then considered the price per m² to be adopted. In support of his contention the appellant's representative had provided details of comparable hereditaments and details of settlements, but the respondent considered that the comparable properties were some distance from the subject property and therefore not comparable. The panel noted that only one of the four comparable hereditaments was within the NW10 postcode area with the other three being either in UB6 or EN3. The panel therefore gave less weight to the three comparable hereditaments from out of the postcode area. It noted that the property within NW10 was valued at £90 per m² which was of assistance.

17. The panel considered that the most compelling evidence was the settlements on the Rock Building, 21-23 Waxlow Road, London, NW10 7NU and Santa Fe House, 15 Central Way, London, NW10 7XW. These were both within close proximity to the subject property where the price per m² had been reduced to £95 per m² and £87.50 per m².

18. The panel noted that the respondent provided no rental or comparable evidence to support his contention that £105 was reasonable.

19. The panel having considered the evidence and having weighted that evidence has been persuaded by the appellant's representative that £105 per m² is unreasonable and that £95 per m² is reasonable. It also accepts the areas as per the appellant's representative's areas as applied in his valuation. The panel therefore allows the appeal and confirms RV £400,000 with effect from 31 March 2020.

Order

20. As a consequence of the above decision, the valuation officer is ordered to reduce the 2017 Rating List entry to £400,000 with effect from 31 March 2020 within two weeks of the date of this order.

Valuation

ITMS	Main Space	floor	Description	Area	£ per m²	Value
272.64	0.50 or A/2.00	basement	production area	545.28	£ 47.50	£ 25,900.80
196.12	0.65 or A/1.54	basement	cold store	301.72	£ 61.75	£ 18,631.21
24.64	1.1 or A/0.91	basement	locker room	22.4	£ 104.50	£ 2,340.80
3.52	0.50 or A/2.00	basement	staff WC	7.04	£ 47.50	£ 334.40
114.96	0.50 or A/2.00	basement	internal storage	229.92	£ 47.50	£ 10,921.20
345.52	0.50 or A/2.00	basement	warehouse	691.04	£ 47.50	£ 32,824.40
619.63	1.2 or A/0.83	ground	retail area	516.36	£ 114.00	£ 58,865.04
591.04	1.0 or A/1	ground	production area	591.04	£ 95.00	£ 56,148.80
183.38	1.3 or A/0.77	ground	cold store	141.06	£ 123.50	£ 17,420.91
315.37	0.65 or A/1.54	first	production area	485.18	£ 61.75	£ 29,959.87
117.62	0.65 or A/1.54	first	staff WC	180.96	£ 61.75	£ 11,174.28
47.52	1.1 or A/0.91	first	staff/mess room	43.2	£ 104.50	£ 4,514.40
96.7	0.845 or A/1.18	first	cold store	114.4	£ 80.28	£ 9,184.03
421.39	1.2 or A/0.83	first	office	351.16	£ 114.00	£ 40,032.24
653.41	1.2 or A/0.83	second	office	544.51	£ 114.00	£ 62,074.14
						£ 380,326.52
			fire protection (+5%)			£ 19,016.32
			parking	11	£ 280.00	£ 3,080.00
						£ 402,422.84
		say				£ 400,000.00

Refund of appeal fee

21. 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: 29 October 2024

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.
