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

Case No: CHG101157389

Sitting remotely using Microsoft Teams

Date: 9 July 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Shopping centre —End allowance for width to depth ratio —Appeal allowed in part.

Before:
MR WJ READ
MR AMRAN HUSSAIN

Between:

C-RETAIL LIMITED (REPRESENTED BY KBW CHARTERED SURVEYORS) — **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) — **Respondent**

Regarding:
39-45 PEEL AVENUE, THE TRAFFORD CENTRE, MANCHESTER, M17 8BN
(the “subject property”)

Mr S Wood for the Appellant
Ms R Fahy for the Respondent

Hearing date: 10 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal Panel determined a rateable value (RV) of £1,290,000 with effect from 1 April 2017, based upon a revised end allowance of 25% for width to depth ratio.

Introduction

3. This was a 2017 rating list appeal. The subject property had been entered in the 2017 rating list as “Shop and Premises” at an RV of £1,380,000 with effect from 1 April 2017. This was based on a Zone A rate of £4,200 per square meter (PSM) and a 20% end allowance for the width to depth ratio of the property.

4. The challenge proposal was submitted by KBW Chartered Surveyors on behalf of C-Retail Ltd and was received by the Valuation Officer (VO) on 21 November 2023. It had been made on the grounds that the RV shown in the 2017 rating list was wrong and proposed a revised RV of £1,165,000 based on an increase in the end allowance to 32.5%

5. Mr Wood 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 Wood declared that he was not instructed under a conditional fee arrangement.

6. Mr Wood understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

7. Ms Fahy was appearing as advocate only.

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

Background

9. The subject property was a retail unit in The Trafford Centre in Manchester. The subject property comprised four merged units and was located on Peel Avenue on the ground floor of the shopping centre. The total size of the subject property was 1,194.69m^2 and was made up of 919.68m^2 of retail space on the ground floor, and a mezzanine floor that measured 275.01m^2 and was used for storage and staff facilities. The subject property was located on a bend and had approximately 35m^2 frontage with a narrower rear.

Relevant Law

The Local Government Finance Act 1988

10. Schedule 6 of the Act provides that:

> 2(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.

11. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015.

12. 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 2017.

Discussion

13. The panel heard from Mr Wood that the only issue in dispute was the end allowance. He stated that the Zone A rate of £4,200 PSM was well established and was not being challenged. Mr Wood was seeking a reduction of the RV to £1,165,000 based on an end allowance of 32.5%. He stated the RV would then be in line with the aggregated rent of £1,150,000 that was agreed at rent reviews in October 2015.

14. There was a current lease on the subject property, which was a five year, new letting with effect from 4 October 2020. The passing rent was £450,000 per annum plus 12% of the gross turnover. Both parties placed no weight on this rent due to the proximity from the AVD. The panel also placed no weight on this rent for the same reason.

15. Prior to the appellant taking a lease on the subject property, it was let in two parts and occupied separately. 41-45 Peel Avenue had a ten-year lease with effect from 4 October 2010 for £850,000 per annum, or 8% of gross turnover. 39 Peel Avenue had an eight-and-a-half-year lease with effect from 26 March 2012 for £300,000 per annum or 8% of gross turnover. Both leases had an open market rent review on 4 October 2015 with no rent increase. Within Mr Wood's evidence bundle, it was stated that the rent review clause provided that the premises were to be valued as a whole and the increased amount of rent then apportioned pro-rata between the units.

16. Mr Wood contended that the current allowance of 20% for the width to depth ratio was not sufficient. He argued that the shape of the subject property was unique as it was wider than it was deep. The reason for the unique shape was due to the merge of the four units which were located on a bend in the avenue. Due to this, when the Zone A rate was applied to the subject property, a higher proportion of the property was valued in Zone A. Mr Wood did not dispute the Zone A rate of £4,200 PSM but it was his argument that this was derived from analysing more typical units in the shopping centre that were more rectangular with a narrower shop front.

17. Ms Fahy argued that the subject property was valued with a 20% end allowance in the 2010 rating list and nothing had changed with the assessment since then. She stated that 20% was the largest allowance of this type in The Trafford Centre. Whilst she accepted the subject property was a different shape, she did not accept that it was unique.

18. Ms Fahy did not place any weight on the rent reviews from October 2015 as she did not consider it to be as good evidence as a new letting. The new lettings Mr Wood referred to from 2010 and 2012 were too far removed and she placed no weight on these either.

19. The challenge decision notice included a list of other retail units on Peel Avenue that were valued on an unadjusted base rate between £4,000 PSM and £4,200 PSM. Eight examples were provided of which three had a 5% end allowance and one had a 20% end allowance in relation to the shape of the unit. Ms Fahy did begin to refer to other units in The Trafford Centre that she considered to be more comparable to the shape of the subject property, however these had not been included within the evidence submissions and her comments were excluded.

20. The panel reviewed the comparable units that had been included in the challenge decision notice and found they were not comparable to the subject property. The units were all mainly rectangular in shape with frontages that were smaller than the subject property and a shape that was significantly deeper than they were wide. The panel noted there were units on the maps that had been provided that could have been considered as comparable to the subject property, but no details of other units was provided.

21. Whilst less weight was given to the rent review than would have been given to a new letting, the panel did attribute some weight to the rent review of 39 and 41-45 Peel Avenue on 4 October 2015. The rent was agreed close to the AVD, and it did not include turnover to disregard in the same way the current lease on the subject property did. This was the only rental evidence provided for the panel to consider, despite Ms Fahy being aware of other rental evidence of comparable properties within The Trafford Centre.

22. It was the panel's opinion that the shape of the subject property was disadvantageous when valuing a property by the zoning method. This appeared to the panel to have occurred due to the merging of 39 and 41-45 which is where the bend in the avenue was located and created a much wider frontage with less depth due to the location of the external service yard. The panel was of the view that an increased end allowance was warranted due to the disadvantage, however it found that 32.5% was excessive based on only one rent review. The panel determined that the end allowance for the width to depth ratio of the subject property should be 25%.

Determination

23. In view of the above findings and conclusions, The Tribunal Panel is satisfied that the RV of the subject property was unreasonable and determined an RV of £1,290,000 with effect from 1 April 2017 based on an end allowance of 25% for the width to depth ratio. Therefore, the appeal was allowed in part.

Floor	Description	Area (m^2)	£/m^2	Value (£)
Ground	Retail Zone A (41-45)	148.14	3,150.00	466,641
Ground	Retail Zone A 39	66.06	3,150.00	208,089
Ground	Retail Zone B (41-45)	139.84	1,575.00	220,248
Ground	Retail Zone B 39	56.46	1,575.00	88,925
Ground	Retail Zone C (41-45)	130.54	787.50	102,800
Ground	Retail Zone C 39	47.02	787.50	37,028
Ground	Retail Zone D (41-45)	122.63	393.75	48,286
Ground	Retail Zone D 39	38.11	393.75	15,006
Ground	Remaining Retail Zone (41-45)	143.13	261.45	37,421
Ground	Remaining Retail Zone 39	27.75	261.45	7,255
First	Internal Storage (41-45)	197.51	196.88	38,886
First	Internal Storage 39	77.50	196.88	15,258
			Sub-total	**1,285,843**
	Air Conditioning System	1,194.64	7.00	8,362
			Total	**1,294,205**

24. The Tribunal Panel orders pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] that the respondent shall alter the 2017 list in respect of 39-45 Peel Avenue, The Trafford Centre, Manchester, M17 8BN within two weeks, to £1,290,000 RV with effect from 1 April 2017.

Right of further appeal

25. 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.

26. 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)

Mr Amran Hussain, Senior Member

9 July 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 9 July 2025