IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101159754

Sitting remotely using Microsoft Teams

Date: 4 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — showroom and premises – tone of the rating list – comparable properties –analysis of rental evidence

Before:
MRS O O ROBSON
MR A SHETH

Between:

CHARD PROPERTIES (UK) LIMITED **Appellant**

- and -

ANDREW MOULAND
(VALUATION OFFICER) **Respondent**

Regarding:
QUEENSTYLE FURNITURE LTD, 220 UXBRIDGE ROAD, SOUTHALL, MIDDLESEX UB1 3DZ
(the "subject property")

Mr B O'Neill of Ryan Property Tax Services UK Limited, for the Appellant
Mr K Chamba, for the Respondent

Hearing date: 6 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal finds that the current entry in the rating list at £72,000 from 1 April 2023 is reasonable and that valuation is confirmed.

Introduction

3. The appellant made a proposal to challenge the entry in the 2023 Rating List of £75,000 with effect from 1 April 2023. The proposal sought a reduction to £62,000. The Valuation Officer (VO) did not find the proposal to be well founded, but a Challenge decision was issued on 27 September 2024 reducing the existing entry in the rating list to £72,000. An appeal against that decision was received by the Tribunal on 15 November 2024.

4. Mr Chamba stated that he was appearing as both Advocate and Expert Witness for the respondent, providing his statement of truth prior to the hearing.

5. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr O'Neill declared that he was also appearing for the appellant in a dual role as Advocate and Expert Witness. He confirmed that his firm was instructed under a conditional or other success-based fee arrangement, but he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

6. 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 Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 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). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

7. The subject hereditament is a single storey showroom with a floor area of 358.87m^2 plus a further 154.31m^2 of internal storage. There was no dispute on the survey data. The VO's decision notice stated that the property was valued under the matrix of "LB Ealing Non-Car Showrooms and other Non-Zoned Shops." The valuation included four car parking spaces valued at £1,800 and a 25% allowance was applied to reflect the size of the property.

8. The issue to be determined by the Tribunal was the correct valuation in the 2023 rating list. The material day was 1 April 2023, as this was a challenge to the compiled list entry. The property must be valued on the antecedent valuation date (AVD) of 1 April 2021. The current entry in the list was based on an unadjusted rate of £215/m^2. The appellant's representative sought a reduction to £190/m^2, resulting in a revised RV of £62,000.

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

<u>*Preliminary issue*</u>

10. After lodging the appeal, the appellant's representative revised his valuation down to £180/m^2 and sought a revised RV of £60,500. Initially the VO's case worker objected to the

valuation being revised but the VO's representative at the hearing, Mr Chamba, confirmed that he had no objection to the revised valuation.

11. The panel permitted the revised valuation as the purpose of this appeal was for the Tribunal to determine the correct valuation, which may align with either party's valuation or it may order a different value if it is persuaded by the evidence.

Relevant Law

12. The subject property must be valued by the statutory assumptions set out in in Schedule 6 to the Local Government Finance Act 1988 as follows:

"(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."*

13. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, mentioned in the appellant's submissions, which provided guidance on the weight to be attached to different forms of evidence.

Discussion

14. In accordance with *Lotus & Delta*, the panel found that the starting point of any valuation should be the rent passing on the subject property, assuming it is leased. Mr O'Neill submitted that the subject property was let from 5 January 2015 for a term of fifteen years on a stepped rent. The last rent review on 5 January 2020 resulted in a nil increase at £65,000, which was further adjusted to £63,200 due to car parking. Therefore, he contended that the entry in the 2023 rating list should reflect that rent. He analysed the rent to £193.26/m^2 and sought a revised valuation of £60,500, based on £180/m^2. Mr O'Neill submitted that, in the 2017 rating list, the unadjusted rate was reduced in line with the passing rent, and he considered the same approach should be adopted in the 2023 list and the tone should not be increased.

15. The VO's analysis of the subject rent adjusted for the tenant and landlord sharing outside repairs, with the tenant being responsible for inside repair and building insurance. The letting was noted as being a bare shell with £110,000 spent on fitting out, paid at the start of the tenancy. Carrying forward the 25% allowance for size from the previous rating list, the VO analysed the subject property's rent to £225/m^2. Mr Chamba contended this analysis supported the unadjusted rate applied to the valuation of £215/m^2.

16. In support of maintaining the existing valuation, Mr Chamba provided details of the unit to the rear of the subject property, Metro Line R/O 220 Uxbridge Road, Southall, Middlesex UB1 3DZ. This much smaller unit, just $33.22m^2$, was subject to a rent renewal on 1 April 2020 at £14,000. The VO analysed this rent to £407/m^2 and considered this supported the existing valuation for the subject property, which was valued with an allowance to reflect its size. The panel noted that both units were valued under the same scheme, 607616.

17. At the hearing, Mr Chamba submitted that the VO now considered the agreement on the 2017 list valuation was wrong and should have been higher. However, as the 2017 list is now closed, it was not possible to correct the entry in that list. He felt that weight should be attached to the subject property's rent as the rent review was conducted just a year prior to the AVD and therefore represented values at that time. The rent on the unit to the rear of the subject property was also considered compelling evidence as it too was subject to a rent review twelve months before the AVD.

18. The panel considered the limited evidence on this case and noted there were no other comparable properties or rents in the locality on similar units for consideration. It noted that the subject property's rent was first agreed in 2015 and therefore would have been close to the AVD for the 2017 list as a new open market letting. In the 2023 list, it was a rent review at a nil increase, which the panel considered carried less weight than a new letting. It accepted there had been no increase to the rent paid but also noted the VO's comments that the analysis of the rent for the 2017 list may have been flawed.

19. Despite its smaller size, there was one other rent for comparison, which the panel found carried weight. The unit to the rear of the subject property was in the same locality and its rent was reviewed around the same time. The VO's analysis for both units arrived at a figure in excess of the unadjusted rate applied to the subject property's valuation at £215/m^2.

20. Mr O'Neill was relying heavily on the agreement in the 2017 list. While the panel noted his comments regarding the agreement and reliance on the passing rent in that list, it was mindful that the starting point for any 2023 rating list entry must be evidence which relates to the AVD, 1 April 2021, rather than from the previous rating list, as this was sourced from an entirely different pool of rental information. The rents passing are considered afresh at a revaluation when the VO seeks to establish a tone of values. The whole point of a revaluation is to re-assess the demands of the hypothetical tenant and movements in the market leading to changes in rents. The panel placed no weight to the comparisons between lists and found that evidence at the AVD of 1 April 2021 should be considered afresh.

21. The panel accepted that the subject property's rent had not increased on review in 2020, but the VO's analysis of that rent now did not support the valuation from the 2017 list. The VO had set out the adjustments made to the rent to reflect the shell state, fit out, and landlord and tenant repair responsibilities. The appellant's representative had analysed the rent to £193.26/m^2, without setting out what adjustments had been made, but then sought a lower valuation based on £180/m^2. The panel was not persuaded that this reduction was supported. Given the unit to the rear of the subject property was subject to a rent analysing to £407/m^2 and valued at £225/m^2, the panel was not convinced that the existing valuation based on an unadjusted rate of £215/m^2 was unreasonable. It noted that the actual rent on the subject property on review in 2020, even by Mr O'Neill's analysis at £63,200, was higher than the valuation sought of £60,500.

22. The burden of evidential proof in appeals of this nature rests with the appellant's representative to persuade the panel that the existing valuation is wrong. Having considered the evidence available, the panel was not satisfied that burden had been discharged in this case.

Determination

23. In view of the above findings and conclusions, the Tribunal is satisfied that the valuation of £72,000 from 1 April 2023 is not unreasonable and the appeal is dismissed.

Right of further appeal

24. 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.

25. 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/.

Mrs O O Robson, Senior Member (Presiding)

Mr A Sheth, Senior Member

4 June 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 4 June 2025