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

Case No: CHG101163321

Sitting remotely using Microsoft Teams

Date: 17 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2023 rating list; Local Government Finance Act 1988 accuracy of the rateable value in the list as at 1 April 2023; warehouse and premises; end allowance; comparable assessments; appeal dismissed.

Before:
MS T BLADES
PROF P CATTERALL

Between:

I.J. MCGILL TRANSPORT LIMITED **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) **Respondent**

Regarding:
SHED1, MANCHESTER INT FREIGHT TERMINAL, WESTINGHOUSE ROAD, MANCHESTER M17 1DP
(the “subject property”)

Mr A Fowke from Ryan Property Tax Services UK Limited for the Appellant
Mr I Rischer for the Respondent

Hearing date: 27 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was dismissed.

2. The Tribunal determined that an end allowance was not applicable in this case. Accordingly, no adjustment was made to the existing rateable value (RV) of Shed 1, Manchester International Freight Terminal, Westinghouse Road, Manchester M17 1DP (hereafter referred to as the subject property).

Introduction

3. A Check had been submitted on 27 November 2023 and completed on 5 December 2023. A challenge was submitted on 6 December 2023 and was completed on 4 February 2025 with no change made to the RV of the subject property. An appeal was received by the Tribunal on 14 March 2025.

4. This was an appeal following a Challenge against the 2023 rating list entry, on the basis that an allowance of 10% should be awarded for layout to the assessment of the subject property.

5. Both Mr Fowke for the Appellant and Mr Rischer for the Respondent appeared 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 Fowke that he was instructed under a conditional fee basis.

6. Mr Fowke also 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.

7. 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).

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

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

<u>*Background*</u>

10. The subject property entered the 2023 Rating List as 'warehouse and premise' with an RV of £95,000, effective from 1 April 2023. The subject property was a 1970's built industrial unit located on the south-eastern edge of Trafford Park, Manchester with a significant area of 2,650.30 m. It comprised a warehouse with brick elevations beneath a pitched asbestos roof and benefits from an eaves height of approximately 7 metres.

11. Following a Tribunal decision (appeal number: CHG101199767) concerning a neighbouring unit of Shed 5 at Manchester International Freight Terminal, Westinghouse Road, Manchester M17 1DP, which was heard on 17 December 2024, the issue of an allowance for lack of insulation at the subject property (Shed 1) was raised. The caseworker expressed the

view that the existing allowance was incorrect and should be reviewed. As a result, Mr Rischer consulted with the Valuation Officer (VO) and decided to remove the allowance from the valuation. Consequently, the RV of the subject property was amended to £99,500, with effect from 4 February 2025.

12. Mr Fowke was of the opinion that a 10% end allowance should be applied to reflect the specific disadvantages of the subject property when compared to similar units in the area, particularly its lack of insulation and overall lower quality. Applying this adjustment would result in a revised RV of £89,500, effective from 1 April 2023. Mr Fowke regarded this as a fair and reasonable outcome in light of the circumstances.

Relevant Law

13. The term “Rateable Value” is defined in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (the “1988 Act”):

14. 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 various assumptions.

15. Each appeal hereditament had to be valued, having regard to factual matters the relevant material day, in accordance with paragraphs 2 (6) and (7) of Schedule 6 to the 1988 Act, as amended.

> (6) Where the “Rateable Value” is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force) the matters mentioned in sub-paragraph (7) below shall be taken to be as they are assumed to be on the material day.
>
> (7) The matters are –
>
> (a) matters affecting the physical state of the hereditament,
> (aa) matters affecting the physical enjoyment of the hereditament,
> (b) the mode or category of occupation of the hereditament,
> (c) the quantity of minerals or other substances in or extracted from the hereditament,
> (cc) the quantity of refuse or waste material which is brought onto and permanently deposited on the hereditament,
> (d) matters affecting the physical state of the locality in which the hereditament is situated,
> (da) matters which, though not affecting the physical state of the locality in which the hereditament is situated, are nonetheless physically manifest there, and
> (e) the use or occupation of other premises situated in the locality of the hereditament.

16. The antecedent valuation date (AVD) for 2023 list rating appeals was 1 April 2021. The material day was 1 April 2023, this being the date the subject property entered the valuation list.

17. *Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141* was referred to by both parties:

Discussion

18. The panel was informed that the subject property was located at the Manchester Freight Terminal, off Europa Way. Mr Fowke stated that the properties within the Manchester International Freight Terminal, including the subject property, were of poor construction quality. He stated that they featured single-skin asbestos cladding on both the walls and roof, with the exception of the dividing walls and small office blocks.

19. Mr Rischer explained that the subject property was assessed under valuation scheme 599611, which applied to industrial properties in Trafford Park within the Metropolitan Borough of Trafford. This scheme covered units built between 1971 and 1980 that were not included in any other valuation scheme for industrial estates or locations. The base price under this scheme ranged from £35 to £85 per m², depending on the size of the property.

20. The panel had regard to the Lands Tribunal judgment of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141. This case set out six guiding principles for determining rateable value. In line with these, the initial step was to consider the rent passing on the subject property, followed, if necessary, by a review of the wider body of supporting evidence.

21. The panel noted that the lease for the subject property commenced on 23 February 2020, with an annual rent of £93,737. Mr Fowke analysed this to equate to £39.32 per m², which was slightly below the current valuation rate of £40 per m². He referred to the rents of other sheds at the Manchester Freight Terminal, stating that all but one were below the applied base price, suggesting the properties may have been over-assessed. In his view, the rent on the subject property supported the case for an allowance due to the lack of insulation.

22. Mr Fowke highlighted the rent on Shed 5, which was closest to the AVD and supported a significant reduction, analysing at £26.95 per m² compared to a base price of £37. The panel noted that Shed 5's lease had commenced on 21 December 2020, which was circa three months prior to the AVD of 1 April 2021. He also referenced Shed 3, which analysed at £27.33 per m² against the current £40 per m² applied. While Mr Rischer acknowledged that these figures appeared low when compared to rents for 1950s/1960s units, he maintained that the rents for Sheds 5 and 3 could not be disregarded. Having reviewed all rents across the estate, Mr Fowke concluded that a quality allowance was justified, one that would also account for the lack of insulation.

23. Mr Rischer directed the panel to five comparable properties with rents agreed between July 2020 and October 2022, which had been analysed to fall between £34.21 per m² and £43.21 per m². These properties were all located within the M17 1** postcode area. The panel noted that one of the comparables, the World Freight Centre, had a rent agreed in September 2021, approximately five months after the AVD. This rent analysed to £27.72 per m². However, the panel also observed that this property was significantly larger than the subject property, with a total area of 29,685 m². Mr Rischer confirmed that a quantum adjustment had been applied to account for its size, as was the case with other larger units.

24. The closest comparable in terms of size was Millington House, which had a floor area of 2,415 m². The rent for this property was agreed in October 2022 and analysed to £43.21 per m².

25. The panel referred to the comparable properties that were in the same scheme as the subject property to consider if any allowance was warranted with regards to the subject property.

26. The panel noted that the Valuation Officer (VO) had provided details of comparable properties located within the M17 1** postcode area. These properties had no adjustments applied in the 2017 Rating List and were assumed by the VO to be insulated. The assessments showed no allowances for either lack of insulation or quality. However, Mr Fowke argued that the VO typically only applies adjustments where a unit falls outside the norm. He maintained that the subject property, along with the surrounding parade of units, did fall outside the norm and had therefore been over-assessed.

27. To justify an end allowance, it must be demonstrated that the subject property suffers from a disadvantage not commonly shared by other properties in the same locality. In this case, although the appellant argued that the parade of units differed from the wider valuation scheme, the panel found that properties within the immediate area, specifically at the Manchester International Freight Terminal were uniformly uninsulated. The panel was satisfied that the agreed rents would already reflect any such disadvantages, and that a prospective tenant would reasonably expect a warehouse of this age and location to lack insulation. Therefore, it was concluded that any impact from this deficiency would be accounted for in the rental value.

28. The panel also referred to the Valuation Tribunal (VT) decision concerning Shed 5. While it acknowledged that previous VT decisions were not binding on Tribunal panels, it nonetheless took into account the observations made by the panel member in that case, particularly those relating to the use of the same comparable properties situated on the same industrial estate as the subject property.

Determination

29. Based on the findings and evidence presented, the panel concluded that an end allowance was not justified. In appeals of this nature, the burden of proof lies with the appellant to demonstrate that the RV was unreasonable. In this case, that burden had not been met. Accordingly, the panel found the current RV of £99,500 to be fair and reasonable. 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 T Blades, Senior Member (Presiding)

Prof P Catterall, Member

17 September 2025

Clerk to the Tribunal: Ms R Muller
Date issued to the parties: 17 September 2025