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

Case No: CHG101163367

Sitting remotely using Microsoft Teams

Date: 24 December 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2023 rating list — mode or category — Lotus & Delta Ltd v Culverwell (VO) And Leicester City Council [1976] RA 141 — tone of value for main space — appeal allowed in-part.

Before:
MRS N CARMAN
MRS AE FIELDER

Between:

RICHARD AUSTIN ALLOYS LIMITED — **Appellant**

- and -

LUCY FORMELA-OSBOURNE (VALUATION OFFICER) — **Respondent**

Regarding:
UNIT H4, PILGRIMS WALK, PROLOGIS PARK, KERESLEY, COVENTRY CV6 4QG
(the "subject hereditament")

Mr M Iles of Ryan Property Tax Services UK Limited for the **Appellant**
Mr C Cowper of the Valuation Office Agency for the **Respondent**

Hearing date: 10 December 2025

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed in-part. The panel determined the rateable value (RV) of the subject hereditament to be £182,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

2. The appeal process began with a proposal made by the Appellants on 6 December 2023 in respect of the Valuation Officer's (VO) rating list entry of the subject hereditament at £196,000 RV with effect from 1 April 2023. The Appellants proposed a revised assessment of £162,000 RV from that date based on a reduced tone of value for main space of from £70 per m^2 to £55 per m^2.

3. The Respondent issued a challenge case decision notice on 16 May 2025 which stated that the existing rating list entry was unreasonable. The Respondent increased the assessment to £200,000 RV based on the presence of an outdoor store at the premises previously unaccounted for. The Appellants appealed that decision to this Tribunal on 17 July 2025, on the grounds that the valuation for the subject hereditament remained unreasonable.

4. The Respondent's records showed that the subject hereditament was a warehouse and premises of 3061.45m^2, constructed in 2004 and located within Prologis Park. It has a portal frame construction and eaves height of 7.71m.

5. Mr Iles appeared on behalf of the Appellants as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), the representative confirmed that he was instructed under a conditional fee arrangement. He 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.

6. The panel accepted this expert witness on the above basis as the parties agreed the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of Valuation Tribunal for England (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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

7. The panel was required to determine the correct RV to be attributed to the subject hereditament in the 2023 rating list. The issues in dispute concerned the mode or category and tone of value for main space.

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

Relevant Law

9. The subject hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to be let from year to year on a number

of assumptions. Those assumptions are listed in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988.

10. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841), the date of the hypothetical rent was 1 April 2021, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

11. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject hereditament, the material day is 1 April 2023.

12. The Lands Tribunal decision of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 is referred to in this decision.

Analysis

13. Prior to the hearing, both parties submitted revised valuations for the subject hereditament. Mr Cowper stated that he was now aware of the presence of cameras at the property following an inspection and had included them as plant and machinery in his assessment. A measurement was also taken of the outdoor store which was previously estimated and accordingly altered in his assessment.

14. At the hearing, Mr Cowper stated that he agreed with Mr Iles that the subject hereditament should not be valued as a large distribution warehouse and rather a general industrial property, and his revised assessment considered the property to be a factory and premises. His revised assessment was £202,000 RV based on a tone of value for main space of £66.61 per m^2.

15. Mr Iles had no objection to the submission of alterations to Mr Cowper's assessment, and submitted his own valuation of the property as a factory and premises including plant and machinery. His revised assessment was £166,000 RV based on a tone of value for main space of £55 per m^2. Given the parties had agreed that the subject hereditament should be valued as a factory and premises, the panel was satisfied that was the correct mode or category, leaving the tone of value for main space as the remaining issue to determine.

16. It is a well-established rating principle that the starting point in the determination of a property's RV should be the rent passing on the subject hereditament itself. No rent of the subject hereditament was provided as the property was freehold.

17. The Respondent referred to two comparable assessments on Prologis Park, the same site as the subject hereditament with rental evidence. At the hearing, Mr Cowper conceded that Unit H6, Pilgrims Way ("Unit H6") was not comparable to the subject hereditament as it was a large distribution warehouse. UK Flooring Direction Plot H1, Pilgrims Way ("Unit H1") had a new letting with effect from 1 August 2020 on a ten-year FRI lease. The rent had been analysed to £60.83 per m^2 and £64.63 per m^2 by Mr Iles and Mr Cowper respectively, and the Respondent had adopted a tone of value for main space of £70 per m^2.

18. There was a difference of opinion in terms of the parties' analysis of the rent of Unit H1 in relation to the consideration of fit out costs. Mr Iles argued that a rent-free period was an incentive to occupy and should be adopted as part of the analysis whereas Mr Cowper had

disregarded three months as the industry standard for fit-out. Mr Iles stated that the FOR from the Appellants showed there was no fit-out period. Mr Cowper contended that his analysis of the rent at Unit H1 supported the tone of value of main space of £66.61 per m^2 for the subject hereditament as they were similar properties sharing a direct locality. Mr Iles contended that Unit H1 was superior to the subject hereditament as it benefitted from multiple rolling shutter doors, was larger and had an eaves height of circa 10 metres.

19. The Respondent also referred to Unit H5, Pilgrims Way ("Unit H5"), the adjacent property to the subject hereditament. It was smaller than the subject hereditament at 2624.40m^2, described as a workshop and premises, and had a tone of value for main space of £67.50 per m^2. It was contended to support the tone of value for main space of the subject hereditament. Mr Iles argued that the valuation of Unit H5 was excessive as it was placed in the same Scheme as Unit 2, Mallory Way, Rowleys Green, an assessment which he had agreed a tone of value for main space of £55 per m^2 with the Respondent.

20. Mr Iles referred to Unit 2, Mallory Way and contended it supported a reduced tone of value for main space at the subject hereditament. He argued it was the same age as it was built a year after the subject hereditament, a similar size at 3864.81m^2 and had a similar sized eaves height of 8m. It was one mile from the subject hereditament. Mr Cowper contended that Unit 2, Mallory Way was located on an inferior site to the subject hereditament as its site comprised poor quality industrial units such as scrap metal collectors and vehicle repair. He argued that Prologis Park was a far more secure estate in comparison which benefitted from 24-hour security and was freely accessible from both directions, whereas the Mallory Way estate had singular access.

21. Mr Iles stated it was his understanding that the agreed tone of value for main space was in line with the assessments for Units A-F, Colonnade Point which were also located on Prologis Park. Those assessments had tones of value for main space of £55-£67.50 per m^2. Mr Cowper argued those units were not comparable to the subject hereditament as they were significantly smaller and predominantly used for manufacturing. They were also in a different Scheme to the subject hereditament.

22. In determining the appropriate tone of value for main space, the panel was aware of the principles in *Lotus & Delta Ltd*, namely that whilst rental evidence is to be preferred, it must be properly analysed and adjusted to reflect differences between any such comparable assessments and the subject hereditament, and that assessments may be relied upon where rental evidence is limited or disputed. No rental evidence of the subject hereditament was available for the panel to consider as the property was freehold.

23. The panel first considered the rental evidence for Unit H1 at Prologis Park. Whilst the panel accepted that this letting broadly satisfied the statutory assumptions for RV given it was a new FRI letting eight months prior to the AVD, it found that Unit H1 possessed materially superior characteristics when compared to the subject hereditament, including a greater eaves height of approximately 10m, multiple roller shutter doors, and a configuration more closely aligned with modern distribution use. The panel therefore concluded that Unit H1 sat at the upper end of the local industrial market, whereas the subject hereditament had been agreed to be of a different use, and therefore its analysed rental level could not be directly adopted as the tone for the subject hereditament without downward adjustment.

24. The panel further noted that the parties were unable to agree a single analysed rent for Unit H1 due to differing views on the treatment of a rent-free period, and that the relevant factual clarification was not available to the panel. In those circumstances, the panel was unable to

place determinative reliance on Unit H1 alone when ascertaining the tone of value for main space.

25. Turning to the comparable assessments, the panel attached limited weight to the units at Colonnade Point at Prologis Park. Whilst they were located within the same industrial park as the subject hereditament, the panel found they were significantly smaller and predominantly used for manufacturing and therefore did not provide a reliable indication of value for a unit of the subject hereditament's size and category of use.

26. The panel attached significant weight to Unit 2, Mallory Way, which was located in the same Scheme as Unit 5, the adjacent property to the subject hereditament. It found Unit 2, Mallory Way to be closely comparable to the subject hereditament in terms of age, overall size, and eaves height. Its tone of value for main space had been agreed by Mr Iles and the Respondent at £55 per m^2. However, the panel also considered that Unit 2, Mallory Way was situated on an inferior estate, characterised by lower quality surrounding uses, more limited access, and a lack of estate-wide security and landscaping.

27. By contrast, the subject hereditament was located within Prologis Park, an established and well-managed industrial estate benefiting from dual sided access and 24-hour security. The panel found that these locational advantages would be reflected in a higher level of value than that appropriate for Unit 2, Mallory Way.

28. Having weighed all the evidence, the panel concluded that neither party's proposed tone of value for main space fully reflected the balance of the evidence. The Respondent's proposed tone of £66.61 per m^2 was found to be too closely aligned to a superior distribution-style property, whilst the Appellants' proposed tone of £55 per m^2 failed to adequately reflect the locational and estate advantages enjoyed by the subject hereditament.

29. The panel therefore determined that that a tone of value of £60 per m^2 for main space at the subject hereditament was both fair and reasonable when considering the agreed £55 per m^2 tone of value for main space of the inferior location of Unit 2, Mallory Way, and making an upward adjustment to reflect the superior estate environment and market appeal of Prologis Park.

Conclusion

30. The panel determined that property description of the subject hereditament was factory and premises and the tone of value for main space was £60 per m^2. The revised assessment for the subject hereditament's 2023 compiled rating list entry with effect from 1 April 2023 is as follows:

COMPONENT PARTS OF PROPERTY				
Floor	**Description**	**Area m2/unit**	**£ per m2/unit**	**Value (£)**
Ground	Warehouse	2684.11	58.50	157,020
Ground	Offices	142.55	72.00	10,264
First	Office	142.55	72.00	10,264
Mezzanine	Store	22.24	30.00	667
Ground	Store	70.97	58.50	4,152
ADDITONAL FEATURES OF THE PROPERTY INCLUDED IN THE VALUATION				

First	Plant and Machinery			142
			Valuation sub-total	182,509
			Say RV	**182,000**

31. In view of the foregoing, the appeal was allowed in part as the Respondent's valuation of the subject hereditament was determined unreasonable, but not to the extent as sought by the Appellant.

32. In accordance with Regulation 38(4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Respondent is ordered to alter the subject hereditament's entry in the rating list to £182,000 RV with effect from 1 April 2023. The Respondent must comply with this order within two weeks of its making.

33. Any fee paid will be refunded in full in accordance with Regulation 13E of the above Regulations.

Right of further appeal

34. 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 Valuation Tribunal for England (Council Tax Rating and Appeals) (Procedure) Regulations 2009. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

35. 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 N Carman, Senior Member (Chair)
Mrs AE Fielder, Senior Member
24 December 2025

Mr S Fletcher
Clerk to the Tribunal
Date issued to the parties: 24 December 2025