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

Case No: CHG101174651

Sitting remotely using Microsoft Teams on 15 April 2026

Date: 5 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — warehouse and premises – end allowance for fragmentation.

Before:

MR P BECKHAM
MISS H TURNER

Between:

IW GROUP SERVICES (UK) LTD — **Appellant**

- and -

KAREN GILES (VALUATION OFFICER) — **Respondent**

Regarding:

5-6 BLOSSOM WAY, HEMEL HEMPSTEAD, HERTFORDSHIRE HP2 4ZB
(the “subject property”)

Mr S Dowd-Jones of Colliers International for Appellant company.
Ms N Awoyokun, for the Respondent.

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The Tribunal finds that the existing valuation in the 2017 rating list is unreasonable and should be reduced to £520,000 from 23 October 2019.

STATEMENT OF REASONS

Introduction

3. The appellant's representative made a proposal on 17 January 2024 to challenge the entry in the 2017 Rating List at £585,000 with effect from 23 October 2019. The Valuation Officer (VO) did not find the proposal to be well founded but agreed to reduce the entry to £550,000 to remove land from the valuation. A Challenge decision to that effect was issued on 16 July 2025. The appeal against the decision notice was received by the Tribunal on 12 November 2025.

4. In light of the judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr Dowd-Jones stated that he was appearing before the Tribunal in a dual role as both advocate and expert witness. He confirmed that he was instructed on a contingency fee basis. In giving expert evidence, 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 his client's case.

5. 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.

6. Ms Awoyokun, for the respondent, stated she was also appearing as both advocate and expert witness.

7. The hereditament is valued as a distribution warehouse with an eaves height of 9 metres, measuring 7,001.94m^2. The dispute concerned the fact that the unit has a dividing wall, effectively creating two units. The hereditament is valued as one property and is occupied by one ratepayer. Mr Dowd-Jones contended that the building was constructed for occupation as two units and the dividing wall creates a disability for the occupier as it hinders movement between the two sides of the building. Ms Awoyokun defended the existing valuation and considered it reasonable. Mr Dowd-Jones proposed an end allowance of 5% to reflect the disability and a revised valuation of £520,000.

8. The material day on which to consider the property and its locality was 23 October 2019, as this was a challenge to the latest entry in the rating list. The property must be considered with regard to values on the antecedent valuation date (AVD) of 1 April 2015.

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

Relevant Law

10. The subject property must be valued by the statutory assumptions set out 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.”*

11. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, referenced in the evidence bundle, which provides guidance on the weight to be attached to different forms of evidence.

Discussion

12. In accordance with *Lotus & Delta*, the panel found that the starting point for any valuation should be the rent passing on the subject property. In this case the rent was effective from 23 October 2019 and therefore over four years post AVD. The property is occupied under two separate lease agreements for a term of ten years. Mr Dowd-Jones submitted that each lease included a six-month rent-free period and a break option after the fifth year. The panel did not place weight on the rent in this case as firstly it is too far from the AVD to assist in valuing the property and secondly, the inconvenience of the dividing wall is not reflected when there are separate leases. It noted Ms Awoyokun’s point that the arrangement means the appellant company has the flexibility to surrender the lease on one part of the building if required and continue renting the rest of the property. The panel considered that this is a further consideration in not relying on the passing rent as the appellant may have paid more for the flexibility of occupying under separate leases. In the absence of a rent on the subject property reflecting its occupation as one hereditament, the panel did not find the rents useful.

13. There were no rents presented on other comparable properties for consideration. The panel therefore turned to consider the valuations of other comparable properties. Mr Dowd-Jones supplied a number of examples where end allowances had been granted for fragmentation on other properties in Hertfordshire. The panel was satisfied that allowances may be appropriate for fragmentation, but it must consider the facts of the case before it.

14. The appellant’s evidence contained a plan of the subject property as built, which showed the dividing wall and indicated the building had been constructed with separate occupation in

mind. The VO's evidence contained a plan taken from the 2019 lease, which Ms Awoyokun submitted shows no dividing wall, and she considered this evidenced that the wall could be removed if required. While the panel noted Ms Awoyokun's submissions that the dividing wall is removable and not structural, the panel found that it must value the subject property by the established principle of *rebus sic stantibus* and value what is actually there. There was no dispute between the parties that the dividing wall is present. Therefore, the panel needed to value the property as if vacant and to let on the basis that the hypothetical tenant would be occupying the entire hereditament with the dividing wall in place.

15. The photographs in evidence showed the dividing wall to span the entire width of the building and Mr Dowd-Jones submitted that to move stock from one side to the other requires leaving the building and re-entering through a separate entrance. As there was no interconnectivity between the two sides, the panel was satisfied that this presented a disability for the occupier. It also considered that, even though the wall may not be structural, removal would not be a minor task.

16. The valuation at £80/m^2 did not appear in dispute but Mr Dowd-Jones argued that the fragmentation of the hereditament would be reflected in the hypothetical tenant's rental bid and a 5% end allowance was reasonable. Ms Awoyokun submitted that a 5% allowance would equate to £27,500 annually and she did not consider this is justified. The panel was not persuaded by Ms Awoyokun's submission that the dividing wall is an advantage purely because it provides "an opportunity to safely reduce the rental obligations if the need arose." It found that the valuation must reflect the presence of the dividing wall, its impact on the use of the building by one occupier, and how that would affect the hypothetical rental bid.

17. The panel found two of the appellant's examples of comparable properties persuasive. Although not in the same locality, Units 5-6 Ouzel Industrial Estate in Leighton Buzzard were a very similar pair of units to the subject hereditament, divided by a floor to ceiling wall spanning the width of the building. The panel considered this example to be comparable in construction and character, as a modern steel portal frame warehouse, to the subject property and a 5% allowance for fragmentation had been agreed.

18. Much closer to the subject property is Unit 2 Blossom Way, also valued at £80/m^2. This property is a single unit measuring 7,568.40m^2, 567m^2 larger than the subject property. Mr Dowd-Jones submitted that this unit is highly comparable to the subject units in size, construction, age, and location yet does not suffer the same disability of the dividing wall. The panel was satisfied that this example demonstrated an adjustment should be made to the valuation to reflect the presence of the dividing wall. As the tone at £80/m^2 was not disputed, the panel concluded that a 5% allowance was reasonable.

Conclusion

19. In view of the above findings and conclusions, the Tribunal is satisfied that the existing valuation is unreasonable and an end allowance of 5% is appropriate. The appeal is therefore allowed.

Order

20. In accordance with Regulation 38 (4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to amend the entry for 5-6 Blossom Way, Hemel Hempstead, Hertfordshire HP2 4ZB in the 2017 Rating List to £520,000 effective from 23 October 2019.

21. The Valuation Officer must comply with this Order within two weeks of its making.

Valuation

Floor	Description	Area/m²	£/m²	Value
	Main Space £80			
Ground	Area under supported floor	233.33	£56	£13,066
First	Office	295.42	£88	£25,997
Ground	Area under supported floor	310.68	£56	£17,398
Ground	Warehouse	2633.38	£80	£210,670
Ground	Reception/Entrance	66.15	£96	£6,350
Ground	Warehouse	3024.06	£78	£235,877
Ground	Reception/Entrance	62.99	£96	£5,961
First	Office	376.83	£96	£36,176
		Total		£551,495
	Allowance for fragmented site		-5%	£27,575
		Total		£523,921
		Say RV		£520,000

Right of further appeal

22. 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) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

23. 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 P Beckham, Senior Member (Chair)
Miss H Turner, Member
5 May 2026

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 5 May 2026