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

Case No: CHG101179991

Sitting remotely using
Microsoft Teams on
16 March 2026 10:00

Date: 1 April 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: Local Government Finance Act 1988; accuracy of the rateable value in the list as at 1 April 2023; builders merchant and premises; rental evidence; comparable assessments; appeal dismissed

Before:

MR P BLYTHE-BARTRAM
MRS V LLOYD AND MRS L JOHNSON

Between:

INDEPENDENT BUILDERS MERCHANT GROUP **Appellant**

- and -

ANDREW MOULAND
(VALUATION OFFICER) **Respondent**

Regarding:

11-14, ST JOSEPHS CLOSE, HOVE BN3 7ES
(the "subject property")

Mr M Saxby, for the **Appellant**
Miss L Yuen, for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The assessment was confirmed at rateable value (RV) £140,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This appeal has been brought in respect of 11-14, St Josephs Close, Hove BN3 7ES (the “subject property”), which was entered in the 2023 rating list as ‘*builders merchant* and premises’ at RV £159,000, effective from 1 April 2023.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal was made to the Valuation Tribunal for England (VTE). The appeal was made because the appellant did not agree with the Valuation Officer’s decision to reduce the RV in the 2023 rating list to £140,000 following the challenge. The appellant sought a reduction to RV £75,000 with effect from 1 April 2023.

5. At the hearing Mr Saxby confirmed that he had altered his valuation and sought a reduction to RV £120,000, based on a tone of £120/m^2.

6. The appellant’s representative, when appearing as expert witness, stated that he was on a conditional fee arrangement. However, he also stated that he understood and accepted that his first duty was to the VTE in giving his evidence, whether or not the evidence supported his client’s case.

7. The panel has 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).

8. 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.

9. Miss Yuen appeared as expert witness and advocate.

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

Background

11. 11–14 Josephs Close, Hove, BN3 7ES is an industrial premises located within St. Joseph’s Business Park, approximately 100 yards from the A270 Old Shoreham Road and within half a mile of Hove railway station. The property is part of a modern industrial estate of units of similar character and age. It comprises a warehouse facility with office and sales

accommodation it has three loading doors with a small yard area located at the front of the property and was constructed around 2003. It has an area of 1006.14m^2.

12. The appeal to the VTE was made on the grounds that the valuation for the subject property was not reasonable.

13. The base level of value adopted for the subject property was not agreed. The valuation officer had adopted £140/m^2, however, the appellant's representative sought a reduction to £120/m^2 in his analysis which resulted in a rateable value of £120,000.

Relevant Law

14. The term 'rateable value' is defined in Schedule 6 to the Local Government Finance Act 1988 (as amended):

    "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".

Discussion

15. The panel had to determine the rateable value for the subject property, which represented a rent that a hypothetical landlord and tenant would agree, as at the AVD, 1 April 2021. This common date was used to ensure that every property was treated in a consistent way.

16. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property was considered to be the correct starting point but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

17. The panel noted that in this appeal the subject property had a rent of £132,000 per annum agreed at a rent review which was effective from 24 December 2019 and a further rent effective from 15 December 2024 agreed on a new letting at £181,500. These rents had been analysed to £131.19/m^2 and 180.39/m^2 respectively. Whist Mr Saxby argued that this was not the best rental evidence available Miss Yuen argued that considering the 2019 rent on the subject at £132,000 and the 2024 rent at £181,500, the new £140,000 RV is reflective of these two rents in a growing market given the AVD was 1 April 2021. The panel found

these rents to be a good starting point for the valuation, but it did note that they had been agreed either side of the AVD and it therefore attached weight to this evidence accordingly.

18. Mr Saxby argued that the subject property was set at a higher tone than others in the same scheme. To support his argument he referred to assessment evidence for two properties: 99A, Conway Street, Hove, East Sussex, BN3 7LA, this assessment is a builders merchant premises built in 2000 with a total floor area of 1,001.50m^2 which has a tone of £115/m^2 in the 2023 rating list; and Units 16-17, St Josephs Business Park, St Josephs Close, Hove, East Sussex, BN3 7ES, with a total significant area of 1,533.21m^2. This unit was built in 2001, and the adopted tone was £131/m^2.

19. The panel noted that Units 16-17, St Josephs Business Park, were larger than the subject property which had an area of 1006.14m2 it expected that this would have a slightly lower tone given its size.

20. With regard to 99A, Conway Street, the parties did not agree on the age of this property Miss Yuen stated that according to the Valuation Officer's records the property was built in 1989 and this was the reason for the lower tone of £115/m^2, Mr Saxby was of the opinion that the property was built in 2000 and was therefore of a similar age to the subject property. On further inspection Miss Yuen was able to confirm that the property had been part of another property which had been split in 2003 when it became 99A and was given the description builders merchant and premises, whether any upgrade had been made to the property at this time could not be ascertained.

21. In the decision notice the Valuation Officer had referred to three other properties in the locality:

- Unit 11, St Josephs Business Park, St Josephs Close, Hove, East Sussex, BN3 7HG had an area of 440.05m^2. This was a new letting agreed on 24 June 2021 at £67,500, which analysed to £145.72/m^2, a rate of £170.00/m^2 had been adopted for this property.
- Unit 14, St Josephs Business Park, St Josephs Close, Hove, East Sussex, BN3 7HG had an area of 228.69m^2. This was a new letting effective from 1 April 2021 with a rent of £41,250 which analysed to £171.35/m^2, a rate of £170.00/m^2 had been adopted for this property.
- Unit 12, St Josephs Business Park, St Josephs Close, Hove, East Sussex, BN3 7HG has an area of 228.69m^2. This was a new lease effective from 29 September 2019 with a rent of £41,679 which analysed to £182.25/m^2, a rate of £170.00/m^2 had been adopted for this property. There was a further rental agreement on this property effective 1 April 2022 which was a new letting at £46,730 this analysed to £204.34 and the adopted rate remained at £170/m^2. Miss Yuen pointed out that this was further evidence of rental growth on the estate.

22. The panel noted Mr Saxby's argument that these properties were smaller than the subject, however, it found this evidence of a new lettings, agreed close to the AVD, to be good evidence which supported a tone of £140/m^2 for the subject property. The panel considered this to be good evidence and gave it appropriate weight.

23. Having considered all the evidence and arguments before it the panel found the evidence and arguments put forward by Miss Yuen to be the more persuasive as she had relied upon rental evidence and based on this evidence, it did not consider a tone of £140/m^2 to be unreasonable.

24. The panel was aware that in cases of this nature the burden of proof is on the appellant to satisfy the Tribunal that the appeal should be allowed. In this case it found insufficient evidence had been put forward by the appellant's representative to persuade it that a reduction in the assessment to RV £120,000 was warranted and therefore it determined that an RV of £140,000, with effect from 1 April 2023, was fair and reasonable.

Conclusion

25. In view of the above findings and conclusions, the appeal was dismissed.

Right of further appeal

26. 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.

27. 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 Blythe-Bartram, Senior Member (Chair)
Mrs V Lloyd, Member
Mrs L Johnson, Member
1 April 2026

Mrs H Beresford
Clerk to the Tribunal
Date issued to the parties: 1 April 2026