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

Case No: CHG101181470

Sitting remotely using Microsoft Teams

Date: 23 July 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — factory and premises; price per m^2 in dispute; rental evidence; appeal dismissed.

Before:
MR P BLYTHE-BARTRAM
MS N AKHTER

Between:

ELFAB LIMITED — **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) — **Respondent**

Regarding:
UNIT 12, ALDER ROAD, WEST CHIRTON INDUSTRIAL ESTATE NORTH, NORTH SHIELDS, NE29 8DX
(the “subject property”)

Mr G Herron from Ryan, representing the Appellant
Mr P Holdsworth for the Respondent

Hearing date: 8 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel found that the entry in the 2023 rating list was not unreasonable, and confirmed the rateable value (RV) of £139,000 with effect from 1 April 2023.

Introduction

3. This is a 2023 rating list appeal. Unit 12, Alder Road, West Chirton Industrial Estate North, North Shields, NE29 8DX (the 'subject property') had been entered in the 2023 rating list as 'factory and premises' at £146,000 RV with effect from 1 April 2023. This was based upon an adopted price of £38.00 per m^2.

4. The challenge proposal was submitted by Altus Group (now Ryan) on behalf of Elfab Limited and was received by the Valuation Officer on 7 February 2024. It had been made on the grounds that the RV shown in the rating list on 1 April 2023 was inaccurate. A revised RV of £109,500 was proposed, based upon £30.00 per m^2 and a 5% end allowance for access and split site.

5. The Valuation Officer issued a challenge case decision notice on 20 December 2024, which disagreed with the appellant's proposed RV, but agreed that the rating list was unreasonable, based upon the evidence and information available. A new rating list entry of £139,000 RV was confirmed, to reflect the addition of a 5% end allowance for access.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received by the Tribunal on 7 February 2025.

7. Mr Herron appeared on behalf of the appellant 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), he declared that he was instructed on a contingency based fee, and that he understood and accepted that his duty was to the Tribunal in giving his evidence, and that 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.

8. 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).

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

Relevant Law

10. Rateable value is to be determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

"(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. In respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021, in accordance with the Rating Lists (Valuation Date) (England) Order 2020. As this was a compiled list appeal, the material day (the date by which physical factors must be taken into account) was 1 April 2023.

Discussion

12. The issue in dispute is the base price per m^2 to be adopted in the valuation of the subject property.

13. The subject property comprises two adjoining units (Unit 12 and Unit 13), located within West Chirton Industrial Estate North. Each unit has ancillary office accommodation with mezzanine storage above. The total area of the units is 4,357.12 m^2.

14. On behalf of the appellant, Mr Herron sought a revised RV of £110,000, based on his adopted price of £30 per m^2. For the Valuation Officer, Mr Holdsworth defended the present RV of £139,000, based on £38 per m^2.

15. Both parties referred to the leading judgment in the Lands Tribunal case of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141. This case set out the six propositions to have regard to when considering the weighting of evidence and expert opinion. As per the guidance, the starting point should be the subject rent. The only rental evidence provided by the parties was in respect of the subject property, with each unit subject to a separate lease as follows:

Unit 12: A unit of 1,970.08m^2 in terms of main space (ITMS), a ten year lease effective from 1 March 2019 was agreed at a rent of £66,090 per annum.

Unit 13: A unit of 2,052.33 m^2 ITMS, a ten year lease effective from 1 March 2019 was agreed at a rent of £72,150 per annum.

16. Both leases contained break options at the fifth year.

17. Mr Herron analysed the rents at £37.27 per m^2 and £39.06 per m^2 respectively. He disputed the Valuation Officer's approach in his analysis of a single lease at £38 per m^2. On a like for

like basis with similar size units at £48 per m^2 (differentials of 0.776 and 0.814), Mr Herron adjusted the main space price to £30 per m^2.

18. In the Valuation Officer's challenge decision, it was stated that the previous form of return confirmed a combined rent of £125,000; this referenced a specific breakdown of each unit, and the lease was treated as one. As both leases were on the same terms, and agreed between the same parties, the Valuation Officer adopted the same approach as previously. When treating the two separate rents as one, the Valuation Officer submitted that the analysis of the combined rent at £37.18 per m^2 supported the current base rate of £38.00 per m^2.

19. In arriving at the decision that the present price of £38 per m^2 was not unreasonable, the panel was persuaded by Mr Holdsworth's argument, that regardless of the analysis of one lease or two separate leases, the end result was the same: the analysed separate rents of £37.27 per m^2 and £39.06 per m^2, and the analysed single rent of £38.00 per m^2 demonstrated that the valuation of the subject property at £38 per m^2 was not unreasonable.

20. The panel was not satisfied that Mr Herron had supported his adopted price of £30 per m^2 with reference to rental evidence or comparable assessments. Ultimately, the property to be valued was a factory and premises of 4,357.12 m^2, and therefore the panel rejected Mr Herron's approach of applying a differential derived from units of 2,000m^2.

Determination

21. In view of the above findings and conclusions, the panel is satisfied that the rateable value of the appeal property is not unreasonable, and therefore the appeal is dismissed.

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) within **four weeks** of the date this decision and statement of reasons is 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 Blythe-Bartram, Senior Member

Ms N Akhter, Member

23 July 2025

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 23 July 2025