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

Case No: CHG101181974

Sitting remotely using Microsoft Teams

Date: 20 August 2025

2023 Rating List Appeal: challenge against compiled list entry; shop and premises; base price in dispute; accuracy of rateable value; allowed in part.

Between:

EXTRAORDINARY OBJECTS LTD **Appellant**

- and -

Karen Giles
(VALUATION OFFICER) **Respondent**

Regarding:

14 GREEN STREET, CAMBRIDGE CB2 3JU

(the "subject property")

Mr O Plumley of Altus Group (on behalf of the appellant)
Mr T Manyadza (on behalf of the respondent)

Hearing date: 22 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal Panel reduced the rateable value (RV) to £15,300 with effect from 1 April 2023.

Introduction

3. This appeal had been brought in respect of 14 Green Street, Cambridge CB2 3JU (the subject property), which was entered in the 2023 Rating List as 'shop and premises' at an RV of £16,000 effective from 1 April 2023.

4. The appellant's challenge was submitted by Altus Group on behalf of the appellant on 8 February 2024 and sought a reduction in the RV to £9,500 with effect from 1 April 2023. The appeal to this Tribunal was made on 26 September 2024, following the valuation officer's (VO) Decision Notice of 29 August 2024 in respect of the subject property.

5. 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.

6. The subject property is a ground floor corner shop with offices and storage in the basement on Green Street. The shop is on the corner of Green Street adjoining Trinity Street, St John's Street and Sidney Street in close proximity to the city centre. It is 115.79m^2 with an ITMS of 40.26m^2. There are some national chains and also some independent shops in the vicinity of the subject property.

7. Mr Plumley appeared on behalf of the appellant as both advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC). Mr Plumley confirmed that he was instructed under a contingency fee and he declared 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 his 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. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

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

Issue

11. The issue for the panel to make a finding on is the ITZA for the subject property which is presently £400/m^2 with a RV of £16,000. The appellant submits that this is too high and that an ITZA of £238.44/m^2 is reasonable reducing the RV to £9,500.

Relevant Law

12. In arriving at a decision, the panel is governed by rating legislation laid down by Parliament where Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, provides that:

    2(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.

13. 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 2014 (SI 2014 No. 2841).

14. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material date is 1 April 2023 being the commencement date for the 2023 rating list.

Discussion

15. The appeal 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 let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2021.

16. The panel turned to the six propositions set down in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 which was binding on this panel. The first two propositions are:

    (1)Where the hereditament which is the subject of consideration is actually let, that rent should be taken as the starting basis.

(2)The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in section 19(6) of the General Rate Act 1967 the more weight should be attached to it. (These statutory requirements now contained in Schedule 6, Para 2 (1) Local Government Finance Act 1988 (as amended by the Rating (Valuation) Act 1999)).

17. The panel noted that the subject property was held under a lease effective from 8 April 2021 for a term of three years at a passing rent of £9,600 per annum with no incentives. The subject property had an ITMS of 40.26m^2 with the rent analysing to £238.44/m^2 which the panel found did not support the current UAR of £400.00/m^2. The rent on the subject property was a new letting on a full repairing and insuring (FRI) basis and was agreed only seven days after the AVD. The subject lease therefore closely corresponded with the statutory requirements and did not require any adjustments. The panel put weight on the rent of the subject property as in the case of *Lotus and Delta* it resembled "closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value". The panel was also aware that the VO did not challenge the terms of the lease as set out by Mr Plumley nor that the rent analysed to £238.45/m^2.

18. The panel then looked to the comparable properties provided by both parties. The third and fourth propositions set out in *Lotus and Delta* were considered by the panel in regard to the comparable properties put into evidence by both parties:

(3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.

(4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the valuation officer.

19. The panel was aware that retail is a location driven business and that rent varies widely dependent on location and a property just a few doors along from another can have very different rent as a result of visibility and footfall. The comparable property put into evidence on behalf of the appellant was 24 Green Street which was in close proximity to the subject property and was 187.67m^2 with an ITMS of 116.81m^2. It was held on a new lease on FRI terms with an effective date of 15 January 2019 for a term of 15 years. There was a ten month rent free period with three months ignored for fit out and the rent payable was £32,000 per annum which analysed to £243.51. Mr Plumley confirmed that it was a restaurant which was valued on an overall basis and the rent included some living accommodation. Mr Plumley submitted that this comparable property supported that a lower value than the compiled list was appropriate. The panel noted that this property was a restaurant with a rent agreed twenty six months from the AVD and was significantly larger than the subject property and so put little weight on this evidence.

20. The panel then turned to the comparable properties put into evidence by the VO which were:

(1) 3 Green Street had an ITMS of 27.84m^2 with a lease renewal agreed on the 1 December 2020 which was four months prior to the AVD. The lease included a rent of £12,500 per

annum and was for a term of three years and analysed to £410.81/m^2. The panel found that as this was a rent renewal it was not as strong evidence as a new lease. It also had a break clause for March 2022 and the landlord was liable for the external repairs which meant that adjustments to the rent were required to take these into account. The panel found that although it was only three months before the AVD the rent required adjustments and it had better visibility and a greater footfall than the subject property. The size and location meant that the panel put weight on this evidence

(2) 23 Green Street had a new lease agreed one month prior to the AVD and had an ITMS of 15.84m^2 . It had a three month rent free period, shared the external and internal repairs and the landlord was responsible for the insurance. The rent of £10,500 per annum analysed to £485.16/m^2 and it had a UAR of £400/m^2. The panel noted that this property was very similar in size to the subject property but again was in a better location and required some adjustment to the rent.

(3) 60 Hills Road was 116.31m^2 with an ITMS of 77.15m^2. It was held on a new lease dated 1 April 2021 on the AVD for a rent of £28,725 per annum which analysed to £372.33 and had a UAR of £375/m^2. The lease included a one month rent free period which was ignored for fitting out. It also included a one year break clause, shared external repairs and insurance and the rent therefore required adjustment. The panel found that although this comparable property had a very similar ITMS to the subject property it was situated in a very different retail area and so put little weight on this comparable property.

(4) 6 All Saints Passage which again was in a different area to the subject property was a lease renewal with the landlord being responsible for the external repairs and a shared responsibility for the insurance. It was 22.73m^2 with an ITMS of 22.04m^2 and had a rent of £8,750 agreed four months after the AVD. This rent analysed to £370.19 with a UAR of £350/m^2.

(5) 7 All Saints Passage was a new lease with a term of ten years and a rent agreed at £8,750 four months after the AVD. The lease however included that the landlord was responsible for the external repairs and there was a five year break clause. There was also a three month rent free period although this was ignored for fitting out. The property had an ITMS of 22.20m^2 and the rent therefore analysed to £374.41/m^2 with a UAR of £350/m^2. The panel found that both of these properties on All Saints Passage were situated in a different location to the subject property and were almost half the size of the subject property and so put little weight on these comparable properties.

21. The panel now turned to the fifth and sixth propositions from *Lotus and Delta*, namely:

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attached to the differing types of evidence depending on the one hand on the nature of the actual rent, and on the other hand, on the degree of comparability found in other properties.
(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in each circumstance, it would be difficult to reject the evidence of the actual rent.

22. The panel placed little weight on the comparable property 24 Green Street which was a restaurant and was too different in the mode and category of occupation and was assessed using an overall rate. This meant that it was of little assistance in determining the RV for the subject property. The panel also placed little weight on 60 Hills Road and 6 and 7 All Saints Passage which were all in very different locations to the subject property. The properties also had a very different ITMS to the subject property and the panel therefore found that they were not helpful in determining the correct UAR for the subject property.

23. Taking the remaining evidence into account the panel found the evidence of the rent on the subject property was the best and strongest evidence in determining the RV of the subject property in line with the leading case of *Lotus and Delta.* The panel further found that the properties number 3 and 23 Green Street were similar in size to the subject property and in close proximity. The panel however also put weight on Mr Plumley's submission that 3 and 23 Green Street would command higher rents and had a differential in the 2017 rating list reflecting the higher footfall with a higher Zone A price to the subject property. In order to reflect that differential the panel found that the UAR of £400/m^2 on the two comparable properties should be reduced to £380/m^2 on the subject property to reflect this.

Determination

24. In view of the above findings and conclusions, the Tribunal finds that the RV for the subject property based on the UAR of £380/m^2 was:

Floor	**Description**	**Area m/^{2}**	**£/m^2**	**Value (£)**
Ground	Retail Zone A	25.20	361.00	9,097.20
Ground	Retail Zone B	11.90	180.00	2,142
Ground	Retail Zone B- masked	17.60	135.28	2,380.92
Ground	Retail Zone C	3.70	90.40	334.48
Ground	Retail Zone C- masked	4.40	67.64	297.61
Ground	Internal Storage	4.60	36.10	166.06
Basement	Kitchen	4.90	18.24	89.37
Basement	Internal Storage	0.80	18.24	14.59
Basement	Office	9.10	18.24	165.98
Basement	Office	31.15	18.24	568.17
Basement	Internal Storage`	2.44	18.24	44.50
			Total	15,300.88
Say £15,300 Rateable Value, with effect from 1 April 2023.				

Order

25. Under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to alter the entry in the rating list to rateable value £15,300 with effect from 1 April 2023.

26. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Right of further appeal

27. 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.

28. 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 SP Wood, Senior Member (Presiding)

Mr SM Hooberman, Member

20 August 2025

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 20 August 2025