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

Case No: CHG101197425

Sitting remotely using Microsoft Teams

Date: 22 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2023 Rating List; Local Government Finance Act 1988; Lotus and Delta v Culverwell (VO) [1976] RA 141; *Office and premises; main space price; end allowance for poor layout; appeal allowed in part.*

Before:
MS T BLADES
PROF P CATTERALL

Between:

RENAISSANCE ASSOCIATES LTD **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) **Respondent**

Regarding:
4TH FLOOR CARVERS WAREHOUSE, 77, DALE STREET, MANCHESTER M1 2HG
(the "subject property")

Mr W Scorer from Ryan Property Tax Services UK Limited for the Appellant
Mr J Turner for the Respondent

Hearing date: 27 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed in part.

2. The Tribunal finds that an allowance of 2.5% allowance for layout should be allowed to the assessment of 4th Floor Carvers Warehouse, 77, Dale Street, Manchester M1 2HG (hereafter, known as the subject property). The resultant rateable value (RV) was £37,000 with effect from 1 April 2023.

Introduction

3. The subject property had entered the 2023 rating list as 'office and premises' at an RV of £38,000 with effect from 1 April 2023. A Check had been submitted on 24 October 2023 and completed on 15 January 2024. A challenge was submitted on 20 March 2024 and was completed on 10 February 2025 with no change made to the RV of the subject property. An appeal was received by the Tribunal on 14 March 2025.

4. This was an appeal following a Challenge against the 2023 rating list entry, on the basis that an allowance of 10% should be awarded for layout to the assessment of the subject property.

5. Both Mr Scorer for the Appellant and Mr Turner for the Respondent appeared 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), Mr Scorer that he was instructed under a conditional fee basis.

6. Mr Scorer also 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.

7. 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).

8. The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

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

<u>*Background*</u>

10. The subject property is located within a converted 19th-century mill building, offering a net internal area (NIA) of 212.29 m². Positioned in the heart of Manchester's Piccadilly Basin, it lies approximately a five to ten-minute walk from Manchester Piccadilly Station. The subject property had a net internal area (NIA) of 212.29 m² and is situated on the fourth floor of the building, where eaves are present. An allowance of 10% had been reflected within the assessment of the subject property due to the lift stopping at the third floor.

11. Mr. Scorer proposed that a 10% end allowance should be applied to the assessment of the subject property. He argued that the property's layout, specifically, the position of the

building's eaves and the resulting associated issues, placed it at a disadvantage. Applying this allowance would result in a revised RV of £34,000, effective from 1 April 2023.

12. In contrast, Mr. Turner disagreed with the need for an end allowance. He noted that none of the building's floors were identical, and no such allowances have been applied to the assessments of any other floors within the building.

Relevant Law

13. The term "Rateable Value" is defined in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (the "1988 Act"):

14. 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 various assumptions.

15. Each appeal hereditament had to be valued, having regard to factual matters the relevant material day, in accordance with paragraphs 2 (6) and (7) of Schedule 6 to the 1988 Act, as amended.

> (6) Where the "Rateable Value" is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force) the matters mentioned in sub-paragraph (7) below shall be taken to be as they are assumed to be on the material day.
>
> (7) The matters are –
>
> (a) matters affecting the physical state of the hereditament,
> (aa) matters affecting the physical enjoyment of the hereditament,
> (b) the mode or category of occupation of the hereditament,
> (c) the quantity of minerals or other substances in or extracted from the hereditament,
> (cc) the quantity of refuse or waste material which is brought onto and permanently deposited on the hereditament,
> (d) matters affecting the physical state of the locality in which the hereditament is situated,
> (da) matters which, though not affecting the physical state of the locality in which the hereditament is situated, are nonetheless physically manifest there, and
> (e) the use or occupation of other premises situated in the locality of the hereditament.

16. The antecedent valuation date (AVD) for 2023 list rating appeals was 1 April 2021. The material day was 1 April 2023, this being the date the subject property entered the valuation list.

17. *Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141* was referred to by both parties:

Discussion

18. The Lands Tribunal judgment in *Lotus and Delta v Culverwell* 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 are also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence can then be weighed.

19. To determine the appeal, the panel first considered the rent for the subject property. The rent agreed commenced on 7 January 2024, which commanded a sum of £46,119 per annum. In the submission, the Valuation Officer (VO) indicated that the property's layout would have been a relevant factor in any hypothetical rental bid. Furthermore, the rent payable in 2024 was cited as supporting the current Rateable Value of £38,000.

20. Mr Scorer advised the panel that a hypothetical tenant would reasonably adjust their rental bid to reflect these disadvantages, particularly given that other units in the building do not suffer from such limitations. Accordingly, he maintained that an allowance remains justified and confirmed that a 10% adjustment had been applied, consistent with the comparables outlined in the Challenge document. However, as the rent had been set circa three post AVD in January 2024, the panel placed less weight onto the details provided.

21. Mr Scorer stated that the subject property was physically inferior to the comparable office suites located on the other floors within the same building, the lack of lift provision has already been reflected via a 10% end allowance but the physical issues around roof or layout had not.

22. Mr Scorer advised that the fourth floor was situated within the eaves of the building, resulting in pronounced sloped walls and numerous exposed support beams that encroached into the office space. These structural features significantly restricted layout flexibility, particularly in terms of desk placement and staff movement. Additionally, the beams and low ceiling height present safety concerns, including potential tripping hazards and risks of head injuries.

23. The panel referred to the comparable properties provided by Mr Scorer where layout allowances had been granted of either 5% or 10%. The panel noted that all of the comparable properties were much larger in size than the subject property with areas between 802.44 m² and 1,831.80 m². Mr Turner informed the panel that three of the four comparable properties were located within the same building at Lee House, 56 Oxford Street, Manchester. He explained that the 10% allowance applied to these three properties was originally introduced in the 2005 Rating List, when they were assessed as a single, larger unit. The allowance reflected both the size and the layout of the accommodation, which spanned multiple floors and two interconnected buildings. However, Mr Turner informed the panel that the 10% allowance had since been removed from the assessments of the comparable properties located on Oxford Street.

24. The fourth comparable property, which was located at Maybrook House, 48 Deansgate, Manchester had a 5% allowance adopted. However, the panel noted that this comparable property was situated on the second floor of the building, and therefore, the allowance for layout would not have been due to the same issue as the subject property. The panel also noted that as all four comparable properties were much larger in size, the panel placed less weight on the details provided.

25. Mr Turner advised the panel that he had been unable to inspect the subject property, as the appellant was no longer in occupation. He also noted that no allowance had been discussed or applied in any of the previous rating lists. However, the panel was aware that the absence of an allowance in earlier lists does not, in itself, justify excluding one in the current list, particularly where physical disadvantages are evident and may now warrant recognition.

26. To assist in its deliberations, the panel reviewed the photographs submitted of the fourth-floor office space. It noted that any area with a ceiling height below 1.5 metres had been excluded from the measured floor area of the subject property. However, upon examining the images, the panel observed that structural beams remained a concern along the side walls, even in areas above the 1.5-metre threshold.

27. One photograph in particular highlighted a low beam situated in an area that was included within the assessment, yet the beam itself extended above 1.5 metres and bore a warning label, indicating it posed a genuine hazard. Additional beams located further into the office space were also noted as problematic. While the central area appeared unobstructed, the panel could clearly see that usable space was limited, restricting the placement of desks, filing cabinets, and other office furniture.

28. The panel noted that the rent which commenced on 7 January 2024 was too far removed from the AVD to be of meaningful assistance in determining whether the rent was influenced by the property's eaves height or its restrictive layout. It was also observed that the presence of additional joists could further complicate the internal configuration and limit layout options.

29. The panel reviewed photographs of the comparable properties and noted that they featured fewer columns than the subject property. It concluded that the number of columns within the subject property, combined with the limited usable space outside the central area, did justify an allowance. However, Mr Scorer had not provided sufficient evidence to support the appropriateness of a 10% allowance.

30. The valuation is set out below:

Floor	Description	Area M²	£ / m²	Value (£)
Fourth	Office	212.29	100.50	42,352
			Valuation sub total	42,352
Adjustments made to the sub total				
		Lift (gnd – 3rd only)	-10%	-4,235
		Allowance for layout	-2.5%	-952,92
				£37,164.08
			Say RV	£37,000

Determination

31. In light of the above findings and conclusions, the panel acknowledged that while the presence of multiple columns restricted usable space, only one beam was shown to present a clear and specific issue. As such, the panel considered a 2.5% allowance to be reasonable. Accordingly, the appeal was allowed in part.

32. The Tribunal orders, pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] that the respondent shall within two weeks, in respect of 4th Floor Carvers Warehouse, 77, Dale Street, Manchester M1 2HG include an allowance of 2.5% to the assessment for layout within the 2023 Rating List, which resulted in a revised RV of £37,000 with effect from 1 April 2023.

Refund of appeal fee

33. The Appellant is also entitled to a full refund of the fee paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

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 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.

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/.

Ms T Blades, Senior Member (Presiding)

Prof P Catterall, Member

22 September 2025

Clerk to the Tribunal: Ms R Muller
Date issued to the parties: 22 September 2025