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

Case No: CHG101200192

Sitting remotely using Microsoft Teams

Date: 2 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Warehouse and premises; Compiled List Entry; Price per square metre; Rental evidence/assessment of comparable properties; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal dismissed.

Before:
MR AMRAN HUSSAIN
MR C BUSST

Between:

LEADER ONLINE LIMITED **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) **Respondent**

Regarding:
BT 50/47, EARLSWAY, THORNABY, STOCKTON-ON-TEES, CLEVELAND TS17 9JU
(the "subject property")

Mr G Herron of Ryan on behalf of the Appellant
Mr S Hutchinson on behalf of the Respondent

Hearing date: 8 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel finds that the entry in the 2023 rating list was reasonable and should remain at £73,000 rateable value with effect from 1 April 2023.

Introduction

3. The appellant made a proposal on 27 March 2024 to challenge the entry in the 2023 rating list of £73,000 with effect from 1 April 2023. The proposal sought a reduction to £60,000 to reflect a reduced unadjusted rate from £33.29/m^2 to £27.40/m^2.

4. The Valuation Officer (VO) did not find the proposal to be well founded, and a Challenge decision was issued on 26 February 2025 maintaining the existing entry in the rating list. An appeal against that decision was received by the Tribunal on 26 March 2025.

5. The property comprised a detached industrial unit which consisted of a steel frame construction clad with insulated metal deck to the walls and roof. There was the main warehouse area together with an internal block which provided ancillary offices and a staffroom.

6. It was located on Teesside Industrial Estate which was an established industrial location located two miles south of Stockton on Tees and to the west side of the A19 dual carriageway.

7. The issue to be determined by the Tribunal was the correct price per square metre. It was currently in the list at £33.29/m^2 which Mr Herron argued was over-assessed and sought a reduced rate of £27.40/m^2.

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

Relevant Law

9. The subject property must be valued by the statutory assumptions set out in 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."

10. The material date on which to consider the physical state of the hereditament and its locality was 1 April 2023, when the entry was made in the rating list. The valuation date for the 2023 rating list is 1 April 2021, the antecedent valuation date (AVD).

11. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell* (VO) [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.

Discussion

12. Mr Herron stated that the appeal property was held on a five year lease with effect from 26 October 2020 at a rent of £60,000 per annum. It was on full repairing and insuring terms. He had analysed this rent to £27.40/m^2 and considered this to be good evidence as it was close to the AVD and was a representation of the open market value. Although the rent was a connected parties agreement, in line with *Lotus and Delta*, he argued that it could not be ignored completely.

13. Mr Herron referred to 38b Dukesway which was a rent review from 10 October 2019 that analysed to £34.46/m^2 compared to a current tone of £46.06/m^2. Mr Herron argued that this showed there was a huge differential between the analysed tone and the adopted tone supporting the tone on the appeal property being excessive. He therefore adopted the same percentage difference to come to a lower rate of £27.35/m^2.

14. In response, the VO stated that he had applied little weight to the rent on the appeal property as the Form of Return confirmed it was between connected parties, Leader Online Ltd and Leader Properties Ltd. Both organisations have consistent directors on Company's House.

15. In support of the current tone, Mr Hutchinson referred to comparable properties.

16. BT 50/18 Dukesway was let on a ten year, six month term lease renewal effective from 1 January 2021. It had a rent review at year five and an option to break. The landlord was responsible for insurance and it was a stepped rent. The VO had analysed this to £31.13/m^2. He stated that he expected the value to be lower than the appeal property as it was considerably larger at 5260m^2, more than double the appeal property. Mr Herron argued that the adopted tone for this property was £36.81m^2 which pointed towards the adopted tone being excessive for the appeal property.

17. BT 50/119A Dukesway was a similar size to the appeal property. The VO analysed the rent to £52.32/m^2 which was effective from 1 April 2021. However, he applied lesser weight to this property as he stated he expected it to have a higher value as it was a newer 2007 construction. Mr Herron agreed that this was a far modern construction and should carry little weight.

18. The VO also relied upon 78-79 Sadler Forster Way which was a 1990's construction of 2,900m^2. It was a new letting with a stepped rent that analysed to £37/m^2. He also relied on 72 Jay Avenue which was also a 1990's construction but had refurbished in 2014. It measured 2,100m^2 and had analysed it to £46/m^2. Mr Hutchinson argued that although some of the units were of a newer construction there was only a three year difference between the appeal property and the 1990's units.

19. In response Mr Herron argued that 78-79 Sadler Forster Way analysed to £37/m^2 but was in the list with an adopted tone of £41.28/m^2. 72 Jay Avenue analysed to £42.70/m^2 against a tone of £46/m^2.

20. Having heard all the evidence presented from the parties, the panel determined that the current adopted rate was not unreasonable. The panel had regard to the rent on the appeal property, effective six months prior to the AVD, but were cautious as it was between connected parties. Therefore, it was necessary to consider the rent on the comparable properties put forward by the parties. The panel placed little weight on 38b Dukesway as this rent was from October 2019, further away from the AVD and was significantly smaller than the appeal property. The panel also applied lesser weight to BT 50/119A Dukesway as it was a more modern property and 72 Jay Avenue as it had been refurbished in 2014.

21. The panel had regard to BT 50/18 Dukesway. The rent was effective from January 2021 which had analysed to £34.46/m^2 and was in the list at £45.13/m^2. The panel expected this property to be lower than the appeal property due to its significant larger size. This was supported by 78-79 Sadler Forster Way which was of 1990's construction and a similar sized to the appeal property. Yet the rent on this analysed to £37/m^2 and had an adopted rate of £41.38/m^2. Given that the rent on the appeal property was between connected parties, it appeared low in comparison to the comparable properties provided. Therefore, the panel held that the adopted rate of £33.29/m2 did not appear excessive.

Determination

22. In view of the above findings and conclusions, the Tribunal finds that the price per square metre should remain at £33.29/m^2. The appeal was dismissed.

Right of further appeal

23. 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.

24. 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 Amran Hussain, Senior Member (Presiding)

Mr C Busst, Senior Member

2 September 2025

Miss K Hendry
Clerk to the Tribunal
Date issued to the parties: 2 September 2025