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

Case No: CHG101221844

Sitting remotely using Microsoft Teams on 27 March 2026

Date: 22 April 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 rating list appeal; Local Government Finance Act 1988; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; £ per m^2 in dispute; Appeal allowed.

Before:

MISS S STAPLETON
MR CM TAYLOR

Between:

SAINSBURY'S SUPERMARKETS LTD — **Appellant**

- and -

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

Regarding:

91-97 NORTHUMBERLAND STREET, NEWCASTLE UPON TYNE NE1 7AG
(the “subject property”)

Appearances:
Mr Jacob Dench of CBRE Ltd, representing the Appellant
Mr David Lotz, representing the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The Tribunal finds that the ratable value (RV) of the subject property is £154,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction and background

3. This decision and statement of reasons is not a contemporaneous or verbatim record of the proceedings.

4. The subject property is located along Northumberland Street in Newcastle-upon-Tyne. It is adjacent to Marks & Spencer and opposite Primark. It comprised an area of 765.89m^2 (spread over a basement ground floor and three upper floors) and was not in dispute. It entered the 2023 rating list with a RV of £215,000 which was based upon an adopted zone A rate of £1,425 per m^2 and an allowance for size of 7.5%.

5. A Challenge was submitted to the Valuation Officer in accordance with the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. The Appellant sought a revised RV of £154,000 which was based upon an adopted zone A rate of £1,050 per m^2 and a size allowance of 10%.

6. After consideration of the Challenge, the Valuation Officer issued a decision notice which advised that the RV would be reduced to £184,000. This was based upon an adopted zone A rate of £1,250 and an allowance of 10%.

7. The Appellant subsequently submitted an appeal to this Tribunal; whilst the allowance of 10% had been agreed, it remained the Appellant's opinion that the zone A rate should be £1,050 and an RV £154,000.

   The Appellant was represented by Mr Jacob Dench of CBRE Ltd (on a fixed fee basis) and the Respondent was represented by Mr David Lotz. Mr Dench and Mr Lotz appeared in the dual roles of advocate and expert witness. Both Mr Dench and Mr Lotz accepted that when presenting evidence as expert witnesses, their duty was to the tribunal irrespective of whether their evidence supported their respective cases. Mindful of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT (LC), the panel accepted the expert witness evidence on this basis as the appeal was not considered to be complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations. Furthermore, it was allowable due to the Tribunal's rules concerning admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial). It was therefore appropriate for the panel to consider the expert evidence and assess what weight, if any, to give it in the context of the issues before it.

Relevant Law

8. The subject property 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). These are well known to the parties and so it is not considered necessary to set them out in

this decision and statement of reasons. The date of the hypothetical rent was 1 April 2021 (the antecedent valuation date, AVD) and matters which affect the physical state or enjoyment of the property or the locality are taken at 1 April 2023 (the material date).

Discussion

9. There was one matter in dispute in this appeal which was the zone A rate to be adopted in respect of the subject property. Mr Dench was seeking alteration to £154,000 (£1,050 per m^2 zone A) whilst Mr Lotz was defending the revised entry of £184,000 (£1,250 per m^2 zone A). An allowance of 10% (increased from 7.5%) had been agreed.

10. The leading judgment in the Lands Tribunal case of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 set out the six propositions to have regard to when considering the weighting of evidence and expert opinion. As with the aforementioned legislation, these propositions are well known to the parties and so the panel did not consider it necessary to set them out in this decision and statement of reasons.

11. The starting point for consideration is the passing rent. This was £195,000 per annum from August 2015 for a term of fifteen years, which increased to £221,845 from August 2020 following a rent review. The rent was index-linked (not open market) and the parties agreed that it held little evidential weight. This was accepted by the panel. The panel also observed that the initial rent had been agreed approximately six years from the AVD.

12. Mr Dench argued that the units to the north of Northumberland Street were less valuable than those located to the south due to stronger footfall. Mr Dench had made reference to the differential in the 2017 rating list, but this was given little weight by the panel given that each rating list must be considered afresh with different AVD's and different material days.

13. In support of his argument that the subject property was over-valued at £1,250 per m^2, Mr Dench referred the panel to the following properties:

- 111 Northumberland Street (occupied by Jollibee)
  - located further north along Northumberland Street
  - new lease for a term of fifteen years from July 2021 for a rent of £83,750 per annum with a fixed uplift to £167,500 until the July 2026 rent review.
  - analysed to £646.26 per m^2
  - adopted zone A rate of £1,050 per m^2

- 99 Northumberland Street (occupied by Three)
  - adjacent to the subject property
  - lease renewal for two years from August 2021 for a rent of £120,000 pre annum
  - analysed to £1,328 per m^2 zone A
  - adopted zone A rate of £1,050 per m^2

- 63-65 Northumberland Street (occupied by Laser Clinic)
  - Located to the south of Northumberland Street
  - new lease for a term of ten years from June 2021 for a rent of
  - analysed to £1,324 per m^2 zone A
  - adopted zone A rate of £1,400 per m^2

- 53 Northumberland Street (occupied by H Samuel)
  - located to the south of Northumberland Street
  - lease renewal for a term of five years from January 2022 for a rent of £110,000 per annum
  - analysed to £1,430 per m^2 zone A
  - adopted zone A rate of £1,400 per m^2

- 43-45 Northumberland Street (occupied by Footasylum)
  - Located to the south of Northumberland Street
  - new lease for a term of ten years from December 2020 for a rent of £295,000 per annum or 10% of net turnover (capped at £400,000). No turnover rent has been paid. There was also a capital contribution of £295,000 (equivalent to one years rent) from the landlord.
  - analysed to £1,230 per m^2 zone A
  - adopted zone A rate of £1,400 per m^2

14. In summary, Mr Lotz argued that the rent in respect of 99 Northumberland Street provided the strongest evidence which, together with the rental evidence in respect of 53 and 63-65 Northumberland Street, demonstrated that £1,250 per m^2 was fair and reasonable as far as the subject property is concerned.

15. The Valuation Officer also argued that the subject property was in a prime position opposite Primark and next to Marks and Spencer, just to the north of the entrance to Eldon Square Shopping Centre. During the hearing, Mr Lotz sought to introduce the concept of a third zone, which split the north part of Northumberland Street in two (with the more northerly part capturing 111 Northumberland Street), thereby supporting the Respondent's argument that the subject property was more primely located in the middle. The panel did not find this argument to be a persuasive. The adjacent unit at 99 Northumberland Street was very similarly positioned to the subject property for which an adopted zone A rate of £1,050 per m^2 had been applied. If the Respondent's argument was to be sustained then it would be correct, the panel concluded, for 99 Northumberland Street to have an adopted zone A rate which exceeded that of 111 Northumberland Street given 99's prime location over 111. However, both units were the subject of the same adopted zone A rate of £1,050 per m^2.

16. Overall, the panel found no compelling evidence to support a £200 per m^2 difference between the subject property, 99 and 111 Northumberland Street. The panel also found that it was reasonable to adopt the same zone A value to the subject property of these properties.

Conclusion

17. In view of the panel's findings, this appeal is allowed and the RV of the subject property is altered to £154,000 with effect from 1 April 2023 as set out below.

Order

18. In accordance with regulations 38(4) and 38(9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 the Valuation Tribunal for England orders the Respondent to alter the rating list entry in respect of the subject property to £154,000 with effect from 1 April 2023.

	m^2	£ per m^2	Value
Ground floor retail zone A	84.14	1,050.00	88,347
Ground floor retail zone B	87.77	525.00	46,079
Ground floor retail zone C	26.08	262.50	6,846
Basement internal storage	135.16	52.50	7,096
Basement floor cold store	36.14	78.75	2,846
Basement floor office	8.43	52.50	443
Basement floor mess/staff room	7.54	52.50	396
First floor internal storage	258.23	52.50	13,557
Second floor internal storage	116.2	42.00	4,880
Third floor internal storage	6.2	21.00	130
	765.89		170,620
Plus: air conditioning system	197.99	7	1,386
Less: size allowance - 10%			17,201
			154,806
		RV SAY:	**154,000**

Right of further appeal

19. 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.

20. 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/.

Miss S Stapleton, Senior Member (Chair)
Mr CM Taylor (Senior Member)

Mr A Johnson
Clerk to the Tribunal

Date issued to the parties: 22 April 2026