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

Case No: CHG101222886

Sitting remotely using Microsoft Teams

Date: 11 February 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: challenge against compiled list entry; warehouse and premises; accuracy of rateable value; Lotus & Delta v Culverwell (VO) and Leicester City Council [1976] RA 141; *appeal allowed in part.*

Before:
MRS S MALIK
MRS AE FIELDER

Between:

ALLIANCE AUTOMOTIVE UK LIMITED **Appellant**

- and -

LUCY FORMELA-OSBOURNE (VALUATION OFFICER) **Respondent**

Regarding:
UNIT 12, ACORN PARK, VERNON ROAD, HALESOWEN B62 8JL
(the "subject property")

Mr M Iles from Ryan Property Tax Services (as advocate and expert witness on behalf of the appellant)
Mr J Fox (as advocate and expert witness on behalf of the respondent)

Hearing date: 23 January 2026

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The Tribunal confirms the rateable value (RV) of £49,750 with effect from 1 April 2023 as conceded by the VO.

STATEMENT OF REASONS

Introduction

3. This appeal had been brought in respect of Unit 12, Acorn Park, Vernon Road, Halesowen B62 8JL (the subject property), which was entered in the 2023 Rating List as ‘warehouse and premises’ at an RV of £54,000 which was conceded was too high and was therefore reduced by the VO at £49,750 effective from 1 April 2023.

4. The appellant’s Challenge was submitted on 24 May 2024 and sought a reduction in the RV to £43,000 which was later reduced to £38,250 with effect from 1 April 2023. The appeal to this Tribunal was made on 12 August 2025, following the Valuation Officer’s (VO) Decision Notice of 14 April 2025 in respect of the subject property.

5. The subject property was a warehouse built in 2008 of portal construction. It is located on Acorn Park which is a small industrial estate approximately 1.6 miles north east of the town centre of Halesowen. It has a total significant area of 913m^2.

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 was not reasonable.

7. Mr Ilies 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 Iles 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. The original panel members who were due to sit were unable to do so at the last minute. Mrs Fielder agreed to sit so that the hearing could proceed in the interests of justice. She had not had time to fully acquaint herself with the evidence in the case prior to the hearing but did so after the hearing and before the decision was made. Both parties were made aware of this and neither made any objection and so the hearing proceeded.

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

Issue

12. The issue for the panel to make a finding on was the unadjusted rate for the subject property. The VO after a visit to the subject property conceded at Tribunal a rate of £55/m^2 with an RV of £49,750 was reasonable. The appellant submitted that the rate was too high and that an unadjusted rate of £42.50/m^2 was reasonable giving an RV of £38,250.

Relevant Law

13. 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.

14. 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).

15. 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 of the 2023 rating list.

Discussion

16. 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.

17. 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)).

18. The panel noted that neither party found the lease on the subject property to be strong evidence. The lease commenced in 2019 and had a stepped rent with an initial rent free period of 20 months'. There was a break clause in year five which was never used. The rent was, however, agreed between the landlord and tenant in 2014 to commence in 2019 and so the rent did not reflect the market in 2019. The panel found that the rent was too remote from the AVD to be of any assistance in determining the RV of the subject property. The panel was aware that the rent on a subject property is always the starting point for determining the correct unadjusted rate but it was then necessary to look at other rental evidence in line with the leading case of *Lotus v Delta*.

19. The panel therefore 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. In subsequent proceedings on that list therefore they can be properly be referred to as giving an indication of that opinion.

20. The panel then considered the comparable properties submitted in evidence by the appellant. Mr Iles explained that these properties were constructed in the early 2000s and were situated on a different industrial estate, benefitting from a good location with convenient access to major road networks. By contrast, Acorn Way was surrounded by residential development. Mr Iles submitted that this environment required industrial traffic to share access routes with domestic vehicles, a factor which, in his view, would reduce the rental level that a hypothetical tenant would be willing to bid.

21. He further noted that the next largest unit on Acorn Way was only 500 m² and would therefore more likely be occupied by a smaller, local business rather than a national operator. In such circumstances, a prudent landlord might seek a higher rent to protect against the potential risk of business failure. However, the appellant company was a national operator, and Mr Iles argued that this would support a lower rent for the subject property.

22. The comparable properties put forward by the appellant were situated on another local industrial estate which had a superior location to that of Acorn Way. Mr Iles explained that these larger units were more comparable with the subject property and they too would attract national companies. The comparable properties he was relying on were:

(1) Uni-Chains International had an ITMS of 1,233.15m^2 and had a new lease dated 15 March 2021 with a rent of £65,000. This had an unadjusted rate of £55/m^2. Mr Iles analysed the rent to £52.71/m^2.
(2) Unit C1, Coombs Wood Way had an ITMS of 1,760.59m^2 with a lease renewal on 31 January 2020 and a rent of £103,750 and an unadjusted rate of £66/m^2. Mr Iles analysed the rent to £58.93/m^2.
(3) Unit C3, Coombs Wood Way had an ITMS of 1,232.83m^2 and had a lease renewal dated 28 February 2020 with a rent of £55,000 and an unadjusted rate of £55/m^2. Mr Iles analysed the rent to £44.61/m^2.

23. Mr Iles directed the panel to the valuation differentials between Unit C3 and the subject property across the 2010, 2017 and 2023 rating lists. In the 2010 list, Unit C3 had a rateable value of £51.74/m^2 compared with £44.50/m^2 for the subject property, representing 86.01% of C3's value. In the 2017 rating list, Unit C3 was assessed at £46.31/m² and the subject property at £36/m², a differential of 77.74%. However, in the 2023 rating list, Unit C3 was valued at £55/m² while the subject property was originally assessed at £60/m², equating to 109.09% of C3's value. The panel noted that the rental evidence for Units C1 and C3 were based on lease renewals and therefore carried less weight within the overall basket of evidence.

24. The panel then turned to the comparable property of 130 Stourbridge Road put into evidence by Mr Iles. It was of a similar age to the subject property and during the 2017 rating list both were agreed at the same value of £36/m^2. The property in the 2023 rating list had a price of £27/m^2 when the subject property had a price of £60/m^2 . The panel put little weight on this comparable property as it was situated 1.3 miles away and was not on an industrial estate.

25. The panel was aware that each rating list had its own AVD and the market at that date was the basis for that list. It therefore found comparisons between the different rating lists was not helpful. It noted that the rate for the Coombs Wood Way had been settled based on rental evidence on that estate. The subject property was on a different industrial estate approximately 0.5 miles away. The panel found that the subject property should be compared with other warehouses on the same industrial estate.

26. The panel then turned to the comparable properties put into evidence by the VO:

(1) Unit 9 Acorn Park had a total significant area of 325.96m^2 on a new letting on the open market for a rent of £23,500 per annum from 1 June 2021. It had a three month rent free period, no rent review clause and was for a five year term and the landlord was responsible for internal and external repairs and the tenant was responsible for insurance terms. This analysed to £57.96/m^2.
(2) Unit 11 Acorn Park had a total significant area of 480m^2 and as a new letting for a rent of £31,250 per annum from 1 July 2020. It had a five month rent free period, no rent review clause and was for a four year two month term on full FRI terms. This analysed to £62.41/m^2.

27. The panel noted that the price on the two smaller properties was in fact higher by £6/m^2 than that applied to the subject property. The panel was aware that these comparable properties were on the same industrial estate as the subject property and had new leases close to the AVD. The analysed rents of £57.96/m^2 and £62.41/m^2 and the unadjusted rate of £60/m^2 and £61/m^2 supported the rate of £55/m^2 for the subject property..

28. The panel also considered the settlement evidence put in by the VO which were agreements on Steel Park Road and Coombs Wood Way. The panel found that these were on a different estate which would have been settled based on the rental values on that particular estate and so put little weight on this evidence.

29. 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 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.

30. In appeals of this nature the burden of proof was on the appellant to provide evidence to demonstrate that the RV of the subject property was unreasonable. The panel found that the appellant had failed to discharge this burden. The evidence put in by the appellant's agent was of comparable properties which were too far away or too different in type to the subject property to be given weight in the basket of evidence. The panel found the new open market letting on Unit 9 Acorn Park was persuasive

31. The panel was therefore satisfied that the assessment for the subject property as conceded by the VO was reasonable as follows:

COMPONENT PARTS OF THE PROPERTY					
Ref	**Floor**	**Description**	**Area m2/unit**	**£ per m2/unit**	**Value (£)**
1.1	Ground	Warehouse	710.80	53.63	38,120
1.2	Ground	Area Under Office	58.60	37.54	2,200
1.3	Ground	Reception	45.60	66.00	3,010
1.4	First	Office	98.00	66.00	6,468
ADDITIONAL FEATURES OF THE PROPERTY INCLUDED IN THE VALUATION					
		Plant and Machinery			54
				valuation sub-total	£49,852

The total of all the elements above is £49,852, which we have rounded down to a rateable value of £49,750. This is effective from 01 April 2023.

Conclusion

32. In view of the above findings and conclusions, the Tribunal is satisfied that the RV conceded by the VO of £49,750 with effect from 1 April 2023 is reasonable and allowed the appeal in part.

33. Accordingly, we order the Valuation Officer to reduce the 2023 Rating List entry to £49,750 Rateable Value, with effect from 1 April 2023, within two weeks of the date of this Order.

34. A refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process

Right of further appeal

35. 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.

36. 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/.

Mrs S Malik, Senior Member (Chair)
Mrs AE Fielder, Senior Member
11 February 2026

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 11 February 2026