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

Case No: CHG101236295

Sitting remotely using Microsoft Teams

Date: 3 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — shop and premises – rental evidence – tone of the rating list - Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141

Before:
MISS S STAPLETON
MR M NWOSU

Between:

MAZHAR ABDUR-RAHMAN **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) **Respondent**

Regarding:
GROUND FLOOR, 384 DEWSBURY ROAD, LEEDS LS11 7JX
(the "subject property")

Mr M Abdur-Rahman, the Appellant in person
Ms P Nwosu, for the Respondent

Hearing date: 21 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal finds that the existing entry in the rating list at £11,250 from 1 April 2023 is not unreasonable.

Introduction

3. The appellant made a proposal on 29 June 2024 to challenge the entry in the 2023 Rating List of £13,500 with effect from 1 April 2023. The proposal sought a reduction to £4,250. The Valuation Officer (VO) did not find the proposal to be well founded, and a Challenge decision was issued, reducing the valuation to £11,250, on 8 August 2024. The appeal against the decision notice was received by the Tribunal on 5 December 2024.

4. Ms Nwosu stated that she was appearing as both Advocate and Expert Witness for the respondent, having recently visited the subject property.

5. The hereditament is valued as a shop and premises. It is a ground floor retail unit in a parade of similar units with off road parking outside. The area is a mixture of residential and commercial properties and, on the parade where the subject property is situated, the ground floor retail units have residential accommodation above, which are separately entered into the council tax valuation list. There was no dispute on the survey data, with the hereditament recorded at 71.56m^2 total area. The sole issue in dispute was the correct Zone A price to be applied to the valuation. The existing valuation was based on £200/m^2, which was defended by Ms Nwosu, and the appellant sought a reduction to £75/m^2, which would arrive at his proposed valuation of £4,250.

6. The material day on which to consider the property and its locality was 1 April 2023, as this was a challenge to the compiled list entry. The property must be considered with regard to values on the antecedent valuation date (AVD) of 1 April 2021.

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

Relevant Law

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

9. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, mentioned in the VO's submissions, which provided guidance on the weight to be attached to different forms of evidence.

Discussion

10. In accordance with *Lotus & Delta*, the panel found that the starting point of any valuation must be the rent passing on the subject property. In this case, the subject property was let from 1 April 2013 at £4,250 and had not been increased in that time when reviewed every five years. He explained that he pays a total rent of £8,500 for both the ground floor shop and the accommodation above. The flat above the shop is rented out. He argued that if the landlord genuinely believed a higher rent could be obtained for the shop, the rent would have been increased at the time of review. However, this did not happen, and the rent remained unchanged.

11. The panel found that the rent on the subject property was too far from the AVD to be of assistance in establishing the likely open market rent on 1 April 2021. The rent was agreed in 2013 and rent reviews generally carry less weight in evidence than new open market lettings, freely negotiated between unconnected parties. As the appellant has been in occupation for many years, the landlord may have been willing to accept less than open market rent to retain the occupant and avoid liability for rates on an unoccupied shop. The panel noted that the VO analysed the subject property's rent to £71/m^2, but this would need significant adjustment to the AVD. It therefore considered that, in line with *Lotus & Delta*, consideration must be given to comparable shops in the locality to test the levels of rent around the AVD.

12. The appellant referred the panel to the rents on numbers 386, 390, and 392 Dewsbury Road. He provided a photograph of the subject property's parade showing the seven shops from 378 to 390 Dewsbury Road and the next parade with another seven shops from 392 to 404 Dewsbury Road.

13. It was submitted that 386 Dewsbury Road is let at £6,000 per annum and contended that this would be a reasonable valuation for the subject property. The panel noted from the copy of the lease for number 386, provided by the appellant, that this rent was agreed in 2009, effective from 4 November 2008. As with the subject property, the panel found this rent was agreed many years before the AVD for the 2023 rating list and was therefore not necessarily indicative of the local market on 1 April 2021. It could not therefore place weight on this as evidence for a reduction in the subject property's valuation.

14. Number 390 Dewsbury Road was submitted by the appellant as being subject to no rent and a copy of the lease provided. The panel noted that the lease was effective from 1 February 2020, relatively closed to the AVD, but the rent was stated as *"£0.00 (Zero) per calendar month. RENT FREE PERIOD UNTIL FURTHER NOTICE*." The tenant was required to contribute to the annual building insurance. The panel had no reason to doubt that these were the terms under which the property was occupied. However, it considered the absence of any rent being charged to be highly unusual. While it is common practice to allow a short rent-free period at the start of a lease, typically to facilitate the fitting out of the premises or as an incentive, agreeing to a rent-free arrangement indefinitely is not standard practice. The

panel was not aware of the background to this arrangement and considered it held little weight in evidence.

15. Number 392 Dewsbury Road was submitted by the appellant as being subject to a rent of £6,000 per annum (£12,000 for both the shop and the flat above) from 2019. Ms Nwosu submitted that this property was in a different parade to the subject property and the rent was agreed at £11,000 in 2013. She contended this was broken down into £4,200 for the domestic element of the building and £6,800 for the shop. The shop rent was analysed to £161/m^2 in terms of Zone A. As the rent was not agreed close to the AVD, the panel did not find this example particularly helpful in valuing the subject property.

16. The panel then turned to the rental evidence relied upon by the VO. Ms Nwosu explained that the VO looks for rents in the locality that were agreed close to the AVD of 1 April 2021. There was only one such rent in the same parade as the subject property, on 380 Dewsbury Road. Ms Nwosu stated that this rent, at £17,800 from 1 April 2022 was agreed between connected parties and was therefore not an open market transaction. She submitted that the rent analysed to £246.96/m^2 and supported the tone in the parade at £240/m^2, but the VO did not rely on it as it was not an open market rent.

17. There was much debate during the hearing regarding 402 Dewsbury Road, in the next parade from the subject property. Ms Nwosu submitted this property was let from 1 April 2019 at £7,800 per annum. The monthly rent of £650 mentioned on the Form of Return (FOR) analysed to £246.96/m^2, supporting the tone of the list for that parade at £240/m^2.

18. The appellant, who had visited the VO's offices to inspect the FORs, submitted that the FOR he had seen stated an annual rent for this property at £650. This issue had been brought up in email exchanges with the original VO case worker during the Challenge stage. The VO confirmed then that a further FOR was held confirming rent of £7,800 from 2021. Ms Nwosu stated that it is a common mistake when FORs are completed for a monthly figure to be supplied instead of the annual rent. She submitted that £650 per month translates to £7,800 per annum and this meant no increase between the rents agreed in 2019 and 2021. In support of this, she submitted that 402 Dewsbury Road had been let previously for a similar annual amount, £6,000 in 2011 to a different tenant trading as a butcher shop. Ms Nwosu also submitted that the VO held two FORs for this property, completed by the same person around the same time. Both were completed in March 2023 with one stating £650 per annum for the rent and the other stating £7,800. While the panel noted the appellant's contention that he was only provided with the FOR showing £650 per annum when he inspected the documents, it was satisfied the other rents on this property supported the declared £650 per annum to be an error. It found this example added weight to the tone of values in the parade at £240/m^2.

19. The VO's evidence referred to three other retail units let in 2019. Unit 661 Dewsbury Road was a new letting from 1 March 2019 at £5,400. This rent analysed to £250.30/m^2 and the shop was valued at £195/m^2. The panel noted this unit was some distance from the subject property and found there may be a different tone of values there, but the rent supported a tone of £240/m^2.

20. Numbers 338 and 346 Dewsbury Road were closer to the subject property's parade, and both had new lettings agreed in November and October 2019, respectively. The October 2019 rent on number 346 of £7,800 analysed to £183.99/m^2 and the shop was valued at £240/m^2. Number 338 was let in November 2019 for £8,400, which analysed to £263.22/m^2, and it was valued at £240/m^2. The closest rent to the AVD was that agreed on 350 Dewsbury

Road from 1 June 2022 at £7,200 per annum. This rent analysed to £364.58/m^2 and was valued at £240/m^2.

21. After considering all the available evidence, the panel found there were no new lettings from close to the AVD of 1 April 2021 on the subject property's parade to assist with a valuation. The 2022 rent on 380 Dewsbury Road carried little weight as it was agreed between connected parties. Therefore, it was necessary to include rents from a slightly wider locality to make up the basket of rental evidence. Even then, there were no 2021 rent, only examples from 2019 and 2022, which would need adjustment to reflect the market in 2021. However, the panel considered the rents closest to the AVD were the best evidence of the values achievable in the area.

22. The appellant submitted that the subject property's locality had been affected since the global pandemic and was very quiet. He contended that customers tend to order food online, rather than collecting in person from the shop, and this had affected business. He highlighted that businesses in the parade are struggling and even the national chains are making losses. It was pointed out that 402 Dewsbury Road had a high turnover of tenants and the appellant suggested this made it a poor example of the rent achievable in this area. He also submitted that 338 Dewsbury Road had been the subject of a recent renovation, and this would influence the rent, when no outlay is required to fit out the shop.

23. At the hearing, the appellant called into question the reliability of some of the rents presented by the VO. He submitted that many of the businesses are never open and suggested there may not be genuine trading activity. Ms Nwosu submitted that she had attempted to inspect the subject property on multiple occasions and found it difficult to gain access to it as it was not open each time she visited. She disputed the appellant's contention that the area is particularly quiet and submitted there were plenty of people around whenever she visited. The panel could not place weight on speculation about the trading activities at the various properties and must consider the rental evidence at face value, unless there was clear evidence the rent was agreed between connected parties, as was the case with 380 Dewsbury Road.

24. The panel concluded that, on balance, the VO's rental evidence was stronger. While the appellant had provided rents from the subject property and others on the same parade or nearby, those rents were less reliable as they were agreed a long time before the AVD. The lease on 390 Dewsbury Road set the rent at nil in perpetuity and the panel was not persuaded this lease in isolation was evidence of the market. The VO's rents were from slightly further afield and still not particularly close to the AVD, but they were much closer than the rents relied on by the appellant. The panel noted that the VO had accepted the appellant's rent had not been increased since the beginning of the lease and had reduced the subject property's valuation to £200/m^2 to reflect all the issues raised by him. However, there was no evidence of any rents from close to the AVD that supported a reduction to the £75/m^2 originally proposed by the appellant. His revised valuation at £6,000 was based on the rents for 386 and 392 Dewsbury Road but these were agreed many years before the AVD, so were not strong evidence of the open market on 1 April 2021.

25. The rateable value should reflect the amount of rent that could reasonably be achieved if the subject property were vacant and to let on 1 April 2021 and considered by a hypothetical tenant, fresh to the scene. The appellant had highlighted high turnover of tenants at 402 Dewsbury Road, but the panel noted each lease was agreed for a fairly consistent amount. Regardless of the success of those businesses, each tenant had agreed to pay a similar amount with knowledge of the location.

26. The panel found that most of the rents presented by the VO analysed to figures supporting the tone of £240/m^2. The subject property had a wider frontage, and therefore larger Zone A space, than most of the other shops and this would affect the valuation. The panel noted that the VO's reduction to £200/m^2 matched the subject property's 2017 rating list valuation in acknowledgement of the issues raised and it found this was reasonable given the rental evidence available.

Determination

27. In view of the above findings and conclusions, the Tribunal is satisfied that the existing valuation at £11,250 is reasonable and that entry in the list is confirmed. The appeal is therefore dismissed.

Right of further appeal

28. 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.

29. 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 (Presiding)

Mr M Nwosu, Member

3 September 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 3 September 2025