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

Case No: CHG101255657

Sitting remotely using Microsoft Teams on 30 April 2026

Date: 18 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2023 Rating List; Factory and Premises; Accuracy of compiled list entry; rental evidence; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal dismissed.

Before:

DR S PENNI
MRS O ALABI

Between:

STEELSTRIP SERVICES LTD — **Appellant**

- and -

LUCY FORMELA-OSBORNE (VALUATION OFFICER) — **Respondent**

Regarding:

SERVOSTEEL, PENSNETT ROAD, DUDLEY DY1 2HA
(the "subject property")

Mr M Iles of Ryan Property Tax Group (UK) Ltd for the Appellant
Mr J Fox for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal finds that the tones of value applied to the parts of the subject hereditament reflected their ages and confirmed the rateable value (RV) at £477,500 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This was a 2023 Rating List appeal. The subject property had been entered in the 2023 rating list as ‘Factory and Premises’ at a RV of £590,000 with effect from 1 April 2023.

4. The subject property is located on Pensnett Road in Dudley and is approximately four miles from J2 of the M5. The subject property began life when it was originally constructed in the 1950's as just under 12,000m^2 of steel framed industrial warehouse space. The property was subsequently extended in 1976, 2001, 2007 and 2011 increasing its total area to 19,915.9m^2. The rates adopted by the Respondent in the initial valuation for the 2023 Rating List were as follows;

1950’s construction:	£23.00 per m^2
1970’s construction:	£30.00 per m^2
Post 2000 construction:	£35.00 per m^2

5. The challenge proposal was submitted by Ryan on behalf of the appellant and was received by the Valuation Officer on 5 August 2024. A revised RV of £355,000 with effect from 1 April 2023 was sought based on unit rates as follows;

1950’s construction:	£12.00 per m^2
1970’s construction:	£12.00 per m^2
Post 2000 construction:	£27.50 per m^2

6. The Valuation Officer issued a challenge case decision notice on 25 June 2025, which stated that based upon the evidence and information available, the rating list entry of £590,000 was considered unreasonable and proposed a revised entry of £477,500 based on reduced rates of £14.00 per m^2 (1950s) and £25.00 per m^2 (1970s). No change was proposed by the Respondent to the rate of £35.00 per m^2 applied to the areas constructed post 2000.

7. Prior to the hearing, and following an inspection on 24 March 2026, the parties had exchanged amended valuations to take into account that a portion of office area and storage, totalling 142.7m^2 had been demolished at the material day, reducing the total area of the subject property to 19,773.20m^2. Due to the effects of rounding, there was no change to the RVs sought by the parties as detailed above.

8. Mr Iles appeared on behalf of the Appellant as expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), he declared that he was instructed under a conditional fee arrangement. He 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.

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

10. Mr Fox appeared for the Respondent in a dual capacity as both advocate and expert witness. His statement of truth confirmed that he was not instructed under any conditional or other success-based fee arrangement.

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

Background

12. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included rental evidence and its analysis, the parties' skeleton arguments, expert witness statements and location maps and photographs of the subject premises and other comparable warehouses.

13. Additional evidence in the form of two settlements submitted by the Respondent were admitted by the tribunal as the Appellant did not object to their inclusion.

Relevant Law

14. The term 'rateable value' is defined in paragraph 2(1), Schedule 6 to the Local Government Finance Act 1988 (as amended):

    "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".

15. 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 2020 (SI 2020 No. 832).

16. 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 day is 1 April 2023.

Discussion

17. In line with *Lotus & Delta Ltd v Culverwell (VO) & Leicester City Council*, the most relevant evidence is that which reflects open market conditions close to the AVD. Although the subject rent commenced in 2023, it was agreed in 2016 and is therefore reversionary. The panel agreed with the parties that the subject rent should be assigned no weight in determining the correct RV for the subject property.

18. The Appellant argued that whilst the industrial market as a whole may have risen between the AVDs for the 2017 List and the 2023 List, the values agreed for similar hereditaments in the locality of the subject property indicated that rents for industrial premises, similar in size, age and location to the subject property did not increase. He referred to a number of assessments where the RVs were initially higher in the 2023 List than in the 2017, but following settlements, their RVs had been reduced to below their 2017 level. He considered that there was limited demand for industrial premises the size and age of the subject property in the locality, particularly with their higher than average repair liability. The list of potential tenants was small, with most established companies being prepared to pay more for modern, flexible premises, whilst smaller companies or ‘start-ups’ would be looking for cheaper, but much smaller premises.

19. The Respondent had revised the 2023 RV for the subject property to £477,500, a 2.5% reduction on the agreed RV of £490,000 in the 2017 list. Mr Fox stated that the revised RV of the subject property was based on evidence of similar aged properties, in the current list, and little regard should be placed on its value in the previous list. Notwithstanding this, he did not consider that the 27.5% reduction proposed by the Appellant compared with the 2017 value was supported by the reduction between lists of comparable properties. Additionally, he stated that the revised value of £14 per m^2 for the 1950s elements was a 25% reduction on the value (£19) agreed in the 2017 list and did not consider any additional reduction was warranted.

20. The Appellant stated that approximately 70% of the subject property was built in the 1950s or 1970s. He considered there was very little difference in the construction in these two periods and did not consider that a hypothetical tenant would offer any more for a part of a building which although newer, was barely discernible from older parts of the same building. He argued that the rate of £14 per m^2 proposed by the Respondent was excessive, based on the rates of £12 per m^2 agreed on comparable properties in the locality.

21. The Respondent considered that the revised RV of £477,500 was reasonable having considered the evidence of comparable properties in the locality. It was argued that the elements of comparable properties which had been reduced in the 2023 list to £12.00 per m^2 dated back to 1900s or 1920s/30s and it was reasonable for them to be lower than the 1950’s element of the subject property.

22. In support of a reduction the rate applied to the 1950s and 1970s areas, the appellant relied on the following settlement evidence;

- Heartland Furniture Wholesale, Cranford Street, Smethwick, B66 2TA: 13,913m^2 £12 per m^2 in the 2017 list; reduced from £14 per m^2 to £12 per m^2 in the 2023 list.

- Brockhouse Forgings Ltd, Howard Street, West Bromwich, B70 0ST: 13,876m^2
  £12 per m^2 in the 2017 list; reduced from £14 per m^2 to £12 per m^2 in the 2023 list.

- Units 77-81, Lenches Bridge Works, Gibbons Industrial Park, Dudley Road, Kingswinford, DY6 8XF: 8,850m^2
  £20 per m^2 in the 2017 list; reduced from £30 per m^2 to £20 per m^2 in the 2023 list.

- RB Iron & Steel Co Ltd, Thorns Road, Brierley Hill, DY5 2PJ : 11,747m^2
  £20 per m^2 in the 2017 list; £20 per m^2 in the 2023 list.

- Wellman Robey, Dudley Road, Oldbury, B69 3DW: 19,964m^2
  £12 per m^2 in the 2017 list; £14 per m^2 in the 2023 list.

- Walter Somers Ltd, Haywood Forge, Prospect Road, Halesowen, B62 8DZ: 22,720m^2
  £10 per m^2 in the 2017 list; £12 per m^2 in the 2023 list.

23. The Respondent asserted that the majority of the settlements at the lower rate of £12 per m^2 had been agreed as the properties involved were older and the settlements had been agreed on evidence based on older properties. The Respondent provided rental evidence for Block B Bay 2 Block C, Woden Road West, Wednesbury, WS10 7SF, which had been agreed at £553,609 per annum from 1 April 2021 on a FRI basis. This had been analysed in excess of the rate of £25 per m^2 at which this property of 15,049m^2, which was constructed between 1954 and 1974, had been assessed.

24. The panel noted that the Appellant placed most weight on Wellman Robey, which was considered to be most similar to the subject property in terms of age, location and character. The Appellant considered that whilst it was currently assessed at £14 per m^2, it was subject to a challenge to reduce this rate to the £12 per m^2 it was assessed at in the previous list in line with similar agreements. Whilst the Appellant stated that the panel should not place any weight on the current assessment of Wellman Robey as it was subject to challenge, the panel considered that the Appellant's assertion that it's current assessment was excessive should not be given any additional weight than this current assessment. Notwithstanding this, the panel noted that construction of parts of Welman Robey commenced between 1900 and 1918 and so it was somewhat older than the oldest parts of the subject property and would therefore be reasonably assessed at a lower figure.

25. The panel did not consider that much weight should be placed on relative changes between valuation lists, however it noted that the rate applied to the 1950's portion of the subject property had been agreed at £19 per m^2 in the 2017 list. None of the rates for the Appellant's comparable properties had been agreed at a lower figure in the 2023 list than their 2017 assessments, whereas the rate for the subject property has already been reduced by over 25% compared with the rate agreed for the 2017 list. Based on this, and the rental evidence for Block B Bay 2 Block C, Woden Road West, the panel was satisfied that the rate of £14 per m^2 adopted for the 1950s section of the subject property was not excessive.

26. The Appellant stated that approximately 70% of the subject property was built in the 1950s or 1970s. He considered there was very little difference in the construction in these two periods and did not consider that a hypothetical tenant would offer any more for a part of a building which although newer, was joined to, and barely discernible from older parts of the same building. He argued that the rate applied to the 1970's built portion of the subject property of

£25 per m^2 proposed by the Respondent was excessive, and it should be valued the at the same rate of £12 per m^2 that he proposed for the 1950's portion.

27. The panel noted that the Appellant had not provided any rental or assessment evidence in respect of 1970's built factories to support a reduced rate of £12 per m^2. Instead, he invited the panel to consider the photographs of the two different aged sections of the subject property included in his bundle. The panel did not consider there were any visually discernible differences in the structure of the two elements to their, admittedly untrained, eyes. However, it was aware that the maintenance and other costs attributable to a modern part of a building were likely to be less, and there were other factors which a hypothetical tenant, and of course landlord, would take into account. It also considered that the value of the 1970s part of an older building would likely be less than a property which was wholly built in the 1970s. By the same logic, it also considered that the value of the 1950s part of a more modern building would likely be more than a property which was wholly built in the 1950s.

28. In support of a proposed rate of £25 per m^2 for the 1970s built portion of the subject property the Respondent referred to the assessment of ACCO UK Ltd, Hereward Rise, Halesowen Industrial Park, Halesowen B62 8AN. This was an industrial unit of 15,671.06m^2, built between 1976 and 1991, with the 1976 parts valued at £35 per m^2. The Respondent admitted that this property was in a better location than the subject property. Taking this into account, the panel was satisfied that the rate of £25 per m^2 adopted by the Respondent for the 1970's-built portions of the subject property was not excessive.

29. The remaining 30% of the subject property had been added at various stages after 2000. The Appellant accepted that these parts were superior to the existing parts of the subject hereditament but asserted that the rate applied of £35.00 per m^2 was excessive. He reiterated that he did not consider that demand for properties such as the subject property had increased since the 2017 list AVD and therefore argued that these more modern elements should be valued at a unit rate of £27.50 per m^2 in line with the value agreed in respect of the 2017 rating list.

30. The Respondent's evidence included four properties which were constructed between 2002 and 2017, and located in either Wolverhampton or West Bromwich:

- Units 1-3, Delta Point, Greets Green Road, West Bromwich, B70 9ER
- Sheldon & Clayton Group, Cygnus Point, Black Country New Road, West Bromwich, West Midlands, B70 0BD
- Unit 1 Discovery Park, Wobaston Road, Wolverhampton, WV10 6QB
- Unit G2 Vailant Way, Pendeford, Wolverhampton, WV9 5GB

Their total significant areas ranged from 12,690.5m^2 to 18,847.76m^2 and they had been assessed in the 2023 rating list at between £45 per m^2 and £55 per m^2. Their eaves ranged in height from 7m to 12m, whereas the eaves height of the subject property ranged from 13.11m to 15 m.

31. The Appellant did not consider that the Respondent's properties were comparable as they were more modern and of superior build quality, with higher eaves, and minimal repair liabilities. The panel was satisfied that there was no evidence that the modern portions of the subject property were older or inferior to these properties although it did consider that the value of the more modern parts of the subject property would be diminished by the fact they were joined to and let along with older elements of the property. Taking this into account, the

panel was satisfied that the rate of £35 per m^2 adopted by the Respondent was not excessive.

Conclusion

32. In view of the above findings and conclusions, the Tribunal is satisfied that the following rates adopted by the Respondent were supported by the evidence submitted;

1950's construction:	£14.00 per m^2
1970's construction:	£25.00 per m^2
Post 2000 construction:	£35.00 per m^2

33. As a result, the panel is satisfied that the revised RV of £477,500 adopted by the Respondent is not excessive and therefore dismissed the appeal.

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) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was 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/.

Dr S Penni, Senior Member (Chair)
Mrs O Alabi, Senior Member
18 May 2026

Clerk to the Tribunal
Date issued to the parties: 18 May 2026