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

Case No: CHG101258826

Sitting remotely using Microsoft Teams

Date: 21 November 2025

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; £ p/m^2 in dispute; Appeal allowed in part.

Before:
MS C Y JONES
MRS S PATEL

Between:

DPD GROUP UK LTD — **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) — **Respondent**

Regarding:
DPD HUB 5, HINCKLEY PARK, BURBAGE, LE10 3FF
(the "subject property")

Appearances:
Mr P Massie of the Daniel Watney Partnership, representing the Appellant
Ms E Lowe , representing the Respondent

Hearing date: 7 November 2025

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed in part.

2. The Tribunal finds that the unadjusted rate applied to the subject property should be altered to £62.50 p/m^2. Therefore the rateable value (RV) is altered to £1,900,000 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, constructed in 2020, was a purpose built distribution warehouse totalling 36,142.18m^2. It was located off Junction 1 of the M69 motorway, approximately three miles from Hinckley town centre and equidistant between Leicester and Coventry.

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 £1,550,000 which was based upon an adopted rate of £51 p/m^2.

6. The Appellant was represented by Mr P Massie of the Daniel Watney Partnership and the Respondent was represented by Ms E Lowe. Mr Massie confirmed that he was representing the Appellant on a fixed fee and contingency fee basis. Both representatives appeared in the dual roles of advocate and expert witness and they both acknowledged and accepted that when presenting evidence as an expert witness, that their duty was to the tribunal irrespective of whether their evidence supported their case. 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

7. 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 and matters which affect the physical state or enjoyment of the property or the locality were to be taken as 1 April 2023 (the material date).

Discussion

8. There was one matter in dispute, which was the price p/m^2 to be applied to the subject property. Mr Massie was seeking an alteration to £51 p/m^2 (RV of £1,550,000) whilst Ms Lowe was defending the current entry of £67.50 p/m^2 (RV of £2,040,000).

9. 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 relevant 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.

10. The starting point for consideration is the passing rent. However, there was no passing rent because the Appellant was the freehold owner of the subject property. Therefore Mr Massie referred to comparable properties in support of a reduced RV.

11. Mr Massie submitted that there are two main distribution parks in the general locality. These were Logix Park, Hinckley and Magna Park in Lutterworth. Whilst the subject property is located approximately two miles from Logix Park, Magna Park is a more well established distribution centre. Mr Massie provided details in respect of other distribution warehouses in support of his argument. The submissions are summarised as follows:

    - DPD International Gateway, Logix Road, Burbage LE10 3BQ
        - RV £1,120,000 / 18,730m^2
        - New lease effective from January 2015 for a term of twenty years with rent five yearly rent reviews. The rent was £868,334 per annum plus £74,433 landlord “enhanced works”. The rent was increased to £980,000 per annum from January 2020 with the landlords enhanced works rent increasing to £84,000. The rent had been analysed to £61.92 p/m^2 on a straight line basis and £67.22 if the landlords enhanced works were included. The landlords enhanced works rent was the landlords method of reclaiming the adaptation costs (including fit out, the installation of additional dock levellers and upgraded external fencing).
        - It had recently established (in September 2025) that, in addition to an initial twelve month rent free period, a significant capital contribution had also been granted. An analysis, if ignoring the incentives completely, resulted in £63.71 p/m^2, a ten year analyses resulted in £39.39 p/m^2 and a twenty year analyses resulted in £51.55 p/m^2.
        - Mr Massie acknowledged that the rent was problematic in terms of any analysis in line with the rating hypothesis as it cannot be described as a clean open market rent.

    - Unit 2, Hinckley Park, Avery Way, Burbage LE10 3FF
        - RV £3,408,000 / 49,500m^2
        - New lease effective from April 2021 for a term of twenty years with five yearly rent reviews. The rent was £3,408,000 which had been analysed to the first rent review at £50.97 p/m^2 and £57 p/m^2 to the second rent review.
        - Mr Massie argued that this was an ideal comparable in terms of the rating hypothesis and should carry the most weight.

- Tesco Stores Ltd, Dodwells Road, Hinckley LE10 3BZ
    - RV £2,150,000 / 29,000m^2
    - Lease commenced in February 1989 for a term of thirty five years with upward only rent reviews every five years. The last rent was understood to be £2,475,000 (presumed to be the result of a rent review in February 2019).
    - Mr Massie understood that the rent is geared towards a unit of 4,655.93m^2 rather than the actual 29,000m^2, which significantly inflates the adopted basis due to the effect of quantum. Therefore, it was not considered to align with the rating hypothesis.

- Unit 5 Logix Park, Watling Street, Burbage LE10 3HZ
    - RV 2,340,000 / 35,484m^2
    - The current tenant is understood to have been in occupation since 2006. The rent is the result of a lease renewal effective from July 2022. The headline rent is £2,721,398 which nets back to £2,630,864 or £77.13 p/m^2 when analysed over five years.
    - Mr Massie commented that the rent is the product of a renewal which carries less weight than a new letting. It is also thirteen months post AVD in a rising market which explains why it is high when compared with the letting of unit 2 (above).

- Unit 3 Logix Park, Watling Street, Burbage LE10 3HZ
    - RV £585,000 / 9,061m^2
    - The lease commenced in December 2009 for a term of fifteen years. There was a peppercorn rent from December 2009 which rose to £266,389 from June 2010 and to £532,779 from December 2012. Rent reviews were understood to have been undertaken in December 2014 and December 2019 but the settlements were unknown.
    - Mr Massie commented that the rent was not considered useful for establishing a fair level of assessment due to the proximity of the rent review in 2019 from the AVD.

12. Mr Massie also produced a table which contained information pertaining to twenty six settlements in respect of properties in Magna Park, all of which had been altered from £67.50 p/m^2 to £62.50 p/m^2 (although the table showed some at £67.50 in error, which was confirmed by Mr Massie to be a typographical error). This, it was asserted, supported an alteration to £62.50 at the very least.

13. In response, the Respondent argued that:

- DPD International Gateway
    - Numerous disclaimers had been placed upon the rental evidence to suggest that it is not reliable
    - The “enhanced works” appears to refer to fit out above a shell specification and so it was wholly reasonable to accept this as the market rent.
    - There was no evidence to show that the Appellant paid a premium because they occupied the adjacent unit, nor was there any evidence to support a proposition that the Appellant was a special purchaser when the rent was agreed.
    - The rent is an open market rent and the best indication of value at the AVD and supports £67.50 p/m^2 for the subject property.

- Unit 2, Hinckley Park, Avery Way, Burbage LE10 3FF
  - The headline rent had been analysed to £64.53 p/m^2 (and was agreed in the summer of 2020) but it is not possible to analyse it fully without fully knowing the cost of the fit out works and the period taken.

- Unit 5 Logix Park, Watling Street, Burbage LE10 3HZ
  - A lease renewal but there is no indication that the rent is anything other than an open market rent.
  - The Respondent's records was inconsistent but it had become newly occupied in July 2022 and the rent of £2,771,000 per annum for a term of ten years and six months (with an eight month rent free period) analysed to £73.92. However, it was accepted that the rent was fifteen months post AVD which, in the Respondent's opinion, carried little weight.

- Unit 3 Logix Park, Watling Street, Burbage LE10 3HZ
  - The rent from April 2021 is £604,692 and had been analysed by the Respondent to £69.65 p/m^2.

14. In addition, the respondent provided evidence in respect of:

- Unit 4 Logix Park, Watling Street, Burbage LE10 3HZ
  - RV £910,000
  - 12,415m^2
  - The lease commenced in January 2016 for a term of ten years. At review, the rent was agreed at £965,000 per annum, which analysed to £72.99 p/m^2.

15. It was also the Respondent's position that settlements within one distribution park should not be compared with another as the best evidence was drawn from the specific location of the subject property. This demonstrated that £67.50 p/m^2 was reasonable.

Conclusion

16. The panel was not persuaded by the comparable evidence put forward on behalf of the Appellant supported £51 p/m^2 for the subject property. The submissions on behalf of the Appellant provided some reasonings as to why the rents should be treated with caution and the panel found that they could not be relied upon to support £51 p/m^2 for the subject property. Whilst it was asserted by Mr Massie that most weight should be placed upon Unit 2 Hinckley Park, the panel concluded it required too much adjustment to be relied upon. The panel also concluded that the evidence in respect of Unit 4 Logix Park could not be relied upon because the initial rent was too far from the AVD and the latest rent was the product of a lease renewal.

17. However, the panel was persuaded by the settlements in respect of the Magna Park properties. These were found to be comparable with the subject property and they were in the same general locality. Also, the Respondent had not provided any compelling evidence to show that they should be ignored (or, at least, given no significant weight). Whilst £51 p/m^2 was not supported, the panel found that the subject property should be valued in line with those in Magna Park at £62.50 p/m^2. The RV of the subject property is therefore altered to £1,900,000 with effect from 1 April 2023, as set out below.

18. In view of the above findings, this appeal is allowed in part.

19. 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 Valuation Officer to alter the rating list entry in respect of the subject property to £1,900,000 with effect from 1 April 2023.

Right of further appeal

20. 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.

21. 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/.

Ms C Y Jones, Senior Member (Chair)
Mrs S Patel, Senior Member

Mr A Johnson
Clerk to the Tribunal
Date issued to the parties: 21 November 2025

	m^2	£ p/m^2	Value
Ground floor warehouse	14,291.83	60.00	857,510
Ground floor area under supported floor	5,790.75	43.75	253,345
Mezzanine floor warehouse	4,204.79	25.00	105,120
Mezzanine floor warehouse	2,484.83	18.75	46,591
Mezzanine floor warehouse	100.0	12.50	1,250
Ground floor store	324.9	56.25	18,275
Ground floor office	100.98	72.19	7,289
Ground floor office	288.5	78.75	22,719
Ground floor plant room	19.2	60.94	1,170
First floor office	317.93	78.75	25,037
Ground floor store	173.06	43.42	7,514
Ground floor garage	274.85	57.90	15,913
Ground floor store	425.16	57.90	24,616
Ground floor workshop	731.91	57.50	42,085
Ground floor office	117.14	72.18	8,455
Ground floor office	45.83	68.75	3,151
First floor office	211.3	68.75	14,527
First floor canteen	70.77	72.18	5,108
Ground floor office	1,788.4	73.13	130,785
Ground floor store	189.97	62.50	11,873
Ground floor office	537.12	72.19	38,772
First floor plant room	201.48	40.63	8,186
Ground floor office	483.21	72.18	34,880
First floor office	22.25	72.18	1,606
First floor plant room	130.84	40.63	5,316
Basement floor plant room	905.1	30.47	27,580
Ground floor plant room	14.4	60.94	878
Ground floor gatehouse	39.47	62.50	2,467
Ground floor plant room	19.34	60.94	1,179
Ground floor plant room	7.66	60.94	467
Ground floor canopy	1,829.22	15.23	27,862
	36,142.18		**1,751,527**
Plus: Lorry wash	2	5,000	10,000
Plus: Plant and machinery			140,247
			1,901,774
		RV SAY:	**1,900,000**