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

Case Nos: CHG101260096
CHG101260103

Sitting remotely using
Microsoft Teams

Date: 11 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Schedule 6; shop and premises; whether repairs were uneconomic to undertake; amortization of repair costs; appeals dismissed.

Before:
MRS WJ BRIGGS
MS L DUBOW

Between:

DAVINA INVESTMENTS PROPERTIES LIMITED **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) **Respondent**

Regarding:
3 KINGS STREET, THETFORD, IP24 2AN
5 KINGS STREET, THETFORD, IP24 2AN
(the "subject properties")

Miss G Cheng (instructed by MBM Solicitors) for the Appellant
Mr C Kazembe for the Respondent

Hearing date: 22 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals are dismissed.

2. The Tribunal finds that the subject properties are capable of economic repair as at 1 April 2023, and confirms the Rateable Value (RV) as follows:

   3 Kings Street, Thetford, IP24 2AN - £28,500 RV with effect from 1 April 2023

   5 Kings Street, Thetford, IP24 2AN - £31,750 RV with effect from 1 April 2023

Introduction

3. These are 2023 rating list appeals. The appellant is the freehold owner of 3 and 5 Kings Street, Thetford, IP24 2AN (the subject properties), which had been entered into the 2023 rating list as ‘shop and premises’ at £28,500 RV and £31,750 RV respectively, with effect from 1 April 2023.

4. The challenge proposals were submitted by the appellant, Davina Investment Properties Ltd, and were received by the Valuation Officer on 25 June 2024. They had been made on the grounds that the subject properties ceased to comprise rateable hereditaments with effect from 1 April 2023, due to disrepair from illegal activities; third parties had converted the premises into an indoor cannabis farm.

5. The Valuation Officer issued challenge case decision notices on 23 December 2024, which disagreed with the proposed alterations of the list, and stated that the rating list entries were reasonable based on the evidence and information available. The Valuation Officer’s decision had been based on a lack of evidence to show that the repairs required to the subject properties were uneconomic.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeals to this Tribunal have been made on the grounds that the valuation for the hereditaments is not reasonable. The appeals were lodged by MBM Solicitors on behalf of the appellant, and received by the Tribunal on 18 February 2025.

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

Preliminary issue

8. In advance of the hearing, the appellant’s representative provided a comprehensive final bundle. Although this contained witness statements which had not been included with the appeal submission, no objection was raised by the Valuation Officer.

Relevant Law

9. Rateable value is determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

   “(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.

10. 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).

11. 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 appeals, the material day is 1 April 2023.

Discussion

12. The subject properties are vacant retail units located within the centre of Thetford. The properties were constructed between 1955 and 1964, and had been refurbished in 1997. On 6 February 2023, it had been discovered that the premises were being used for illegal purposes, and had been left in a vandalised state.

13. The case for the appellant is that the subject properties are in such a state of disrepair, that the repairs required would be uneconomic to undertake. The Valuation Officer does not dispute that the subject properties are in a state of disrepair, however, based upon the evidence provided, it is contended that the repairs required are not uneconomic, and therefore the statutory assumption of reasonable repair applies .

14. The issue to be determined by the panel is whether the subject properties were beyond reasonable repair as at the material day of 1 April 2023. A property is considered uneconomic to repair if the repair costs are so out of proportion to the rental value of the whole property, that a reasonable landlord would not spend money to undertake those repairs. In appeals of this nature, it is therefore necessary to consider the cost of repairs. It is important to note that "repair" does not extend to works of improvement, but rather fixing any parts that are in disrepair, which can include an element of renewal.

15. The appellant's challenge submissions contained a Schedule of Works prepared by Unicorn Construction on 14 November 2024, which provided a costing report of £357,000 for both units. In the Valuation Officer's challenge decision notice, it was submitted that the information provided in the report did not provide a sufficient breakdown to enable a full analysis, however, calculations of the amortised repair costs had been undertaken, based on £178,500 per unit. The Valuation Officer had taken into account the standard lease period of five years for the subject parade, to arrive at the conclusion that the landlord would recoup the cost of repairs within circa 5.38 years, and thereafter would receive income into

perpetuity. The Valuation Officer made the further point that the subject properties were currently on the market at £28,000 and £34,000, which further indicated that the repairs required were economic to undertake,

16. Following the issue of the Decision Notice and subsequent appeal, further cost information had been requested from the appellant, to enable the Valuation Officer to reassess the case, and determine whether the evidence met the criteria for the repairs to be considered uneconomic.

17. The revised repair costs provided by Residential & Commercial Surveys & Valuations on behalf of the appellant amounted to £100,581 for 3 Kings Street and £82,594 for 5 Kings Street. Following amortization analysis, the Valuation Officer calculated that the repair costs for 3 King Street would be recouped in 4.52 years, and the repair costs for 5 King Street would be recouped in 3.23 years. On that basis, the Valuation Officer concluded that the repairs to the subject properties were economic to undertake. The proposition that a hypothetical landlord, faced with the choice between receiving no rent or investing several years' worth of rent to restore the income stream, would reasonably choose to undertake the repairs was supported by established case law: *Foote v Gibson (VO)* [1982] RVR, 138, *16/18 Princes Street (Ipswich) Ltd v Bond* (VO) [2002] RA 212.

18. Miss Cheng drew the panel's attention to the fact that the subject properties had remained vacant for over two and a half years, and despite extensive efforts, no tenants had been found. She further highlighted with reference to press articles the fact that the High Street had been struggling prior to the pandemic, and could now be described as "dying". In consideration of the costs of repair, together with a general lack of interest in the locality, Miss Cheng contended that it was uneconomic for the appellant to outlay nearly £300,000 in repairs.

19. Miss Cheng confirmed that she relied on the original repair costs of £300,000, as they had been provided by a surveyor who attended the subject properties; the appellant had confirmed that in respect of the subsequent repair costs, the properties had not been inspected. The panel referred to the Schedule of Condition Report prepared by Residential & Commercial Surveys & Valuations, and noted that a registered valuer had inspected the properties on 1 April 2025. The panel preferred to rely on the updated repair costs, which contained a full breakdown of the repairs required.

20. The panel acknowledged the fact that the appellant had already incurred expenditure of over £40,000 to clear the subject properties, and was subject to ongoing costs while they remained vacant. The panel considered that the lack of interest from prospective tenants could reasonably be attributed to both the state of disrepair and the more general issue of the demise of the High Street. However, the panel was solely concerned with the issue of whether the repairs required to the subject properties were economic for a hypothetical landlord to undertake. Taking into account the Valuation Officer's calculations, the panel found that a hypothetical landlord would seek to undertake the repairs, as the costs would be recouped within a reasonable timeframe. On the basis that the subject properties were not at the end of their economic life, a hypothetical landlord would expect rental income to be restored thereafter.

21. The panel concluded that at the material day, the repairs required were not uneconomic, and therefore the subject properties are assumed to be in a state of reasonable repair, in accordance with Schedule 6 to the Local Government Finance Act 1988.

Determination

22. In view of the above findings and conclusions, the Tribunal confirms the RV of 3 Kings Street at £28,500 and 5 Kings Street at £31,750 with effect from 1 April 2023, and dismisses the appeals.

Right of further appeal

23. 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.

24. 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 WJ Briggs, Senior Member (Presiding)

Ms L Dubow, Senior Member

11 August 2025

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 11 August 2025