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

Case No: CHG101282457

Sitting remotely using Microsoft Teams

Date: 10 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2023 Rating List — Factory and premises — Unadjusted base rate — Comparable assessments — Appeal dismissed

Before:
MR AMRAN HUSSAIN
MS TM BLADES

Between:

KMR ENGINEERING LIMITED (REPRESENTED BY RYAN PROPERTY TAX SERVICES UK LIMITED) — **Appellant**

- and -

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

Regarding:
KMR ENGINEERING LTD, LADY LANE INDUSTRIAL ESTATE, HADLEIGH, IPSWICH, IP7 6BD
(the “subject property”)

MR B PORTER for the Appellant
MR L STEVENS for the Respondent

Hearing date: 7 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel confirmed the rateable value (RV) of the subject property at £69,000 with effect from 1 April 2023.

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 an RV of £69,000 with effect from 1 April 2023. This was based on an unadjusted base rate of £32.50 per square metre (psm).

4. The challenge proposal was submitted by Ryan Property Tax Services UK Limited on behalf of KMR Engineering Limited and was received by the Valuation Officer (VO) on 8 October 2024. It had been made on the grounds that the RV shown in the 2023 rating list was wrong and proposed a revised RV of £54,750 based on an unadjusted base rate of £25 psm.

5. The challenge originally disputed the value of the rough surfaced land; however, this had been agreed between the parties prior to the hearing resulting in the above valuation by Mr Porter.

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

7. Mr Porter understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

8. Mr Stevens appeared as both advocate and expert witness. He was not appearing on a conditional fee basis.

9. The Tribunal 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).

10. The Panel therefore considered the expert evidence and attached such weight to it as it saw fit.

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

Background

12. The subject property was an industrial unit located on an industrial estate of 37 units in Hadleigh. It was built between 1955 and 1964 with a total area of 1,993.74m^2 and eaves of 3.5 metres.

Relevant Law

The Local Government Finance Act 1988

13. Schedule 6 of the Act 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.

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 day is 1 April 2023.

Discussion

16. The subject property was held on a freehold basis and therefore there was no passing rent. Mr Porter stated that all larger industrial properties in Hadleigh were held on a freehold basis and so evidence had to be taken from other large assessments further afield.

17. Mr Porter provided evidence of three comparable assessments, Raptor House, Bridge Farm, and 69/70 Eastern Way. The total area of these properties ranged from 1,991.17m^2 to 2,658.7m^2. The properties were located in Bury St Edmonds and Stowmarket, between 14.9 and 34.6 miles away from the subject property.

18. Mr Porter considered these to be the best evidence as they were comparable in size, age, eaves height, and character. Two of the properties were owned freehold and had no passing rent and were both valued in the 2023 rating list at £24 psm. 69/70 Eastern Way had a fifteen-year lease effective from 2010 that had a nil increase rent review effective from 1 September 2020 at £100,000 per annum. This had been analysed to £47.11 psm and was in the rating list at £25 psm. Of the subject property and these three assessments, the subject property increased in RV by 30% from the 2017 to 2023 list, whereas the three comparable assessments increased by a maximum of 4.35%. It was Mr Porter's view that the increase on the subject property was excessive by comparison.

19. Mr Stevens stated that the three comparable properties put forward by Mr Porter were located quite a distance from the subject property in more remote areas with poorer connections to main arterial routes. He stated that the different locations were a different market to the subject property.

20. Mr Stevens had put forward rental evidence of four properties. MacFarlane Packaging Ltd was located in Sudbury and had a total area of 2,308.8m^2. It had a passing rent of £118,000 per annum effective from 1 June 2020. This was a rent review from an original ten-year lease from 1 June 2015. The rent had been analysed to £52.43 psm and had an unadjusted base rate of £40 psm.

21. 7-8 Farthing Road in Ipswich had a total area of 1,047.02m^2. It had a passing rent of £37,260 per annum and was a lease renewal effective from 27 July 2020. This had been analysed to £48.71 psm and had an unadjusted base rate of £55 psm.

22. The last two properties were on the same industrial estate as the subject property. 13 Lady Lane Industrial Estate had a total area of 430.98m^2 and had a passing rent of £20,000 per annum effective from 1 February 2022 on a one-year lease renewal. This had been analysed to £42.91 psm and had an unadjusted base rate of £40 psm.

23. Mr Stevens considered the two rents on 35B Lady Lane Industrial Estate to be the best evidence. The property had a total area of 268.11m^2 and a rent review effective from 1 June 2020, and a lease renewal effective from 1 April 2022. The rents analysed at £36.38 psm and £53.72 psm respectively and the property had an unadjusted base rate of £45 psm. Mr Stevens contended that these rents demonstrated the increase in rents on industrial units within Hadleigh.

24. Mr Porter disagreed that the Lady Lane properties were comparable due to the difference in size with the subject property. Mr Stevens contended that the size difference had already been accounted for in the lower base rate for the subject property at £32.50 psm.

25. The panel considered all of the evidence before it and found from the verbal evidence and location maps, that the subject property was in a good location with good connections to major arterial routes. It placed less weight on the comparable assessments of Mr Porter. Whilst the panel accepted they were similar in age, size, and character, they were located too far from the subject property for the panel to consider them truly comparable. No evidence had been provided to demonstrate that the market for industrial units in Hadleigh shared the same tone with the more rural locations.

26. It was the panel's opinion that the rents on 35B Lady Lane Industrial Estate did demonstrate the rents had increased in the location, and it found these rents to be the strongest evidence. 35B Lady Lane and 13 Lady Lane had unadjusted base rates of £45 psm and £40 psm respectively. The panel did not find it unreasonable for the subject property to be valued at £32.50 psm having accounted for quantum.

Determination

27. In view of the above findings and conclusions, the Tribunal Panel is satisfied that the RV of £69,000 with effect from 1 April 2023 was reasonable. Therefore, the appeal is 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/.

Mr Amran Hussain, Senior Member (Presiding)

Ms TM Blades, Senior Member

10 September 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 10 September 2025