**IN THE VALUATION TRIBUNAL FOR ENGLAND**
**IN THE MATTER OF A 2017 RATING LIST APPEAL**

Case No: CHG101306547

Sitting remotely using Microsoft Teams

Date: 23 December 2025

**SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988**

*RATING — Local Government Finance Act 1988 — factory and premises; price per m$^2$ and an end allowance for split/divided site in dispute; rental evidence; comparable assessments; appeal allowed in part.*

**Before:**
**MR P BLYTHE-BARTRAM**
**MS J GITTENS**

**Between:**

**PAILTON ENGINEERING LTD** **Appellant**

**- and -**

**LUCY FORMELA-OSBOURNE (VALUATION OFFICER)** **Respondent**

**Regarding:**
**PAILTON ENGINEERING LTD & 9-11 HOLBROOK LANE, COVENTRY, CV6 4AB**
(the "subject property")

**Mr M Iles and Mr C Cates from Ryan, representing the Appellant**
**Mr K Ng for the Respondent**

Hearing date: 8 December 2025

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**DECISION AND STATEMENT OF REASONS**

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## DECISION

1. The appeal is allowed in part.

2. The Tribunal determined a rateable value (RV) of £196,000 with effect from 1 April 2017, based on a revised price of £16 per $m^2$ for Survey Unit 2.

## STATEMENT OF REASONS

### Introduction

3. This is a 2017 rating list appeal. Pailton Engineering Ltd & 9-11 Holbrook Lane, Coventry, CV6 4AB (the 'subject property') had been entered in the 2017 rating list as 'factory and premises' at £236,000 RV with effect from 1 April 2017, based on:

   Survey Unit 1, built in 1988, assessed at £35 per $m^2$

   Survey Unit 2, built between 1919-1939 and refurbished in 1988, assessed at £21.50 per $m^2$

   Survey Unit 3, built in 1975, assessed at £29 per $m^2$

4. A challenge proposal was submitted by Altus Group (now Ryan) on behalf of Pailton Engineering Ltd and was received by the Valuation Officer on 13 January 2025. It had been made on the grounds that the RV was inaccurate. A revised RV of £131,000 was proposed, based on:

   i. Adjusted prices for Survey Units 1 & 3 at £26.50 per $m^2$, Survey Unit 2 at £16 per $m^2$

   ii. End allowance of 10% for access

   iii. End allowance of 7.5% for split/divided unit

   iv. 15% allowance for planning restriction

5. The Valuation Officer issued a challenge case decision notice on 19 March 2025, which disagreed with the proposed alteration of the list, but stated that the current rating list entry was unreasonable. A revised RV of £205,000 with effect from 1 April 2017 was confirmed, to reflect a 10% end allowance for access and a further 10% end allowance for mixed ages.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament at £205,000 RV is not reasonable. The appeal received by the Tribunal on 7 July 2025 proposed a revised RV of £127,000 based on:

   i. Adjusted prices for Survey Unit 1 at £29.50 per $m^2$, Survey Unit 2 at £16 per $m^2$ and Survey Unit 3 at £26.50 per $m^2$

   ii. End allowance of 7.5% for split/divided unit

   iii. 25% allowance for planning restriction

7. Prior to the hearing Mr Iles confirmed that he wished to withdraw his contention for an allowance to reflect the planning restriction, and provided a revised valuation at £153,000 RV.

8. Mr Cates appeared on behalf of the appellant as advocate and Mr Iles as expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Iles declared that he was instructed on a conditional fee basis, and that he understood and accepted that his duty was to the Tribunal in giving his evidence, and that 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).

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.

**Relevant Law**

12. Rateable value is to be 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.

13. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

14. 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 2017.

**Discussion**

15. The remaining issues in dispute concerned the price per $m^2$ to be adopted for the three survey units of different building ages and whether a further end allowance of 7.5% for a split/divided unit was appropriate.

16. On behalf of the appellant, Mr Cates submitted that comparable assessments provide the most pertinent evidence, and he disputed the relevance of the Valuation Officer's rental evidence. For the Valuation Officer, Mr Ng defended the present assessment with reference to rental evidence and comparable assessments, and submitted that a further end allowance for a split-divided site was not warranted.

**Survey Unit 1**

17. The parties were in agreement that this property was built in 1988, with a total area of 5,031.22$m^2$.

18. In support of the present adopted price of £35 per $m^2$, Mr Ng referred to two pieces of rental evidence:

- Howdens Joinery Co, Lockhurst Lane, CV6 5PW, a warehouse of 890.98$m^2$ built in 1990. A lease renewal effective from 20 October 2015 analysed at £51.34 per $m^2$.
- Unit 1 Blackburn Road, CV6 6LQ, a warehouse of 3,024.95$m^2$ built in 1982. A lease renewal effective from 20 March 2016 analysed at £45.31 per $m^2$.

19. Mr Ng drew further support for the adopted price of £35 per $m^2$ with reference to comparable properties provided by the appellant's representative:

- H Burbidge & Son, Awson Street, CV6 5GH contained three survey units of mixed ages. A 1980 building valued at £30.50 per $m^2$ supported a higher value for the subject property built in 1988.
- Federal Mogul Sintered Products, Yelverton Road, CV6 4AB - one of the survey units built in 1988 was valued at £35 per $m^2$.

20. The panel heard from Mr Iles that Survey Unit 1 was re-built in 1988 as a replacement to the original 1919 factory following a fire, and was not of the same quality of a purpose-built property constructed in 1988. He outlined that in 1988 industrial units were built to high eaves heights with portal frames to accommodate better use of space, with higher floor loading capacities, and largely developed on planned estates with good access. Mr Iles submitted that the subject property did not have any of those qualities, and confirmed that the eaves height is 4.3m.

21. In support of his contention that £35 per $m^2$ was excessive for Survey Unit 1, Mr Iles referred to the following properties assessed at £35 per $m^2$, which he considered to be superior to the subject property:

- SFM at Shipley, Herald Way, CV3 2RQ, similar in size to the subject property at 6,428$m^2$, however, it is a purpose-built warehouse with ceiling height of 11m, and 7m to the supports. It is also located on an established well planned business estate with good access to each unit.

- Concept Group, Doyle Drive, CV6 6NW, similar in size to the subject property at 7,391m$^2$, however, this is a purpose-built industrial property from the mid-1980s, with an eaves height of 6m, located on a modern estate with good access roads.

22. In support of his proposed price of £29.50 per m$^2$, Mr Iles cited Federal Mogul, located directly adjacent to the subject property. Originally constructed in the late 1910s, like the subject, it had also been reconstructed in the 1980s following a fire. Mr Iles stated that the 1980s survey unit had been assessed at £24.53 per m$^2$. The summary valuation did not provide the unadjusted basic price, but he calculated that it would be £27.22 per m$^2$ when adjusted for the 10% mixed age allowance. As this property was larger, Mr Iles submitted that this supported a basic price of £29.50 per m$^2$.

23. It appeared to the panel that the parties considered that Federal Mogul was the most suitable comparable property. The panel found that Mr Iles' calculation of the unadjusted basic price from the summary valuation was incorrect, and was satisfied that Mr Ng had confirmed that the older survey unit was assessed at £14.50 per m$^2$, while the 1988 unit was assessed at £35 per m$^2$. The panel noted the smaller eaves height of the subject property compared to SFM at Shipley and Concept Group, but was not persuaded that this supported a reduction from £35 per m$^2$ to £29.50 per m$^2$.

**Survey Unit 2**

24. The parties were in agreement that this was the original factory built circa 1919, with a total area of 2,001.2m$^2$.

25. In support of the present adopted price of £21.50 pr m$^2$, Mr Ng referred to two pieces of rental evidence:

- 1 Humber Road, CV3 1AT, a workshop of 361.57m$^2$, built between 1919 and 1939. A rent review effective from 24 February 2014 analysed at £75.90 per m$^2$.
- Unit 6 Durbar Avenue Industrial Estate, Queen Mary's Road, CV6 5LR, a warehouse of 982.80m$^2$ built between 1919 and 1939. A new letting effective from 1 June 2016 analysed at £28 per m$^2$.

26. Mr Ng drew further support for the adopted price of £21.50 per m$^2$ with reference to comparable properties provided by the appellant's representative:

- Marrill Engineering, Waterman Road, CV6 5TP built between 1919 and 1939, a reduction had been agreed from £29.50 per m$^2$ to £21.50 per m$^2$.
- H Burbidge & Son, an older survey unit built between 1900-1918 had been assessed at £18.50 per m$^2$.
- Federal Mogul Sintered Products, an older survey unit built between 1900-1918 had been assessed at £14.50 per m$^2$.

27. In support of his contention that £21.50 per m$^2$ was excessive for Survey Unit 2, Mr Iles referred to Marrill Engineering, which he considered to be superior to the subject property. It had been agreed at the challenge stage at £21.50 per m$^2$, and was a multi-bay warehouse with a higher eaves height of 7.69m. Mr Iles contended that Federal Mogul (agreed at £14.50 per m$^2$) and H Burbidge and Son (agreed at £18.50 per m$^2$) were more suitable for

comparison with the subject property. His adopted price of £16 per $m^2$ was pitched between the two to reflect the differences in size.

28. It was significant to the panel that the Valuation Officer considered that Federal Mogul and H Burbidge were older properties built between 1900 and 1918, and therefore of older construction than the subject property. Mr Iles drew attention to ordnance survey maps which illustrated that in 1915, H Burbidge had been built but not the subject property or Federal Mogul; in 1926, the subject property had been built, but not Federal Mogul.

29. In consideration of the most relevant comparable properties, the panel was persuaded that £21.50 per $m^2$ for Survey Unit 2 was excessive. The panel was satisfied that Mr Iles had supported his adopted price of £16 per $m^2$.

**Survey Unit 3**

30. A building of 867.43$m^2$, the date of construction was not agreed by the parties.

31. According to the Valuation Officer, the property was built in 1975. In support of the present adopted price of £29 per $m^2$, Mr Ng referred to the following rental evidence:

- Midland Vehicle Components Ltd, Oban Road, CV6 6HH, a warehouse built in 1974. A lease renewal effective from 1 June 2015 analysed at £47 per $m^2$.

32. Mr Ng drew further support for the adopted price of £29 per $m^2$ with reference to H Burbidge & Son, for which an older survey unit built between 1955-1964 had been assessed at £27.50 per $m^2$.

33. With reference to ordnance survey maps, Mr Iles demonstrated that Survey Unit 3 was in existence in 1970. No earlier maps were available, but he considered that it was built in the late 1960s – early 1970s as it has a brick and mortar structure with a truss steel roof. Mr Iles submitted that valuation scheme 402825 was more appropriate as it reflected industrial properties built between 1955 and 1970. He referred to two properties from this scheme in support of his adopted price of £26.50 per $m^2$:

- R L Walsh & Sons Ltd, Lythalls Lane, CV6 6FL, a smaller property of 2,880 $m^2$ but more similar in construction and eaves height to the subject than the Valuation Officer's comparable.
- Precious Metal Depositors Ltd, Broad Lane, CV5 7AX, 4,458$m^2$ and similar in construction to the subject property, assessed at £27.50 per $m^2$. As the subject property is 80% larger, Mr Iles considered it would achieve slightly less.

34. While the panel was satisfied that Mr Iles had shown that the Valuation Officer's assessment of Survey Unit 3 was incorrectly based on a construction date of 1975, the panel was not persuaded that the present adopted price of £29 per $m^2$ was excessive. The panel noted that prices to be adopted in valuation scheme 402825 ranged from £26.50 to £52.50 per $m^2$ for properties built between 1955 and 1970. In the absence of confirmation of the age of the property, the panel was not persuaded that there was sufficient evidence to justify a value at £26.50 per $m^2$, the bottom end of the range of values in the alternative scheme proposed by Mr Iles.

**End allowance of 7.5% for split/divided site**

35. Mr Iles contended that a further end allowance of 7.5% was appropriate to reflect the split site and the division of the two workshops in Survey Unit 3. In support, he referred to the following properties which had an end allowance for a divided or split unit:

- Jaguar Cars Ltd, Coundon Wedge Drive, CV6 2AJ – 5%
- Units F2-F3, Little Heath Industrial Estate, Old Church Road – 2.50%
- Units 15-18, Hales Industrial Estate, Rowleys Green Lane, CV6 6AL – 7.50%
- Plastech Weather Seats Ltd, Blackhorse Road, CV6 6HR – 2.50%

36. In support of his adopted end allowance of 7.5%, Mr Iles referred to the Upper Tribunal case of *Johnson v HB Foods* [2011] RA 46, in which the Valuation Officer produced a schedule of agreed assessments where a fragmentation allowance had been made:

i. Contiguous properties separate by a dividing wall (where the allowance varied from 2.5% to 5%).
ii. Non-contiguous properties separated by an estate road or yard area (5% to 7.5%).
iii. Properties separated by a public highway or right of way (7.5%).

37. Mr Iles submitted that the subject property satisfied points i and ii, which justified an allowance of 7.5%.

38. Mr Ng considered that a further end allowance for split/divided site was not appropriate as a 10% end allowance had been applied to reflect mixed ages. He submitted that this was in line with Federal Mogul, which also had an end allowance of 10% for mixed ages, but no end allowance for split/divided site. Mr Ng further highlighted that there were no end allowances for mixed ages applied to the appellant's comparable properties.

39. On this issue, the panel was not persuaded that a further end allowance for split/divided site was appropriate, for the reasons outlined by the Valuation Officer.

**Conclusion**

40. The panel concluded that the present adopted prices for Survey Units 1 and 3 were not unreasonable, and that a further end allowance of 7.5% for a split/divided unit was not appropriate. The panel found that the adopted price for Survey Unit 2 was not reasonable and determined a revised price of £16 per $m^2$, as requested by the appellant's representative. The appeal was therefore allowed in part, and the revised RV determined as follows:

| Ref | Floor | Description | Area $m^2$/unit | £ per $m^2$/unit | Value (£) |
|---|---|---|---|---|---|
| 1.2 | Ground | Production Area | 5,013.22 | 35.00 | 175,463 |
| 2.1 | Ground | Internal Storage | 573.98 | 15.60 | 8,954 |
| 2.2 | Ground | Office | 360.43 | 19.20 | 6,920 |
| 2.3 | Ground | Office | 700.18 | 19.39 | 13,578 |
| 2.4 | Ground | Workshop/Store | 208.85 | 12.00 | 2,506 |
| 2.5 | Ground | Plant Room-Boiler House | 19.76 | 12.00 | 237 |
| 2.6 | Mezzanine | Internal Storage | 21.00 | 8.00 | 168 |
| 2.7 | Mezzanine | Office | 48.00 | 16.00 | 768 |
| 2.8 | Ground | Area Under Supported Floor | 69.00 | 10.92 | 753 |
| 3.1 | Ground | Workshop | 381.77 | 29.00 | 11,071 |
| 3.2 | Ground | Workshop | 374.66 | 29.00 | 10,865 |
| 3.3 | Ground | Area Under Supported Floor | 15.04 | 20.30 | 35 |
| 3.4 | Mezzanine | Internal Storage | 15.04 | 14.50 | 218 |
| 3.5 | Ground | Mess/Staff Room | 9.70 | 31.90 | 309 |
| 3.6 | First | Office | 17.33 | 31.90 | 553 |
| 3.7 | First | Office | 53.89 | 31.90 | 1,719 |
| ADDITIONAL FEATURES OF THE PROPERTY TO BE INCLUDED IN THE VALUATION | | | | | |
| | | Yard Loading Bay & Access | 920.00 | 5.00 | 4,600 |
| | | Plant and Machinery | | | 1,625 |
| | | Surfaced Open Spaces | 35 | 50 | 1,750 |
| | | | | Valuation sub-total | 242,362 |
| ADJUSTMENTS MADE TO THE SUB-TOTAL | | | | | |
| | | | | Access | -10% |
| | | | | Mixed Ages | -10% |
| | | | | | -46,049 |
| | | | | Valuation total | 196,313 |

Rounded down to £196,000 RV

41. Under the provisions of regulation 38(4) 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 entry in the rating list to £196,000 RV with effect from 1 April 2017.

42. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

43. A refund of the paid fee will now be arranged provided there is no review of the Tribunal’s decision. The refund will take around six weeks to process.

**Right of further appeal**

44. 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.

45. 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 P Blythe-Bartram, Senior Member (Chair)
Ms J Gittens, Senior Member
23 December 2025

Mrs L Horne
Clerk to the Tribunal
**Date issued to the parties:** 23 December 2025