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

Case No: CHG101400336

Sitting remotely using Microsoft Teams on 27 May 2025

Date: 15 June 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: challenge against compiled list entry; shop and premises; accuracy of rateable value; Lotus & Delta v Culverwell (VO) and Leicester City Council [1976] RA 141; *appeal dismissed*

Before:

MS A VERMA
MISS E CROSS

Between:

MCALLISTER THOMAS FINE ART **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) **Respondent**

Regarding:

117 HIGH STREET, GODALMING GU7 1AQ
(the "subject property")

The appellant in person a partner in the appellant partnership
Mr L Harrington (as advocate and expert witness on behalf of the respondent)

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The panel confirmed the Rateable Value (RV) of the appeal property at £18,250 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This appeal had been brought in respect of 117 High Street, Godalming GU7 1AQ (the subject property), which was entered in the 2023 Rating List as ‘shop and premises’ at an RV of £18,250 effective from 1 April 2023 having been reduced during the Check and Challenge stages from £20,750.

4. The appellant’s Challenge was submitted on 9 September 2025 and sought a reduction in the RV to £14,750 with effect from 1 April 2023. The appeal to this Tribunal was made on 30 December 2025, following the Valuation Officer’s (VO) Decision Notice of 10 October 2025 in respect of the subject property.

5. The subject property is a two storey shop with a double frontage situated on the High Street in Godalming. It is situated in close proximity of car parks both being less than 500 feet away. It is close to Godalming train station and local amenities and museums. It has a net internal area of 64.41m^2 and a in terms of main space (ITMS) of 46.15m^2. It is situated close to the town hall in retail area including other independent shops. The divided frontage, central staircase, and more limited display potential of some masked areas in the subject property.

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 was not reasonable.

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

Issue

8. The issue for the panel to make a finding on was the base rate for the subject property. The VO submitted that the current rate of £400/m^2 with an additional fragmentation reduction of 5% and an RV of £18,250 was reasonable. The appellant submitted that the rate was too high and that a base rate of £350/m^2 with the 5% allowance was reasonable giving an RV of £14,750.

Preliminary issue

9. The appellant wanted to include some late evidence being an e mail which had been written subsequent to a meeting with another caseworker from the VO but a copy of it had only been sent to Mr Harrington on 21 May 2026. The appellant explained that the e mail contained sections which were matters already included in the evidence bundle but she had expanded on them. It included some photographs which the VO agreed could be included. Mr Harrington objected to the e mail being included as he had only had sight of it a few days prior to the hearing.

10. Mr Harrington wanted to include some settlement evidence which had only been available since 14 May 2026. He explained that he had served the details on both the Tribunal and the appellant on 18 May 2026. The appellant objected to the settlement evidence being included as she did not have the background to that settlement and therefore could not determine what impact it had on this appeal.

11. The panel referred to regulation 17A of Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 (as amended):

17A. Admission of new evidence on NDR appeal

(1) On a NDR appeal, the VTE may only admit evidence that was not included in the notice of appeal or any document accompanying the notice of appeal ("new evidence") if—

(a) that evidence—

(i) is provided by a party to the appeal;

(ii) relates to the ground on which the proposal was made; and

(iii) was not known to the party and could not reasonably have been acquired by the party before the proposal was determined under Part 2 of the NDR Regulations; or

(b) all the parties to the appeal agree in writing to the party providing the new evidence.

(2) If the VTE admits new evidence under paragraph (1), the VTE may admit further evidence provided by another party to the appeal if the further evidence specifically relates to—

(a) the new evidence; and

(b) the ground on which the proposal was made.

(3) A party which provides evidence under paragraph (1) or (2) must also provide that evidence to all the other parties to the appeal.

12. In accordance with regulation 17A the panel found that the e mail the appellant wanted to include was available before the proposal was determined and so could not be allowed into evidence. The settlement evidence was however only available from 14 May 2026 and so would be allowed into the hearing.

Relevant Law

13. In arriving at a decision, the panel is governed by rating legislation laid down by Parliament where Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

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 this appeal, the material date is 1 April 2023 being the commencement date of the 2023 rating list.

Discussion

16. The appeal hereditament 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). The date of the hypothetical rent was 1 April 2021.

17. The panel turned to the six propositions set down in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 which was binding on this panel. The first two propositions are:

> (1) Where the hereditament which is the subject of consideration is actually let, that rent should be taken as the starting basis.
>
> (2) The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in section 19(6) of the General Rate Act 1967 the more weight should be attached to it. (These statutory requirements now contained in Schedule 6, Para 2 (1) Local Government Finance Act 1988 (as amended by the Rating (Valuation) Act 1999)).

18. The panel noted that both parties agreed that the subject property is located beyond the Town Hall, which acts as a recognised dividing point where the retail tone changes. The panel first considered the rent passing on the subject property, which has an ITMS of 46.15m². A lease renewal on the subject property dated 1 December 2019 provided for stepped rents, analysing to £398.96/m², with a UAR of £450/m². A subsequent lease renewal

dated 1 December 2024 analysed to £444.20/m² and a UAR of £450/m² was applied, which was later reduced by the VO to £400/m².

19. Mr Harrington submitted that the rent passing on the subject property supported a UAR of £400/m². The panel considered the appellant's submissions that the premises suffers from disadvantages, including a restricted entrance via a stairwell and reduced footfall and there had been a number of properties in the locality remaining vacant for lengthy periods. The panel noted that issues of internal fragmentation were already reflected in the 5% allowance applied within the current RV. The panel found that the rent passing on the subject property supported the UAR of £400/m².

20. The appellant argued that the subject rent had declined since the 2017 rating list but this did not appear to have been reflected in the UAR. However, the panel recognised that the rental evidence relied upon for the 2017 rating list reflects the rental values at the AVD of 1 April 2015 and the 2023 rating list AVD was 1 April 2021 and therefore they captured any changes in rental levels between the lists. Whilst the panel attached weight to the passing rent of the subject property, it considered this to be only the starting point. In accordance with the approach set out in *Lotus & Delta*, it was necessary to consider a basket of comparable rental evidence from other properties within the locality.

21. The panel therefore looked to the comparable properties provided by both parties. The third and fourth propositions set out in *Lotus and Delta* were considered by the panel in regard to the comparable properties put into evidence by both parties:

> (3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.
>
> (4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the valuation officer. In subsequent proceedings on that list therefore they can be properly be referred to as giving an indication of that opinion.

22. The panel turned to the comparable evidence put into evidence by the appellant. The properties were in the same street as the subject property:

(1) 122 High Street which was opposite the subject property. The appellant submitted that this was a larger unit than the subject property and had an unrestricted frontage. It did however have the same footfall as the subject property. This property had a UAR of £450/m^2 but had a superior layout.
(2) 101 High Street which was central in location. It had a UAR of £450/m^2 and yet it had triple the footfall of the subject property the appellant submitted. This had been reduced from an original UAR of £550/m^2 to £450/m^2.
(3) 116-118 High Street, which was on the corner close to the subject property, had a UAR of £550/m^2 but was a large double fronted unit and was an estate agent not a shop.
(4) Properties on Middle High Street had a typical UAR of between £400/m^2 and £425/m^2 which was lower than that of the subject property and had a normal access and a steady footfall.
(5) 44 Bridge Street had a UAR of £350/m^2 which was reduced from £375/m^2. The appellant submitted that historically Bridge Street had always been considered as a good comparator for the subject property. Mr Harrington submitted that the VO had no evidence that this had been the case. He explained that Bridge Street was in his view a

less advantageous pitch with heavier traffic and a narrower pavement. Hence the rent levels on Bridge Street were lower than High Street and he submitted that Bridge Street was therefore not a good comparator for High Street in his opinion.

23. The panel found that none of the appellant's comparable properties had any rental evidence or size details. On that basis the panel was unable to compare these properties with the subject property for rating purposes and put little weight on this evidence. The panel noted that the VO had included the details for 116-118 High Street. This was based on a new open market letting which when analysed was £427.79/m^2 and supported a UAR of £400/m^2 on the subject property. The panel put weight on this evidence.

24. The panel then turned to the VO's comparable property evidence:

(1) 111 High Street which had an ITMS of 22.61m^2 with a new letting on the open market dated 1 October 2022. The lease was for ten years and the rent free period was ignored for fit out. The VO had also added 10% to reflect rateable fit. This led to an analysed rent of £437.86/m^2 and a UAR of £450/m^2.
(2) 115 High Street had an ITMS of 26.71m^2 with a new lease dated 1 September 2024. The rent free period was ignored for fit out and the FRI terms were assumed to be present. There was also a 10% addition to reflect fit out and the parking was stripped out of the rent. The analysed rent was £503.56/m^2 with a UAR of £450/m^2.
(3) 119 High Street had an ITMS of 22.53m^2 and had a new letting on 1 October 2020 for a five year and eight month term on an FRI basis. An addition of 10% was added to reflect rateable fit out and the FOR stated that it was let as a shell. The rent analysed to £673.77/m^2 and a UAR of £450/m^2.
(4) 116-118 High Street had a new lease dated 1 June 2020 with an ITMS of 83.58m^2. It had a four month rent free period which was ignored for fit out. It was assumed to be on FRI terms and the VO had added 10% to reflect rateable fit out. This analysed to £427.79 and a UAR of £400/m^2.
(5) 120 High Street had an ITMS of 28.73m^2 and had a new letting on 1 November 2019 which had three months rent free period which was ignored for fit out. It was assumed to be on FRI terms and had an added 10% to reflect rateable fit out. It had an analysed rent of £459.45/m^2 and had a UAR of £450/m^2. It also had a lease renewal on 1 November 2024 for a further five years with no incentives and assumed to be on FRI terms. The analysed rent was £522.10/m^2 and a UAR of £450/m^2.

25. The panel noted that the rental evidence relied upon consisted predominantly of new lettings on the open market, agreed close to the AVD between unconnected parties, and therefore carried significant evidential weight. Although the comparable properties were generally smaller than the subject property, no substantive evidence was provided to demonstrate that quantum warranted any adjustment. The panel accepted that new lettings provide strong indicators of rental value and observed that the analysed rents for these comparables supported their respective UARs which were higher than that applied to the subject property. On that basis, the panel considered that the evidence established a tone within the locality of between £435/m² to £450/m². Having regard to this range and making allowance for the relatively low footfall affecting the subject property, the panel found that a rate of £400/m² was supported. The panel attached weight to this body of comparable evidence.

26. The panel now turned to the fifth and sixth propositions from *Lotus and Delta*, namely:

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attached to the differing types of evidence depending on the one hand the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.
(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in each circumstance, it would be difficult to reject the evidence of the actual rent.

27. The panel found the totality of evidence submitted by the VO was more persuasive. The panel put weight on the comparable properties on High Street which were similar in size and were new leases close to the AVD. The fragmented aspect to the subject property had been taken into account in using a 5% allowance. Therefore, in line with the fifth and sixth propositions in *Lotus and Delta* the panel found the basket of evidence supported the UAR of £400/m^2.

28. In appeals of this nature the burden of proof was on the appellant to provide evidence to demonstrate that the RV of the subject property was unreasonable. The panel found that the appellant had failed to discharge this burden. The panel was therefore satisfied that the current assessment for the subject property was reasonable.

Conclusion

29. In view of the above findings and conclusions, the Tribunal is satisfied that the current RV of £18,250 with effect from 1 April 2023 and dismissed the appeal.

Right of further appeal

30. 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.

31. 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 A Verma, Senior Member (Chair)
Miss E Cross, Member
15 June 2026

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 15 June 2026