THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rates; transitional certificate appeal; restaurant and premises; appeal allowed.

RE: Unit 11, Southwater Square, Telford Town Centre, Telford, Shropshire TF3 4JG

APPEAL NUMBER: VT00013438

BETWEEN:	Greene King plc	Appellant
	And	
		Respondent
	(Valuation Officer)	

PANEL: Mrs AE Fielder (Senior Member)
Mr M Bhatti

CLERK: Miss K Hendry

HEARING: Remote Hearing on Thursday 15 June 2023

APPEARANCES: Mr J Thompson of BNP Paribas Real Estate (Appellant Representative)
Ms R Pike (Respondent Representative)

Summary of decision

1. The appeal was allowed. The panel confirmed a revised rateable value (RV) of £111,000 with effect from 31 March 2017.

Decision and reasons

2. This appeal has been brought in respect of a transitional certificate for Unit 11, Southwater Square, Telford Town Centre, Telford, Shropshire TF3 4JG (the “appeal property”). The appeal disputed the Valuation Officer’s (VO’s) certification that the RV for the appeal property should have been £119,000 on 31 March 2017.

3. The appeal has been made under regulation 21 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 (SI 2016 No.1265) because the appellant was dissatisfied with the value so certified.

4. This tribunal decision document is not and does not purport to be a verbatim record of proceedings. Consequently, the absence of a reference to any statement, or item of evidence, should not be construed as it having been overlooked.

Issue

5. The issue in dispute concerned the accuracy of the Transitional Relief Certificate issued on 5 October 2022 certifying the value of £119,000 with effect from 31 March 2017.

Evidence and submissions

6. A bundle of evidence was submitted in accordance with the direction.

7. Mr Thompson sought for the current basic price of £300psm be reduced to £280psm.

8. Ms Pike maintained that £300psm was the correct value in line with an agreement on Unit 13, which was reduced from £325psm.

Decisions and reasons

9. 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.

10. Rental levels had to reflect the market at the antecedent valuation date (AVD) of 1 April 2008.

11. The initial rent was £85,000 per annum (pa) increased by 3% at the first review to £87,550. The panel found this rent to be too far removed from the AVD to be relevant to this appeal, therefore no weight was attached to it.

12. The panel heard from Mr Thompson that in the 2017 rating list the property was shown with an RV of £133,000 based on £325psm. Following a challenge submitted the RV was agreed at £74,000 based on a main price of £185psm in line with the next-door unit, Unit 10. Unit 10 was considered to be the best comparable to the appeal property as they were situated next door to each other and both had a poorer position in comparison to the other units.

13. In the 2010 list, the unit was previously £325psm but was reduced to £300psm based on an agreement with Gerald Eve on Unit 13, the tone for the remaining units was set at £300psm.

14. However, unbeknown to Ms Pike, Unit 10 was reduced to £280psm.

15. Therefore, having regard to Unit 10, the panel concluded that the appeal property should also have a basic price of £280psm, and allowed the appeal. The panel confirmed the certified RV for the transitional relief purposes at £111,000 based on £280psm.

Order

16. Under the provisions of paragraphs (4) and (9) of Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is hereby ordered to amend the rateable value so certified for transitional relief purposes to £111,000 RV effective 31 March 2017.

Date: 28 June 2023

Appeal number: VT00013438

Right of appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.