

# TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

**Appellant:** Trago Mills (Merthyr) Ltd.

**Appeal Address:** Unit 1, Swansea Road, Merthyr Tydfil, CF48 1HT  
Shop & Premises

**Appeal numbers:**

(1): 692533701630/285NV17 – RV £2,180,000 wef 21<sup>st</sup> April 2018

(2): 692533701918/285NV17 – RV £2,220,000 wef 21<sup>st</sup> July 2018

**Date of Hearing:** 19<sup>th</sup> August 2021

**Appearances:** Mr C Preston representing the Valuation Officer,  
Mr S Shaw representing Trago Mills (Merthyr) Ltd.

**Date of Decision:** 16<sup>th</sup> September 2021.

**Decision of Tribunal:** Appeal Dismissed.

**Members of the Tribunal:** Mr Pattrick (Chair), Mr Singh and Mr Bagnall

**Tribunal Clerk:** Mrs J Blizzard-Phillips

**Decision:**

1. The Tribunal had to determine several issues:
  - (1) whether the rate of £70/m<sup>2</sup> that had been used to value the appeal property was excessive,
  - (2) whether any relativities ought to be applied to the property's ITMS.
  - (3) whether an end allowance should be applied to reflect the planning restrictions the property was subject to,
  - (4) whether the appeal property's display and storage land had been valued at an appropriate rate.
2. Mr Shaw submitted that the rental evidence in relation to The Range, Swansea, which devalued to £47.5/m<sup>2</sup>, Charlies Stores, Deeside which devalued to £51.28/m<sup>2</sup> and Mothercare, Cardiff, which devalued to £65.39/m<sup>2</sup>, confirmed that the current rate adopted to value the appeal property was excessive. Considering this evidence, Mr Shaw requested that a rate of £56/m<sup>2</sup> which had been adopted to value Trago Mills, Newton Abbot, be used to value the appeal property.
3. Mr Preston had raised concerns over the rent passing on The Range, Swansea and doubted it was a fully open market rent due to information provided within a Form of Return and it being so out of kilter from all other rents in the area. Mr Preston highlighted that the rent passing on Charlies Stores was agreed in June 2012 and that this property had been valued using an adopted rate of £85/m<sup>2</sup> whilst Mothercare had an adopted rate of £165/m<sup>2</sup>. Mr Preston also informed the Tribunal that the

£56/m<sup>2</sup> used to value Trago Mills, Newton Abbot, reflected its inferior location, age and specification compared to that of the appeal property. Retail warehouse values in the vicinity of Trago Mills, Newton Abbot, were generally between £63-£125/m<sup>2</sup> which denoted an inferior location compared to that of the appeal property where retail warehouse values ranged between £125-£300/m<sup>2</sup>. The Tribunal therefore considered the rate adopted to value Trago Mills, Newton Abbot, was not an appropriate rate to value the appeal property.

4. When presenting his chosen comparable properties, Mr Preston had provided the values for retail warehouse space in the vicinity of such properties. The Tribunal understood that these values would have been based on some form of rental evidence and therefore considered these to provide a better reflection of rental values being commanded in each of the areas, as opposed to the amount of traffic or local population as Mr Shaw had argued. From this evidence, the Tribunal noted that properties in areas with lower valued retail warehouse space had been valued at a higher rate than that applied to the appeal property, and thus indicated that the £70/m<sup>2</sup> rate used to value the appeal property was not excessive. B&Q, Morfa Shopping Park, Swansea, where values for retail warehouses on the retail park were like that of the appeal property's location, had been valued using an adopted rate of £80/m<sup>2</sup>.
5. The parties disagreed as to the appropriate term the September 2014 rent passing on B&Q, Cyfarthfa Retail Park, Merthyr Tydfil, situated circa 200m away from the appeal property, should be analysed; Mr Shaw argued that it should be over 10 years whilst Mr Preston preferred 15 years. Following the case of Morrison E F (GP) Ltd v Central Scotland Assessor, as the tenants of B&Q had no opportunity to break the lease, the Tribunal found that its rent ought to be devalued over 15 years, the full term of the lease. The rent therefore devalued to £97.06/m<sup>2</sup> including fit out and £88.24m without, whilst the property had been valued at a base rate of £100/m<sup>2</sup>. Mr Preston submitted that even allowing a quantum of 30% which he argued no evidence to support such quantum had been presented by Mr Shaw, would result in a value of £67/£69/m<sup>2</sup> and therefore confirmed that the £70/m<sup>2</sup> used to value the appeal property was not excessive; the Tribunal agreed and confirmed the current adopted rate to be correct.
6. Mr Shaw rejected the ITMS figure Mr Preston had provided for the appeal property on the basis that relativities should be applied. The Tribunal noted that relativities had only been applied to few of the comparable properties presented by both parties, and instead a base rate had been used to value most of the properties overall, including Mr Shaw's preferred comparable of Charlies Stores, Deeside.
7. Mr Shaw requested the Tribunal to follow the same valuation method for the appeal property as had been followed in relation to Trago Mills, Newtown Abbot. Mr Preston however, had informed the Tribunal that the relativities had been applied in relation to the Newton Abbot site to reflect

the significant differences in the quality of space and age across it, which the Tribunal considered not to be appropriate in relation to the appeal property and therefore found Mr Preston's ITMS of the appeal property to be correct and for no relativities to be applied.

8. Mr Shaw had provided a valuation report which discussed the impact of the planning restrictions the appeal property was subject to and submitted that a 10% end allowance should be applied to reflect these. However, the Tribunal noted that the valuation report was based on opinion, albeit a professional one, but no rental evidence to support such an allowance and no evidence to confirm when such an allowance had previously been applied was provided.
9. Boundary Mill, Colne, Lancs, was subject to very similar, if not the same, planning restrictions as the appeal property and had been the subject of a 2017 Rating List compiled list entry Challenge. The Challenge was agreed with the ratepayer's appointed agent at a base rate of £75/m<sup>2</sup> overall with no allowance being made for its planning restrictions. The Tribunal therefore found that an end allowance to reflect the appeal property's planning restrictions was not warranted.
10. Finally, the Tribunal noted that display and storage land throughout England and Wales had been valued at different rates. The un-appealed assessment of B&Q, Cyfarthfa Retail Park, Merthyr, in the same location as the appeal property, adopted a value of £15/m<sup>2</sup> for its outdoor land. The Tribunal therefore found that the £14/m<sup>2</sup> used to value the display and storage land at the appeal property was not excessive.
11. In conclusion, the Tribunal confirms the rateable value of £ 2,180,000 for Unit 1, Swansea Road, Merthyr Tydfil, CF48 1HT with effect from 21<sup>st</sup> April 2018 and £2,220,000 with effect from 21<sup>st</sup> July 2018.

Appeal Dismissed.

Certified a true copy on 16<sup>th</sup> September 2021.