

Appellant: Colliers International for The Co-Operative

Appeal Address: Shop and Premises, Co-Op, Cross Hands Business Park, Cross Hands, Llanelli, SA14 6RB

Appeal number: 682930906934/285NV17

Date of Hearing: 21 October 2021

Appearances: Mr B Batchelor-Wylam of Colliers International and Miss K Smith representing the Valuation Officer

Date of Decision: 3 November 2021.

Decision of Tribunal: Appeal allowed as conceded by the Valuation Officer

Members of the Tribunal: Mrs B C Martin (Chair), Mr N R J Edwards and Mr G E Evans

Tribunal Clerks: Miss O Hopkins and Mr R Williams

Decision:

1. The Tribunal was required to determine whether the rate of £70/m² that had been applied to value the appeal hereditament was excessive. The existing assessment was £262,500 RV which included £12,000 for a petrol filling station. Mr Batchelor-Wylam sought a revised assessment of £208,000 RV and the Valuation Officer an assessment of £260,000 RV.
2. Mr Batchelor-Wylam submitted that the appeal hereditament's unit rate should be reduced to £55/m² and that the revised value applied to petrol station was not in dispute. In support of his contention, he referred to the following comparable properties, which were all retail warehouses and premises located close by to the appeal hereditament on the Cross Hands Business Park:
 - J.H. Leek and Sons Limited - larger property of 11,476/m² valued at £50/m² however when reflecting adjustments for size & quality at -13% and a permanent disadvantage of -5%, it arrived at a net value of £41/m².
 - Happy Home Furnishings Limited - similar size property of 3,592.58/m², originally valued at £65/m² but since reduced to £52.50/m².
 - Home Bargains (former Richleys) - more modern and considerably smaller property of 1,176/m² valued at £75/m² but still under appeal.
 - Farm Foods Store - far smaller property of 427.75/m² valued at £85/m².
3. He also pointed out that that there was a drop in values between Rating Lists in respect of the comparable properties, in particular J.H. Leek and Sons Limited which was entered in the 2010 list at £630,000 RV and then fell in value in the 2017 list originally at £520,000 RV but then was further reduced to £495,000 RV.

4. Mr Batchelor-Wylam clarified that the comparable properties he had provided were those of local occupiers and retailers whose agreed unit rates of value supported his contention that the value of the appeal hereditament should be lower in the region of £50/m² to £80/m². However, having regard to the turnover in occupiers, hybrid occupation, poor exposure on the north side of the A48, being too large and less accessible than competing stores along with the increased costs due to the building's fabric becoming more obsolete and dilapidated, he contended that the appeal hereditament should attract a value of £55/m².
5. Considering the factors already identified, he found it highly improbable that vacant and to let the hypothetical occupier would be forced to pay more than £55/m² in respect of the appeal hereditament. Accordingly, he requested confirmation of a revised assessment of £208,000 RV effective from 1 April 2017.
6. Responding to a question from the Tribunal, he confirmed he was unable to verify or provide any details regarding the rent passing on the appeal hereditament.
7. Miss Smith stated that in the absence of details regarding the rent passing on the appeal hereditament, she had considered rental and settlement evidence in respect of large food stores in support of her contention that the appeal hereditament should be valued at £70/m². The rental evidence was:
 - Lidl, Denbigh LL16 3AU - slightly newer, smaller property at 1,804/m² and when factoring 10% for fit out provided a rental analysis of £142.91/m², the adopted rate was £142.50/m². Due to its stronger location, she believed this property would achieve in excess of the appeal hereditament.
 - Asda, Swansea SA9 2DE - significantly newer, similar sized property at 3,539/m² not far in location from Cross Hands and when factoring 10% for fit out provided a rental analysis of £161.84/m², the adopted rate was £125/m². Due to its age, she believed this property would achieve in excess of the appeal hereditament.
 - Morrisons, Colwyn Bay LL29 8DG - significantly older, similar sized property at 3,481/m² and when factoring 10% for fit out provided a rental analysis of £169.20/m², the adopted rate was £155/m². Due to its age, she believed this property would achieve in excess of the appeal hereditament.
 - Asda, Llanelli SA15 1SH - larger but older property at 7,952/m² not far in location from Cross Hands and when factoring 10% for fit out provided a rental analysis of £204.61/m², the adopted rate was £180/m². Due to its size and location, she believed this property would achieve in excess of the appeal hereditament.
8. The settlement evidence was:
 - CRS Limited, Kilgetty SA68 0XJ - older but smaller unit at 2,238m², agreed at £70/m².
 - Lidl, Pontardawe SA48 4EG - newer but smaller unit at 2,700/m², appeal withdrawn at £135/m².

- Co-op, Lampeter SA48 7AF - slightly newer but smaller unit at 2,777/m2, appeal withdrawn at £135/m2.
 - Waitrose, Barry CF63 2PE - slightly larger and newer unit at 3,830/m2, agreed at £130/m2.
9. Miss Smith concluded that having regard to the rental evidence available of similar properties superior in age, size and location to the appeal hereditament along with the settlement evidence, she opined that the unit rate of £70/m2 applied to the appeal hereditament was not unreasonable and sought confirmation of a revised assessment of £260,000 RV.
 10. In arriving at is decision, the Tribunal was mindful that the appeal hereditament was to be valued in line with the statutory definition of Rateable Value, as contained in paragraph 2(1), Schedule 6 of the Local Government Finance Act 1988, as amended by Section 1(2) of the Rating (Valuation) Act 1999, and in accordance with The Rating Lists (Valuation Date) (Wales) Order 2014, Statutory Instrument No: 2014/1370 (W.139).
 11. Accordingly, the Tribunal was required to determine the rental value of the appeal hereditament on full repairing and insuring terms as at the Antecedent Valuation Date of 1 April 2015, whilst reflecting the physical state of the appeal hereditament and its locality as at the Material date of 1 April 2017. It was also aware that the appeal hereditament must be assumed to be vacant and available to let and cannot have regard to the actual trade of the occupier.
 12. It also had regard to the Lands Tribunal judgment of *Lotus & Delta Limited v Culverwell (VO) and Leicester City Council (1976)*, as referred to by both parties, which established six principles giving clear guidance to follow when assessing rateable value.
 13. In the absence of details regarding the rent passing on the appeal hereditament, the Tribunal was persuaded by Miss Smith to have had regard to rental evidence passing on similar properties to that of appeal hereditament and not that of retail warehouses as promoted by Mr Batchelor-Wylam
 14. Albeit the comparable rental evidence provided by Miss Smith was scarce and was in respect of properties superior in age, size and location to the appeal hereditament, they were 'like for like' large food store properties and therefore supported her contention that a unit rate of £70/m2 should be adopted in respect of the appeal hereditament, which was also supported by settlement evidence in respect of similar types of properties.
 15. Whereas the Tribunal attached little weight to the evidence provided by Mr Batchelor-Wylam, as it was in respect of local retail warehouses that were a different type of property, not 'like for like' and therefore were not comparable.
 16. Accordingly, the Tribunal allow the appeal so far as conceded by the Valuation Officer and confirm that the appeal hereditament's entry in the 2017 Non-Domestic Rating List should be amended to £260,000 Rateable Value with effect from 1 April 2017.