

TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

Appellant: Audelia Rahamim

Appeal Property: 3A-4 Chester Street, Wrexham, LL13 8BD

Appeal number: 695534478438/285NV17

The Matter Appealed Against: 2017 Rating List

Date of Hearing: 19th October 2021

Appearances: Mr Kenneth Batty as agent for the appellant
Mr Ilan Pierce for the respondent Valuation Officer

Date of Decision: 24 November 2021

Decision of Tribunal: Appeal dismissed

Members of the Tribunal: Mr D Subacchi (Chairperson), Ms S Wheldon & Mr J C Alexander

Tribunal Clerk: Mrs L Hopwood

Introduction:

1. The appeal under consideration followed a proposal made by Audelia Rahamim in respect of 3A-4 Chester Street, Wrexham, LL13 8BD which the respondent Valuation Officer received on 16th July 2020. The proposal sought a reduction in the Rateable Value (RV) of the appeal property from £23,000 to £14,750 with effect from 1st April 2017.
2. This is a summary of the case and is not intended to be an exhaustive record of the proceedings. However, the parties can be assured that all the evidence was fully considered by the tribunal when it arrived at its decision. Consequently, the absence of reference to any statement, or evidence, should not be construed as being overlooked.

Legislation

3. 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 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 reasonable state of repair, but excluding from

this the 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.

Summary of the Case

4. To support the proposal, Mr Batty included photographs of the appeal property, location and layout plans and his proposed valuation of the property.
5. Mr Pierce provided the Tribunal with photographs of the appeal property together with plans of its location and layout, rental evidence and both the current and proposed valuations.
6. Both parties confirmed that the appeal property was located on Chester Street, Wrexham, just off the High Street. The property had an area of 160.87m² and was currently vacant and available to let. Mr Batty explained that the property had been vacant for a considerable amount of time and is currently on the market for £9000 per annum. He advised that at the time of the appeal, no interest had been expressed from a prospective tenant.
7. Mr Pierce explained that the property had been measured to Gross Internal Area (GIA) as required by the Code of Measuring Practice. The properties' Zone A space equated to 53.86m² and neither party recorded any significant differences in the agreed facts regarding areas. As there was no rent passing on the subject property, Mr Pierce explained regard had been given to settlements on comparable properties within the vicinity of the appeal property and the tone of the list.
8. Mr Batty provided the Tribunal with the following valuation of the appeal property;

Description	Area m2/Unit	£ per m2/Unit	Value (£)
Zone A	53.86	190	10,233
Zone B	48.81	95	4,637
Zone C	5.33	47.5	253
Public Toilets	4.87	19	92
Public Toilets	3.2	19	61
Kitchen	5.7	19	108
Staff Toilets	2.23	0	0
Internal Storage	1.7	9.5	16
BS Int Storage nominal (Trap Access)			100
Total			15,500

Air conditioning	108	7	756
Total			16,256
Less double unit			
5%			-813
Less disability of pillars and steps			
5%			-813
Total			14,630
Say 14,500 Rateable Value			

9. To support his contentions, Mr Batty provided the following comparable properties which have a £190 Zone A value;

- 30-32 King Street, Wrexham
- Ladbrokes, 1 Kingsmill Road, Wrexham
- 140 Park Avenue, Wrexham
- Unit 1 Lord Street, Wrexham

Mr Pierce stated that due to their less central locations, and other disabilities such as lack of parking, these properties were not comparable to the appeal property, and their underlying level of value was reflective of this; therefore, little weight could be placed upon them.

10. Referring to the images of the property, Mr Batty informed the Tribunal that the floor area was interrupted by several pillars and contended a 5% allowance should be made for them. He also highlighted the basement and stated that the access was poor and the basement itself was in disrepair and contended that a nominal valuation of £100 should be attributed to it.

11. In accordance with the RICS Code of Measuring Practice, Mr Pierce confirmed to the Tribunal that the pillars had been excluded from the internal measurements. With regard to the basement, Mr Pierce explained that the from an inspection in 2019 revealed that the basement had been closed by a non-structural wall that in his opinion would not be laborious to remove and therefore the valuation was correct.

12. Mr Pierce provided the Tribunal with the following valuation of the appeal property;

Description	Area m2/Unit	£ per m2/Unit	Value (£)
Zone A	53.86	270	14,542
Zone B	48.81	135	6,589
Zone C	5.33	67.5	360
Public Toilets	4.87	27	131

Public Toilets	3.2	27	86
Kitchen	5.7	27	154
Internal Storage	37.4	13.5	505
Staff Toilets	N/A	0	0
Internal Storage	1.7	27	46
Total			15,500
Air Conditioning	112.99	7	791
Total			23,204
Say 23,000 Rateable Value			

He confirmed to the Tribunal that the areas for Retail Zone C and the kitchen had been amended to 4.50, and 4.90, respectively, to reflect the steps. The air conditioning area had also been amended to 108, which meant the valuation subtotal had been reduced to £23,091, with a rateable value of £23,000.

13. Reference was made by Mr Pierce to a rental agreement included within his pack dated 28th November 2014 for £18,000 per annum for 10 years with a 5-year review pattern. Mr Batty disputed this and stated the property had a rent passing from 2016 of £14,640 which the Valuation Office Agency had no record. In response to a question from the Tribunal, Mr Pierce confirmed he had not analysed this rent and that due to the contradiction in information he could place little weight upon the rental evidence and had highlighted it for information purposes only.
14. To support his valuation Mr Pierce referred to the following schedule of rental information which he contended supported the Zone A value of £300/m² used in the valuation of the appeal property.

Address	Total area m ²	Effective date of rent	Passing rent (£)	Adjusted Rent (£)	RV (£)	Analysed rent £/m ²	Unit Value £/m ²
Sure to Please 3b Chester Street, Wrexham	51.64	30-Jun-13	12,000	11,400	10,500	349.16	300.00
56 Chester Street, Wrexham	127.80	01-Jun-15	12,000	12,000	13,750	243.90	300.00
55 Chester Street, Wrexham	50.38	13-Apr-15	10,000	10,000	11,000	272.26	300.00
57 Chester Street, Wrexham	26.77	13-Oct-14	8,500	8,500	6,900	366.85	300.00
61 Chester Street, Wrexham	52.50	29-Sep-13	9,748	9,261	8,900	320.89	300.00

15. Mr Pierce provided the Tribunal with a table of settlement evidence in which he highlighted shops and premises located on Chester Street, with Zone A values of £300m². These properties had been subject of appeals which were either settled prior to a Tribunal hearing or dismissed at a Tribunal. He contended that this evidence further supported the underlying levels of value adopted elsewhere in this area.
16. Mr Pierce contended that it was for the appellant to prove his case, on the assumption that the appeal had been made on the basis that the appellant had evidence to suggest the assessment was incorrect. Although not enshrined in Legislation, authority could be found in the case *Vines Ltd v de Mauny* (Valuation Officer) (2010) where the member NJ Rose commented –
- “It is, however, important to bear in mind that this is an appeal by the ratepayer, not the VO. The onus, therefore, is on the ratepayer to show that the base rate of £200 per m is too high, not on the VO to prove the opposite.”*
17. At the conclusion of the hearing, the Tribunal decided to reserve its decision.

The Reasons for Decision

18. Having considered all the evidence placed before it the Tribunal decided as follows: -
19. 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, as set out in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (The Act). Schedule 6(2) (7) sets out a list of factors that must be taken into consideration on the Material Day. For the purpose of this appeal the Material Day was 1st April 2017. The date of the hypothetical rent was 1st April 2015 (antecedent valuation date or AVD).
20. The Tribunal attached little weight to the rent (£9000 pa) at which the subject property was currently being offered as it bore no resemblance to the market level that prevailed at the AVD (1st April 2015).
21. The Tribunal did not support Mr Batty’s reasons for applying a 5% allowance in respect of the pillars, nor did it find that a further reduction to £100 should be added to reflect the disabilities with the basement. The Tribunal were more greatly persuaded by Mr Pierce’s evidence that he had taken such matters into account when he had conceded a 10% allowance for such disabilities, which appeared more in line with properties in the locality.
22. In terms of the rental agreements on the appeal property, referred to by both parties, the Tribunal was satisfied that due to the list being largely

established little weight should be given to them, with a greater weight given to the tone of the locality.

23. Over time it appeared that a body of evidence had been reached in respect of other properties on Chester Street. In the Tribunal's opinion, the evidence presented by Mr Batty was not sufficient to disturb the accepted tone. The Tribunal accepted that the overall value of £300/m² for Zone A used by Mr Pierce in his valuation of the appeal property was in line with similar properties, as identified within evidence. In view of the foregoing, the Tribunal dismissed the appeal.