

TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

Appellant: T J Melia – Dappleacre Ltd

Appeal Property: 12 Great Darkgate Street, Aberystwyth SY23 1DE

Appeal number: 682036225830/537NV17/125

The Matter Appealed Against: 2017 Rating List

Date of Hearing: Wednesday 13th September 2023

Appearances: Mr T Melia (for the appellant) & Ms R Morris (for the respondent Valuation Officer)

Date of Decision: 28th September 2023

Decision of Tribunal: Appeal dismissed

Members of the Tribunal: Mr JK Lewis (Chairperson) & Mr N Edwards & Mr G Sullivan

Tribunal Clerk: Mr G Harris

Introduction

1. The appeal before the tribunal followed a proposal made by Mr T Melia on behalf of the owner, Dappleacre Ltd, in respect of 12 Great Darkgate Street, Aberystwyth SY23 1DE. The proposal sought that the entry in the 2017 Rating List be reduced from £27,500 to nil with effect from 25th March 2020 on the following grounds –

Since 2019 Great Darkgate Street has been decimated with a huge number of properties vacant. Rental values have dropped to a ¼ of previous rents.

2. The valuation under consideration had been produced in accordance with Paragraph 2(1) Schedule 6 of the Local Government Finance Act 1988 which stated –

2(1) The rateable value of a non-domestic hereditament [none of which consists of domestic property and none of which is exempt from 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.

3. 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.

Parties' submissions & decision

4. Mr Melia explained that the appeal property had been vacated on 5th March 2020 when the then tenant's lease expired. Attempts were made to find a new tenant or sell the property with vacant possession, however with the property requiring remedial work this was unsuccessful. A schedule of works amounting to £11,535, and photographs were provided in evidence. Mr Melia stated that builders were not able or interested in carrying out the required works during the Covid Lockdown and a local estate agent was instructed to advertise the property for sale or let. The property was sold during October 2021 for £185,000 without the works being done.
5. Mr Melia contended that as the property was in an unlettable condition it should be taken off the Rating List.
6. Ms Morris explained that the above Legislation clearly advised that there was an assumption that a hereditament was in a state of reasonable repair for valuation purposes. As such, if the property was in need of repair, that disrepair had to be disregarded and the property valued as if it was in a state of reasonable repair having regard to its age, construction and locality. Unless the disrepair was so severe that it would be uneconomic to undertake.
7. Ms Morris did not believe, based on the available evidence, that the property was not capable of beneficial occupation. She considered the works required did not form part of a scheme of reconstruction or redevelopment and the repair assumptions should apply in the normal manner. The itemised schedule of repair works totalling £11,535 were not uneconomic with the property having sold in October 2021 for £185,000.
8. In conclusion Ms Morris, having regard to the available evidence, was of the opinion that the Rateable Value of £27,500 with effect from 1st April 2017 was correct, and requested that the tribunal dismiss the appeal.
9. The Tribunal, after considering all the evidence, decided that the schedule of works provided by the appellant did not amount to repairs that a reasonable landlord would consider uneconomic. The tribunal considered the schedule of works to be repairs that an outgoing tenant would normally undertake under their lease agreement, rather than improvements, and

that they did not render the hereditament unlettable. The tribunal empathised with the appellant in that builders has been unavailable due to the Covid pandemic but noted that this could not be considered under the current Legislation. With the Legislation stating that a hereditament must be assumed to be in a state reasonable repair for valuation purposes the tribunal dismissed the appeal.