

Appeal Number:	685536679726/285NV17
Appellant:	Micheldever Tyre Services Limited
Appeal Property:	1A & R/O 1-7, Richardson Road, Swansea, SA1 3TQ
Matter Appealed Against:	2017 Non-Domestic Rating List
Hearing Date:	20 March 2025
Appearances:	Mr A Sharkie of Ryan formerly Altus Group UK Limited on behalf of the appellant and Mr A Morse on behalf of the Valuation Officer
Decision and its date:	Appeal Allowed in Part – 29 April 2025
Tribunal Members:	Mr L H Robinson (Presiding Member) and Mr C S Wilson
Tribunal Clerks:	Mr R T Williams assisted by Mr R Williams

Introduction - Issues in Dispute

1. The subject appeal arises from a proposal submitted by the appellant to the Valuation Officer on 15 March 2023 challenging the appeal property's entry in the 2017 Rating List.
2. The grounds of appeal as contained in the subject proposal were as follows:

“Following revaluation on 01/04/2017 it is our opinion that the Rateable Value as applied to the subject premises is incorrect, contrary to law and a disproportionate reflection of the change in rental values in the locality between the dates 01/04/2008 and 01/04/2015. We therefore seek reduction of this assessment with effect from 01/04/2017 to £1.00.”
3. In accordance with Regulation 30(2) of the Non-Domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2005, all parties present agreed to only two members determining the subject appeal.

Legislation and Case

- Local Government Finance Act 1988
- The Rating Lists (Valuation Date) (Wales) Order 2014
- Ladies Hosiery and Underwear Limited v West Middlesex AC [1932]
- Lotus and Delta v Culverwell (VO) & Leicester City Council [1976]
- K Shoe Shops Limited v Hardy (VO) & Westminster City Council [1980]
- Oldschool & Oldschool v Coll (VO) [1995]
- Vines Ltd v de Mauny (VO) [2010]
- BPP Holdings Limited v Revenue and Customs Commissioners [2016]
- Telereal Trillium v K Hewitt (VO) [2018]

Evidence and Submissions

4. The appellant contended that the appeal property was a warehouse and premises used as a tyre centre and not a specialist tyre centre. It was of basic quality and did not benefit from those advantages normally associated with specialist tyre centres such as a yard, fitting bays and easy access. It was located at the end of a residential terraced street within a highly populated area on the outskirts of Swansea city centre.
5. His client occupied the appeal property under a rental agreement. However, the agreement was between fully connected parties where the landlords were former directors of the occupying company. Consequently, as there were a whole host of inter connections between directors and secretaries of the company and parties to the lease, he suggested that the rent should be ignored.
6. The appellant explained that the appeal property was valued in the current Rating List as warehouse and premises at a rate of £45/pm² and entered in rating scheme 380027 described as *'All tyre and exhaust centres within West Wales purpose built pre 1990 and conversions but not located on retail parks.'*
7. He believed however that the appeal property should be entered in scheme 367972 described as *'applicable to all industrial properties built before 1964, which are not recognised industrial estates in post code areas SA1, SA6 6, SA6 7, SA6 8 and SA7 in the central and eastern parts of Swansea city.'* He also mentioned that under the 2010 Rating List, the appeal property was valued by the VO under a similar scheme to that of 367972.
8. In support of his contention that the appeal property was entered in the wrong scheme, the appellant referred to 21 Richardson Street, a basic pre-war industrial property located within the same street and entered in scheme 367972. He intimated that this scheme would be more appropriate to both properties, as vacant and to let, they both lack resemblance to that of a specialist tyre property.
9. He added that by moving the appeal property to scheme 367972, it would be valued alongside nearby comparables similar in nature and in the same locality, whereas valuing under the current scheme 380027, comparison would be made to tyre centres located far afield within the West Wales area.
10. The appellant then referred to 112 Ystrad Road, Fforestfach, another property occupied by his client, entered in rating scheme 421532 described as *'All industrial units on Fforestfach Industrial Estate, Swansea, built after 1964.'* He remarked that whilst this property was more akin to what you would expect of a tyre centre benefiting from a large yard, ample car parking, numerous fitting bays and large storage, it was agreed as a standard industrial unit in contrast to the appeal property.
11. In further support of his contention that the appeal property was entered in the wrong rating scheme, he referred to other newer higher quality properties of different construction entered in the same scheme 380027 located some distance away at Dafen, Llanelli and London Road, Neath, both of which benefited from more favourable layouts and facilities yet were valued at £45/m² and £40/m² respectively.
12. The appellant explained that the VO will concede that the appeal property's current valuation was excessive and propose a reduced unit value of £30/m². He was at a loss to understand how the VO had arrived at that value in the absence of any comparable or rental evidence and therefore suggested that the only logical comparison was to consider the hundreds of similar properties within the same

locality as the appeal property entered in the pre-1964 non-industrial scheme of 367972.

13. He commented that the VO will refer to the rent passing on 18 Northampton Lane, another property occupied by his client, which at the material day was used as a tyre centre and was valued in scheme 367972, the same scheme within which he believed the appeal property should be placed. He also explained that there was a nil increase in this rent's 2016 review and that the agreed rent in 2011 was too far removed from the Valuation Date.
14. The appellant reported that in his revised assessment of the appeal property, he sought an end allowance of 5% to reflect the disadvantage of lack of parking or land for movement, as applied to the property of Cabinets Developments Limited on Brackla Industrial Estate, Bridgend. Whilst this property was significantly larger in comparison to the appeal property, they both suffered from the same disadvantage.
15. Commenting on the two rents provided by the VO, the appellant reiterated that the rent passing on the appeal property was between fully connected parties and should be ignored.
16. In respect of the rent passing on 18 Northampton Lane, he believed it reinforced his contention that both properties should be valued in the same way. Also, whilst there was no appeal made against this property, it was in receipt of small business rates relief and therefore across the entirety of the current Rating List, total liability in respect of his client was less than £2,000.
17. He explained however that it was agreed with the VO that such factors as small business rates relief artificially inflated rents on such properties that are expectant to receive that relief and, therefore, less weight should be attached to this rent.
18. In conclusion, the appellant requested that the appeal property be moved into rating scheme 367972, be valued at an unadjusted value of £20/m² with an end allowance of 5% for site coverage, resulting in a revised assessment of £9,400 RV.
19. During cross examination by the VO, the appellant was unable to explain how the rental figure of £24,000 was arrived at, other than to reiterate that it was an interconnected lease with two other properties between connected parties. He added that it was the norm for agreed internal arrangements between connected party leases for figures to be agreed below or above the market rate.
20. The appellant was unable to offer any comment on the rent being declared in submitted forms of return or declared in his client's accounts.
21. He confirmed the appeal property was used as a tyre centre exactly the same as the properties occupied by his client at 21 Richardson Street and 112 Ystrad Street.
22. The appellant clarified that a canopy had been erected over the front yard area and he saw no reason why that the improvement was not reflected in the passing rent.
23. He confirmed that the property at 112 Ystrad Road, Fforestfach, was effectively a warehouse and premises for storing tyres with an area devoted to fitting tyres, as was 18 Northampton Lane, which was no different to what he was contending in respect of the appeal property.

24. The VO described the appeal property as a workshop and premises used as a tyre fitting depot, which was located in a built-up residential area on the edge of Swansea city centre, a popular area for small scale commercial ventures. Since 2011, the appeal property had been improved and extended by the current occupier and was held on a 15-year lease at a rent of £24,000 per annum. The rent did not increase on review.
25. He explained that the appeal property's valuation was based on a tone value of £45/m² less 7.5 % to reflect the lack of central heating and insulation to arrive at a net valuation tone of £41.41. The base value of £45/m² was arrived at having regard to the passing rent on the appeal property along with evidence of rents and assessments of comparable properties in the locality.
26. The nearest and most comparable property was that of the sister property 18 Northampton Lane, with an assessment of £6,700 RV based on a value of £40/m². It was occupied by the same company as the appeal property, located approximately half a mile away, suffering from the same disadvantage of lack of on street parking. However both this property and the appeal property benefited from customers 'popping in' on a daily basis, dropping of their cars for 'tyre/repair' works whilst going about their business.
27. In respect of the other comparable properties, he commented that HiQ Tyres, Sandy Bridge, Llanelli, was a basic warehouse unit used as a tyre fitting depot entered in the Rating List at £19,500 RV based on a value of £60/m². No appeal made against this assessment.
28. Tyre Services, Copper Pit Yard, Beaufort Road, Plasmarl, another basic warehouse unit used as a tyre fitting depot entered in the Rating List at £15,250 RV based on a value of £29.50/m². No appeal was made against the assessment.
29. Trostre Tyres, Pontarddulais, another basic warehouse unit used as a tyre fitting depot entered in the Rating List at £11,250 RV based on a value of £45/m². No appeal was made against the assessment.
30. The VO emphasised that the comparable properties were workshops used as tyre fitting depots and were not purpose-built tyre depots occupied by national chains such as Kwik Fit. He believed that these types of premises were good comparators to the appeal property.
31. He then referenced the appeal property's rating assessment history stating that its rateable value had been fairly consistent since the 2000 Rating List at around £15,000 RV. He highlighted in particular that the 2010 List valuation was appealed and agreed with an appointed agent at £15,000 RV and was not dissimilar to the revised assessment he would be proposing in respect of the appeal property.
32. The VO contended that the combination of evidence of the passing rent on the appeal property; the rental valuation of 18 Northampton Lane along, the recent history of the appeal property's assessment along with minimal change in value from the agreed assessment in the 2010 Rating List, suggested that a revised assessment of £15,500 RV was a correct and fair valuation for the appeal property.
33. Accordingly, based on a tone value of £30/m² less 7.5 % to reflect the lack of central heating and no insulation at £27.80/m², he requested confirmation of a revised assessment £15,500 RV with effect from 1 April 2017.

34. During cross examination by the appellant, the VO explained that 18 Northampton Lane was valued on scheme 367972 with an uplift of 50% to arrive at the value of £40.22/m². He added that had he applied the same uplift to the appeal property; the total value would have been similar to what he was suggesting at £30/m². He opined that the uplift reflected the fact that the appeal property and the comparables were workshops in 'backstreet' location, used as tyre fitting depots but of a better standard to what you would expect in those locations.
35. The VO confirmed that the properties he had submitted in evidence, he believed provided a flavour of the level of value available and were comparable to the appeal property of non-purpose-built tyre fitting depots.
36. The VO was reluctant to confirm whether the rent passing on the appeal property was reliable or not, as no qualification was provided by the appellant how the figure of £24,000 was arrived at yet was declared in the forms of return and the company's accounts.

Decision and Reasons

37. The Tribunal was mindful that Non-Domestic property must be valued in line with the statutory definition of Rateable Value, as contained in paragraph 2(1) of 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 2007, Statutory Instrument No: 2007/3153 (W269), which determined that the appeal hereditament must be valued by having regard to rental values achieved at the Antecedent Valuation Date, 1 April 2015, whilst looking at the physical circumstances of the property at the Material Day, 1 April 2017.
38. It was also aware that the appeal hereditament must be assumed to be "vacant and to let" and cannot have regard to the actual trade of the occupier and that it was important to ascertain whether a tone of value had been established.
39. Referring to the statutory definition of Rateable Value and the Lands Tribunal judgement in *Lotus & Delta v Culverwell (VO) and Leicester City Council [1976]*, the Tribunal was mindful that the best evidence was provided by rents synonymous with the statutory definition, passing on the subject property and which required little or no adjustment.
40. The Tribunal was also conscious of the High Court case of *Vines Ltd v De Mauny (VO) [2010]* which provided guidance that it was for the appellant to demonstrate that the existing assessment was incorrect and not for the Valuation Officer to prove that it was right. However, the case of *Oldschool & Oldschool v Coll (VO) [1995]* offered guidance in that the Valuation Officer was required to provide comprehensive, impartial evidence to achieve correct assessments and not simply to win rating appeals.
41. In respect of the subject appeal, the Tribunal's determination simply fell in favour of either the appellant, who submitted that the passing rent on the appeal property should be ignored due to connected parties, have regard to local comparable assessments and that the appeal property should be entered in a different rating scheme; or the Valuation Officer, referred to the passing rent on the appeal property, the rent and valuations of comparable properties along with the rating history of the assessment itself.

42. In arriving at its decision, the Tribunal was persuaded by the Valuation Officer that vacant and to let, the appeal property was a warehouse and premises trading as a tyre fitting depot. It was of the opinion that the passing rent on the appeal property along with rental evidence and assessments of comparable properties, supported the Valuation Officer's contention that a revised unit rate should be applied to the appeal property.
43. In respect of the rent passing on the appeal property, the Tribunal was aware that whilst the transaction was possibly not at arm's length, caution should apply. However, the appellant was unable to clarify how that rent was arrived at, along with the fact that the rent was declared in forms of return and submitted in trading accounts.
44. The Tribunal was conscious that all forms of evidence, irrespective of where they appear in the acknowledged hierarchy, should be considered. In its opinion the rent passing on the appeal property was evidence, and it was the degree of weight that should be attached to it that will ultimately depend on how comparable and relevant it was to the case being put forward.
45. The Tribunal was also of the opinion that the evidence in respect of the appeal property's rating history through earlier Rating Lists was consistent and persuasive with a rateable value in the region of £15,000 along with the fact that the 2010 Rating List assessment was agreed with an appointed agent.
46. The Tribunal was also of the view that the appeal property was entered in the correct rating scheme 380027, as whilst it was not a purpose built pre 1990 tyre centre, its premises were converted and not located on a retail park. It was a basic converted workshop and premises used for fitting tyres.
47. Having regard to the evidence presented overall, the Tribunal was of the opinion that the assessment of the appeal property should attract a value of £30/m² less 7.5 % to reflect the lack of central heating and no insulation at £27.80/m².
48. Accordingly, the Tribunal allow the appeal in part as conceded by the Valuation Officer and Order that the appeal property's entry in the 2017 Rating List in respect of the Warehouse and Premises, 1A & R/O 1-7, Richardson Road, Swansea, SA1 3TQ, be amended to £15,500 Rateable Value with effect from 1 April 2017.