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| <b>Appeal Number:</b>           | 6915101273825/285NV23/2                                                                 |
| <b>Appellant:</b>               | MJ Lights Ltd                                                                           |
| <b>Appeal Property:</b>         | 20 Adare Street, Bridgend, CF31 1EJ                                                     |
| <b>Matter Appealed Against:</b> | 2023 Non-Domestic Rating List                                                           |
| <b>Hearing Date:</b>            | 20 <sup>th</sup> March 2026                                                             |
| <b>Appearances:</b>             | Mr A Sharkie of Ryan (Appellant)<br>Mr I Pierce on behalf of the Valuation Officer (VO) |
| <b>Decision and its date:</b>   | Appeal Dismissed 24 <sup>th</sup> April 2026                                            |
| <b>Tribunal Members:</b>        | Miss C Cobert (Presiding Member)<br>Mr M Dugdale<br>Mr G Nechvatal                      |
| <b>Tribunal Clerks:</b>         | Mr M Keylock                                                                            |

## Introduction - Issues in Dispute

1. The subject appeal arises from a proposal submitted by the appellant to the VO on 18<sup>th</sup> September 2025 challenging the appeal property's entry in the 2023 Rating List. The subject property is entered in the Rating List as Shop and Premises with a rateable value (RV) of £33,750, effective from 1<sup>st</sup> April 2023.
2. The grounds of appeal as contained in the subject proposal were as follows:
3. The ratepayer's representative challenged and appealed this valuation stating that the subject premises should be valued at a RV of £19,250 with effect from 1<sup>st</sup> April 2023. The basis of the challenge was that it was contended that the unadjusted rate is unfairly over assessed at £315 per square metre (psm) and should be reduced to £175 psm.
4. The following was a summary of the cases presented and was not intended to be an exhaustive record of the proceedings. However, the parties can be assured that all evidence, both written and oral, 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 and Authorities

- Local Government Finance Act 1988
- The Rating (Valuation) Act 1999
- The Non Domestic Rating (alterations of Lists and Appeals (Wales) Regulations 2023
- The Non Domestic Rating (Material Day for List Alterations) Regulations 1992 (as amended)
- Bunyan (VO v Acenden Ltd [2023] UKUT 17 (LC)
- Lamb (VO) v Go Outdoors Ltd RA/66/2013
- Lamb v Minards (VO) (1974) 153
- Barnard & Barnard v Walker (VO) (1975) RA 383

- Lotus and Delta v Culverwell (VO) & Leicester City Council [1976]
- Stena Line Ltd v Valuation Officer [2024] VTW

## Evidence and Submissions

5. The subject property comprised ground floor retail accommodation with ancillary accommodation at first floor level. The front of the property had a recessed shop front with display windows on the ground floor and brickwork façade on the first floor and situated on Adare Street, within Bridgend town centre. There was no dispute between the parties as to the description of the hereditament or the floor areas, which had been agreed at the check stage of the challenge process.
6. The appellant relied upon rental evidence from the subject property and other retail properties within the same valuation scheme, and wider retail evidence from South Wales, to support the contention that the adopted unadjusted rate was excessive.
7. The subject property was let at a rent of £32,500 per annum with a three-month rent-free period, a tenant option to break at 3 years, for a 5-year lease period, effective from 12<sup>th</sup> April 2021. It was agreed that this rent arose from a lease renewal rather than a new letting, as initially submitted by the VO. The appellant claimed this was not fully reflected in the VO's analysis, which analysed to £29,568 per annum after allowance for the rent-free period.
8. The appellant contended that as this rent arose from a lease renewal with no uplift in headline rent it therefore represented an upper limit to value rather than a true open-market letting and that reliance upon the headline rent alone overstated the true market tone.
9. The appellant submitted available rental evidence within the same scheme, including properties in 8 Brackla Street Centre, within 350 metres walking distance away and 15 Bridgend Shopping Centre. It was contended that these properties were within reasonable proximity and would be considered by a hypothetical tenant.
10. In support of his contentions, 15 Bridgend Shopping Centre showed a current unadjusted rate of £175 psm. However, the rent of £16,000, agreed in November 2020 with a six-month rent-free period, analysed to £14,145 per annum, producing an unadjusted rate of £87.64 psm. This was a reduction of approximately 58% from the 2017 tone of £210 psm. This was a renewal lease with a headline rent of £16,000 which represented a reduction of £20,000 on the previous lease.
11. The appellant also referred to 8 Brackla Street Centre which showed a current unadjusted rate of £175 psm. The rent of £15,000, agreed in July 2021 with a three-month rent-free period, analysed to £13,653 per annum, equating to £54.80 psm, representing a reduction of approximately 70% from the 2017 tone.
12. He also placed reliance on retail rental evidence from other localities, including Cardiff, Swansea, Neath, Haverfordwest and Port Talbot and contended that this evidence demonstrated significant reductions in retail rental values between the 2017 and 2023 lists, often in the order of 50% or more. He submitted that these trends were relevant to the valuation of the subject property and that the above evidence demonstrated a significant reduction in rental values when compared to the 2017 Rating List.
13. The appellant contended that undue weight had been placed by the VO on the Adare Street lettings, some of which were renewals and that the terms agreed, whether concessionary or otherwise, were not reflective of the open market. It was submitted

that insufficient allowance had been made for incentives and prevailing market conditions as at the Antecedent Valuation Date (AVD) 1<sup>st</sup> April 2021.

14. A reduced valuation was initially proposed adopting an unadjusted rate of £175 psm and subsequent RV of £19,250. However, based on what the appellant considered a more reasonable adjusted figure, he invited the Tribunal to consider £275 psm, which he claimed allowed for growth, and included the air conditioning unit, with a revised RV of £29,750.
15. The VO considered that Adare Street constituted a distinct and prime retail pitch within Bridgend town centre and in his opinion, rental evidence from Adare Street itself was therefore the most relevant and probative evidence when determining the appropriate tone of value for the subject property.
16. The VO relied upon a basket of rental evidence from comparable retail properties located on Adare Street and stated that regard had been had to the principles set out in *Lotus and Delta v Culverwell (VO) & Leicester City Council*, which set out the approach to the weighting of valuation evidence.
17. *Proposition 1: Where the hereditament which is the subject of consideration is actually let that rent should be taken as a starting point;*

The VO stated that this proposition reflected the principle that an actual transaction involving the subject property was, in most cases, the best available evidence of its rental value, provided it was not shown to be distorted by unusual circumstances. The subject property was let at a rent of £32,500 per annum, effective from 12th April 2021. This rent analysed to approximately £317.88 psm. The VO contended that this rent was agreed at or close to the antecedent valuation date and therefore represented a strong starting point for valuation purposes. In his view, the analysed rent was closely aligned with the adopted unadjusted rate of £315 psm.

18. *Proposition 2: The more closely the circumstances under which the rent is agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in s19 (6) of the General Rate Act 1967, the more weight should be attached to it;*

Whilst both parties agreed that it was a rent renewal, the VO contended that the subject rent was agreed at the antecedent valuation date and on terms consistent with the statutory hypothesis.

19. *Proposition 3: Where rents of similar properties are available, they too are properly to be looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject hereditament.*
  - Unit 1, 12–14 Adare Street, was a renewed letting commenced August 2020, analysing to approximately £309.63 psm;
  - Ground Floor, 9 Adare Street, was a new letting which commenced August 2022, analysing to approximately £321.52 psm;
  - 2–4 Adare Street (Card Warehouse), was occupied by a national Charity, was a lease renewal effective May 2021, analysing to approximately £310.15 psm.
20. The VO submitted that these properties shared the same retail pitch and were therefore directly comparable in valuation terms. The analysed rents produced unadjusted rates of approximately £309 psm to £322 psm, which the VO considered supported the adopted tone of £315 psm.

21. *Proposition 4: Assessments of other comparable properties are also relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values as estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving some indication of that opinion.*

The VO stated that the existing assessments on Adare Street were consistent with the adopted unadjusted rate and that there were no settlements for this scheme.

22. *Proposition 5: In the light of all the evidence an opinion can then be formed of the value of the subject hereditament, the weight to be attributed to the different types of evidence depending on the one hand on the nature of the actual rent and, on the other hand, on the degree of comparability found in other properties.*

The VO contended that, having regard to the rental evidence and other assessments in the same valuation scheme as the subject property, the unadjusted rate of £315 psm was supported and reasonable.

23. The VO referred to the sixth proposition which addresses circumstances where no comparable rental evidence is available. However, it was submitted that this proposition did not arise in the present case, as the VO considered that sufficient comparable rental evidence was available on Adare Street itself.

## Decision and Reasons

24. In arriving at its decision, the Tribunal had regard to the statutory framework governing non-domestic rating in Wales, including the Local Government Finance Act 1988, the Non Domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2023, and the Non Domestic Rating (Material Day for List Alterations) Regulations 1992. Taken together, this framework requires the appeal hereditament to be valued by reference to rental values as at the Antecedent Valuation Date of 1<sup>st</sup> April 2021, whilst having regard to the physical circumstances of the assessment as at the material day, being the compiled list entry date of the 1<sup>st</sup> April 2023.
25. Taking account of the statutory definition of rateable value and the judgment of the Lands Tribunal in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141, the Tribunal considered that rental evidence agreed close to the antecedent valuation date was of particular relevance. The Tribunal further considered that the rent passing at the subject property, by reason of its proximity in time to that date, provided an appropriate starting point for the valuation.
26. The Tribunal was satisfied that the circumstances in which the subject rent was agreed were sufficiently consistent with the statutory valuation assumptions for that rent to attract significant weight. In reaching this view, the Tribunal also considered rental evidence from other retail properties on Adare Street and found those properties to be highly comparable to the subject property by reason of location and retail pitch. The Tribunal noted that the analysed rents from those properties demonstrated a consistent level of value which broadly supported the unadjusted rate adopted in the Rating List.
27. The Tribunal had regard to the appellant's rental evidence from other locations within Bridgend town centre and wider South Wales but found that such evidence was of lesser relevance when compared with rental evidence from the same street as the subject property. Having weighed all the evidence before it, the Tribunal concluded that greater probative value should be attached to the subject rent and the same-street comparable evidence relied upon by the VO.

28. Having considered the submissions from both parties and the weight to be attached to the available evidence, the Tribunal concluded that the VO's approach to the valuation was reasonable and supported and therefore was of the opinion that the appeal property's unit rate of £315 psm was fair and that its current assessment appearing in the 2023 Rating List of £33,750 Rateable Value was correct. Accordingly, the Tribunal dismissed the appeal.