

Appeal Number:	6815101287209/285NV23/1
Appellant:	Ryan UK Property Tax, agent for Topps Tiles PLC (occupier)
Appeal Property:	503 Newport Road, Cardiff, CF24 9AD
Matter Appealed Against:	2023 Non-Domestic Rating List
Hearing Date:	22 nd April 2026
Appearances:	Mr A Sharkie (Ryan UK) Mr K McAloon (representing Valuation Office)
Decision and its date:	Appeal dismissed – 11 th May 2026
Tribunal Members:	Mr H Pattrick (Chairperson) Mr S Hennah
Tribunal Clerk:	Mr C Richards

Introduction - Issues in Dispute

1. The appeal property was entered into the 2023 Rating List with a Rateable Value (RV) of £61,500 (£125/m²) effective from 1st April 2023. The appellant's representative appealed the Valuation Officer's (VO) valuation, contending that the unadjusted rate was unfairly over-assessed, and the RV should be reduced to £46,750 (£95/m²).
2. The parties in attendance did not raise an objection to the Tribunal comprising of two members
3. The following is a summary of the cases presented 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 and Case Law

- *The Local Government Finance Act 1988*
- *The Non-Domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2023*
- *Lotus & Delta v Culverwell (VO) & Leicester City Council (1976)*

Evidence and Submissions

Appellant Submission.

4. Mr Sharkie introduced the appeal property as a retail warehouse situated on Newport Road, Cardiff. He noted that Newport Road accommodates numerous retail warehouse units located within several retail parks along both sides of the road.
5. It was confirmed that there was no dispute between the parties regarding the floor area of the hereditament. The sole issue in contention concerned the appropriate unadjusted rate (UAR) to be applied.
6. Mr Sharkie referred to the hierarchy of evidence established in *Lotus & Delta Ltd v Culverwell (VO)*, submitting that the passing rent on the subject property should ordinarily form the starting point in valuation. He explained that the property was held under a lease originally agreed in 2013, with the most recent rent review in 2023 resulting in no increase from the original level. In light of this, he attributed no evidential weight to the passing rent.
7. In the absence of reliable rental evidence from the appeal property, Mr Sharkie moved to the second limb of the *Lotus & Delta* hierarchy, namely the analysis of rental evidence from comparable properties.
8. Mr Sharkie produced a schedule of comparable lettings along Newport Road, emphasising the prevalence of similar retail warehouse units within nearby retail parks. He referred in particular to DSG Retail, 501 Newport Road, located in close proximity to the appeal property. He submitted that this property provided a useful starting point and analysed the rent to a devalued rate of £79.18/m². However, he acknowledged that, as a renewal agreed prior to the Covid-19 pandemic, it could not be relied upon in isolation.
9. Mr Sharkie then referred to two units within City Link Retail Park, located further along Newport Road. He observed that this was a larger scheme comprising approximately eight or nine units. Unit 1A, a lease renewal, was analysed to a devalued rate of £66.73/m², whilst Unit 2, a new letting agreed in April 2021 close to the Antecedent Valuation Date (AVD), was analysed to £67.15/m².
10. Reference was also made to Unit 2, The Avenue Retail Park, and Unit 2, Dragon Retail Park. The latter was a newly constructed unit, and Mr Sharkie stated that both parties had agreed a devalued rate in the range of £90/m² to £94/m².
11. He drew the Tribunal's attention to additional evidence obtained after the Valuation Officer's decision notice, which was admitted by agreement. In June 2025, a challenge to Unit 2 City Link resulted in a revised UAR from £117.50/m² to £92.50/m².
12. Mr Sharkie further submitted that the principle of quantum supported his analysis. He referred again to DSG Retail, analysed at £79.18/m², and argued that smaller units were typically assessed at a premium of approximately 20% above this level, thereby supporting a rate of approximately £95/m².

13. In conclusion, Mr Sharkie submitted that, having regard to the rental evidence and comparable assessments in the locality, a revised UAR of £95/m² was appropriate. He invited the Tribunal to determine a RV of £46,750.
14. In response to questioning from the VO, Mr Sharkie acknowledged that DSG Retail was approximately six times larger than the appeal property. Nevertheless, he maintained that it remained a useful comparator for the purposes of assessing quantum.

VO Submission

15. Mr McAloon began by examining the comparables relied upon by Mr Sharkie, noting that many exceeded 3,000m² in size, compared with the subject property at 492m². He expressed the view that such larger units operate within a different segment of the market and therefore carried limited evidential weight.
16. Mr McAloon then referred to rental evidence he considered more appropriate:
- a. Unit 1 Dragon Retail Park – Located two to three units from the appeal property. A new 10-year lease agreed in June 2020 analysed to £116.54/m² (UAR £125/m²). Although larger at 1,850m², the VO considered it strong evidence given its proximity to the AVD.
 - b. Unit 2 Dragon Retail Park – More comparable in size at 473 m². A new letting agreed in December 2020 analysed to £93.44/m². Mr McAloon noted this reflected a shell rent, with significant assumptions made regarding fit-out costs. He stated that applying only 25% of the estimated £506,000 fit-out costs would result in a devalued rate of £131.41/m² (UAR £125/m²).
 - c. 380 Newport Road – Located opposite the appeal property and comparable in size (386 m²). A new letting agreed in December 2021 (eight months post-AVD) analysed to £146.25/m² (UAR £130/m²).
 - d. Unit 2 The Avenue Retail Park – Although significantly larger, it demonstrated the operation of quantum in the locality. UAR of £105/m².
 - e. Unit 2 City Link – A settlement was agreed at £92.50/m² UAR, reflecting full-term analysis in light of incentives.
 - f. Unit 3B City Link – Comparable in size at 617m², with a new letting in April 2020, analysed to a UAR of £125/m²
17. In summary, Mr McAloon submitted that Units 2 Dragon Retail Park, 380 Newport Road, and Unit 3B City Link represented the most reliable comparables, being similar in size and location to the subject property. He contended that these, together with Unit 1 Dragon Retail Park, supported a UAR of £125/m². Accordingly, he requested that the appeal be dismissed and the existing RV of £61,500 be confirmed.
18. Mr Sharkie challenged Mr McAloon's treatment of fit-out costs at Unit 2 Dragon Retail Park, questioning the basis for the significant uplift. He provided internal

photographs to demonstrate the limited extent of fit-out works. Mr McAloon responded that the photographs nonetheless indicated tenant-specific fit-out, and that the cost estimates had been prepared by the VOA's quantity surveyors.

19. Mr Sharkie also queried the reduction in the assessment of Unit 1 Dragon Retail Park from £125/m² to £117.50/m² following a challenge. The VO explained that this reflected considerations of quantum, noting that smaller units below 1,000 m² being assessed at £125/m² did not appear consistent.
20. Mr Sharkie further sought clarification as to the threshold at which quantum adjustments were applied. Mr McAloon responded that he had not disregarded the principle of quantum but considered that significantly larger comparables—up to ten times the size of the subject—operated within a different market segment and were therefore of limited assistance.

Decision and Reason

21. In reaching its decision, the Tribunal had regard to the provisions of the *Local Government Finance Act 1988* and the *Non-Domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2023*. These require the hereditament to be valued by reference to values prevailing at the AVD of 1st April 2021, having regard to the physical circumstances at the material day, being 1st April 2023.
22. The Tribunal carefully considered the comparable evidence advanced by both parties. It was persuaded by Mr Sharkie's submission that the fit-out costs applied to Unit 2, Dragon Retail Park, appeared excessive in the absence of a detailed breakdown. Nonetheless, it noted Mr McAloon's alternative analysis indicating that even using 25% of the figure for fit-out would support a UAR in excess of £125/m².
23. Whilst the Tribunal acknowledged the Appellant's evidence in support of a reduced rateable value, it observed that, except for Unit 2 Dragon Retail Park, the comparables relied upon were materially larger than the subject property. It accepted Mr McAloon's contention that such disparities in size would likely reflect different market conditions, rendering direct comparison less reliable.
24. The Tribunal therefore attached greatest weight to Mr McAloon's evidence relating to units of broadly similar size and locality, which it found to support a UAR of £125/m².
25. Accordingly, the appeal was dismissed.