# TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

**Appeal Numbers:** 6815101201021/285NV23/1

Ryan UK Property Tax agent for Phg Consulting Engineers Ltd

Offices and Premises, 107 Cowbridge Road East, Cardiff CF11 9AG

**Matter Appealed Against:** 2023 Non-Domestic Rating List

**Hearing Date:** 23 September 2026

Mr A Sharkie for Ryan UK Property Tax and Mr K Sloan (the respondent Valuation Officer)

**Decision and its date:** Appeal Allowed in Part – 20 October 2026

**Tribunal Members**: Mr J K Lewis (Presiding Member)
Mrs B C Martin
Mr J Uzzell

**Tribunal Clerk:** Mrs M S Minty

## Introduction - Issues in Dispute

1. 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.

2. The subject appeal arose from a proposal submitted by the appellant to the Valuation Office Agency on 13 November 2025, challenging the appeal property's entry in the 2023 Non-Domestic Rating List with a rateable value (RV) of £39,750, effective from 1st April 2023. The appellant considered the property's assessment to be over-assessed and requested that the unadjusted rate price (UAR) of £93.00/m² be reduced to £70/m², the removal of the 10% quality allowance, and the second floor to be valued at a relativity factor of 0.75 of the standard rates due to a non-operational lift; giving a RV of £31,000.

## Legislation and Case Law

- Local Government Finance Act 1988 - *the 1988 Act*
- Schedule 6(2)(1) of the 1988 Act – *definition of rateable value*
- The Non-Domestic Rating (Alteration of Lists and Appeals) (Wales) Regulations 2023
- Lotus and Delta Ltd v Culverwell (VO) & Leicester City Council (1976) RA 141 – *weight of evidence*

## Evidence and Submissions

**Appellant's Case**

3. The appellant explained that, having regard to the hierarchy of evidence outlined in *Lotus and Delta Ltd v Culverwell (VO) & Leicester City Council*, the passing rent on the appeal property should be the starting point when determining value. However, because the appeal property was held under a lease between connected parties, no weight should be applied to that rent. The only other comparable within the scheme was Hayes Place, 32 Cowbridge Road East. The appellant did not consider it useful because it was occupied by a Housing Association with permission to use ancillary areas for residential purposes.

4. The appellant submitted that comparable properties should also be considered. He provided maps, photographs and a summary of comparable assessments and rental evidence for those properties, together with details of the appeal property. The Cardiff comparables were located on Cathedral Road, Rawden Place, and Cowbridge Road East.

5. The appellant contended that the lettings at 9 Cathedral Road, 50 Cathedral Road and Second Floor Rear 5-7 Cathedral Road provided the most credible evidence, each showed a consistent reduction in UAR. Second Floor Rear 5-7 Cathedral Road was let on 31 March 2021, one day before the AVD, when Covid-19 was affecting the rental market. The letting included no rent-free period and devalued the UAR to £57.92/m². The property was situated 250 metres away from the appeal property. The rental analyses for 9 and 50 rentals had also been corrected to reflect a parking cost of £640 per space rather than £600.

6. The appellant identified Ground Floor 13 Cathedral Road and 40 Cathedral Road as two key comparable properties, both of which had recently been agreed at a UAR of £78/m². He submitted that properties on Cowbridge Road East had historically been valued at a lower rate than those on Cathedral Road. Between the rating lists, the rents for the Cathedral Road properties had decreased from £90/m² to £78/m². He contended that this supported an approximately 13% differential between the two roads.

7. To support his contention further, the appellant compared the appeal property's 2017 list value of £81/m² with the £90/m² value applied to the Cathedral Road comparables. He submitted that this demonstrated that the appeal property was valued approximately 10% lower than those properties.

8. Regarding access by lift to the second floor, the appellant noted that the Valuation Officer continued to treat the lift as operational. The appellant submitted that the repair assumption required "reasonable efforts to bring the lift into working order". When the occupier took possession of the appeal property on 24 January 2020, the lift required a specialist chip. During the appellant's inspection in November 2023, the occupier advised that there remained a wait of more than two years for the chip. The appellant therefore contended that, because there was no alternative means of repairing the lift and no available method by which the repair could have been completed, it was uneconomic to repair. He requested that the standard relativity factor of 0.75 be applied to the second floor.

9. The appellant concluded that, having regard to the comparable assessments and in the absence of a reliable rent for the appeal property or any comparable rental evidence, a revised UAR of £70/m² would be fair and reasonable. He submitted that this would align the appeal property with the local market value for a property of this nature.

10. Considering his evidence, the appellant requested that the Tribunal determine a RV of £31,000, based on a UAR of £70/m². He submitted that this represented a fair value when adopting a "stand back and look" approach as part of the final valuation process.

**Valuation Officer's (VO) case**

11. The VO referred to the basis of valuation under Schedule 6 of the LGFA 1988, including the assumptions to be made in respect of the hereditament. For the purposes of this appeal, the physical circumstances were considered as at the material day of 1 April 2023.

12. The VO stated that the subject property was assessed under the VO Scheme 584731 and classified as "Offices, Cowbridge Road East, Cardiff". It was a detached traditionally constructed stone building with a slate roof, situated at the junction of Cowbridge Road East and Wellington Street. Formerly known as The Wyndham Arms, a public house, it was converted to office accommodation during the 1970s and benefitted from dedicated parking facilities to the rear.

13. The VO stated that, after considering the appellant's challenge, he formed an opinion of value by weighting the evidence in accordance with *Lotus and Delta v Culverwell (VO) & Leicester City Council* [1976] RA 141. In that case, the Lands Tribunal set out six propositions governing the weight to be attached to valuation evidence.

14. The VO accepted that the rent on the appeal property would ordinarily be the starting point. However, because the lease was between connected parties, he did not consider that rent useful. He stated that, where rents for similar properties were available, they should be considered by the valuer to determine whether they supported the level of value indicated for the appeal property.

15. The VO referred to photographs, survey maps and schedules of rental evidence for properties on the same streets as those relied upon by the appellant. He explained that 63-65 Cowbridge Road East was subject to a full repairing and insuring lease at an open market rent. It was located within the same scheme and on the same road as the appeal property. Based on that evidence, the appeal property's UAR was reduced to £88/m². Following the settlement of Ground Floor 13 Cathedral Road and 40 Cathedral Road, the UAR was reduced further to £78/m².

16. Regarding the 10% quality allowance, the VO agreed with the appellant that this should be removed from the appeal property's valuation.

17. In relation to the second floor, the VO considered that the relativity should remain at a factor of 1.00. He treated the lift's condition as a matter of repair because it did not alter the use of the floor. As no evidence of repair costs had been provided, he submitted that the lift had to be in a reasonable state of repair.

18. In conclusion, the VO requested that the Tribunal confirm the removal of the 10% quality allowance and the revised RV of £35,750, with effect from 1 April 2023, based on a UAR of £78/m².

19. During cross-examination, the following salient points were noted:

- The VO confirmed that he had extensive knowledge of the area surrounding the appeal property, compared with the colleague who previously dealt with the appeal.
- The agent confirmed that he was not seeking to remove the second-floor relativity entirely, because the floor remained accessible by stairs and continued to be used.
- The VO explained that each list was based on evidence available at that time.

## Decision and Reason

20. The Tribunal was required to determine three issues with effect from 1 April 2023: whether the appeal property's UAR should be reduced from £90.00/m²; whether the 10% quality allowance should be removed; and whether any adjustment should be made to the second-floor relativity.

21. In arriving at its decision, the Tribunal had regard to legislation contained within Schedule 6 of The Local Government Finance Act 1988, which requires the hereditament to be valued by reference to values as at the Antecedent Valuation Date (AVD) of 1 April 2021, having regard to the physical circumstances at the Material Day of 1 April 2023.

22. The Tribunal was mindful that the best evidence available would be an open market rent passing on the appeal hereditament as at 1 April 2021.

23. In accordance with the principles outlined in *Lotus and Delta Ltd v Culverwell (VO) & Leicester City Council*, the passing rent on the appeal hereditament should ordinarily serve as the starting point for determining the rateable value. In the absence of such a rent, rents of similar properties or assessments of other comparable properties are also relevant.

24. The Tribunal agreed that no weight should be attached to the passing rent on the appeal property. In accordance with the principles outlined above, it therefore considered the evidence relating to the comparable properties.

25. Having considered the comparable properties, the Tribunal concluded that the agreed assessments for 40 Cathedral Road and Ground Floor 13 Cathedral Road supported a UAR of £78/m² for the appeal property. That figure was more consistent with the market evidence reflected in the comparable properties. The evidence did not support the appellant's claimed differential between Cathedral Road and Cowbridge Road East or a further reduction of the UAR to £70/m².

26. On the matter of the quality allowance, the Tribunal found no dispute between the parties for its removal.

27. Regarding the second-floor relativity, the Tribunal noted that the area remained in use. In the absence of evidence about the cost of repairing the lift, the Tribunal had no alternative under the regulations but to assume that the lift was in a reasonable state of repair.

28. On the balance of the evidence, the Tribunal determined and orders the entry for Office and Premises, 107 Cowbridge Road East, Cardiff CF11 9AG in the 2023 Non-Domestic Rating List be amended to a RV of £35,750, based on a UAR of £78/m² and the removal of the quality allowance from the valuation.

29. The appeal was allowed in part.