TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

Appeal Number: 6920101278703/285NV23

Appellant: Ryan UK Property Tax for Purepay Retail Limited

Appeal Property: Unit A, 139 High Street, Blackwood, NP12 1AB

Matter Appealed Against: 2023 Non-Domestic Rating List

Hearing Date: 6 October 2026

Appearances: Miss Tirion Mair Thomas representing the Valuation Officer (VO)

Decision and its date: Appeal dismissed – 2 November 2026

Tribunal Members: Mr K Curry, Mr R Harries and Mr G Nechvatal

Tribunal Clerk: Mr R Williams

Introduction - Issues in Dispute

1. The subject appeal submitted by the appellant challenged the appeal property's entry in the 2023 Non-Domestic Rating List at Rateable Value (RV) £30,250, effective from 1 April 2023.

2. The appellant did not attend the hearing and in absence, the Tribunal Members were provided with correspondence contained in the appellant's challenge against the appeal property's RV.

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 and Delta v Culverwell (VO) & Leicester City Council [1976]

Evidence and Submissions

4. The appellant contended that the economic climate prevailing as at the Antecedent Valuation Date (AVD) was not reflected in the VO's adopted unadjusted rate of £285.00/m², and submitted that the rental evidence

available, particularly the rent passing on the appeal property agreed immediately at AVD provided a far more accurate reflection of market conditions during a period of suppressed retail rents following the disruption of trading due to COVID.

5. In line with the principles in *Lotus & Delta v Culverwell (VO)*, the appellant explained that the strongest indicator of value was a rent passing on the appeal property, agreed very close to AVD at a figure well below the value applied by the VO. Despite being a renewal, it devalued to £225.34/m2, inclusive of the current 5% end allowance, against the current tone of £285.00/m².

6. The appellant submitted that the subject rent was both timely and reliable, having been agreed with no unusual incentives and reflected the real market value of the appeal property. Comparable renewals and lettings elsewhere within Blackwood supported a lower tone to that adopted by the VO. Proper weighting demonstrated that the rent passing on the appeal property, rather than outlining higher-value new lettings on non-comparable properties, provided the clearest benchmark.

7. The appellant highlighted that the VO had placed all of its weight on heavily distorted transactions and commented as follows:

    - 132 High Street – a property located on the opposite side of the road to the appeal property, received significant Small Business Rates Relief (SBRR), which the VO had previously agreed and distorted rental bids. This property was also vacant less than 4 years into the term, therefore the VO's details were somewhat questionable.

    - 120/122 High Street - a further property located on the opposite side of the road to the appeal property, used as an office and therefore cannot be considered as comparable to a Shop and Premises. A recent planning application for the site reaffirms its current use as an office.

    - Unit D at 87-89 High Street - received over 80% SBRR, located some distance away, past multiple natural breaks and was of no relevance to the appeal property.

8. In support of a unit rate of £225.00/m² for the appeal property, the appellant referred to the neighbouring property at 141 High Street, agreed on a 3-year term with a 15-month rent-free period, highlighting the huge decline in values in the vicinity. This assessment devalued to an unadjusted unit rate of £185.57/m², however, it was not ideal as it was too far removed from the AVD. The VOA presented alternative details for this rent, however as the appellant obtained the lease, of which the VOA was offered access, the VO analysis was disregarded.

9. The appellant contended that taking a holistic view of all the evidence, a RV of £23,750 was both fair and reflective of local market conditions. It respected

the weight of AVD relevant transactions, achieved sound relativities with proximate units and avoided undue reliance on inferior comparables.

10. The value was reaffirmed by the VO's opinion on Unit 11, The Market Place, which was discussed with the appeal property's challenge, during which the VO confirmed its intention to issue a decision notice at £180.00/m², reduced from £225.00/m², reflecting a drop of 20%.

11. The appellant contended that the passing rent on the appeal property, agreed at the AVD, which reflected the market at the valuation date was the best indicator of value, analysed to £225.34/m², which was fully consistent with the hierarchy of evidence and provided a robust anchor point for valuation. It was therefore proposed that an unadjusted unit rate of £225.00/m² be adopted, rounded from the subject rent, which was reasonable, proportionate and evidence based.

12. The VO informed the Tribunal that the appeal property was a single inner terrace, two-storey retail unit, built in 1984, constructed of traditional brick with slate roof, which was refurbished in 2003. It was situated in the High Street, the prime retail parade of Blackwood town centre, and comprised a total area of 350/m² and 112.11/m² in terms of main space.

13. Referring to the rent passing on the appeal property, the VO accepted that, in accordance with *Lotus and Delta Ltd v Culverwell (VO)*, the passing rent provided a starting point for valuation. However, the subject rent was a lease renewal which commenced on 1 April 2021 at £24,000 per annum, which devalued to £214.08/m² following an agreed adjustment for the repairing and insurance terms, compared with the unadjusted rate of £285.00/m².

14. The VO submitted that although the passing rent was relevant and had been agreed at the AVD, it should not determine the appeal property's valuation. In the VO's opinion, a lease renewal was less reliable than evidence of a new letting and therefore carried less weight within the overall basket of rental evidence.

15. The VO explained that the passing rent formed only one strand of the valuation evidence and should be tested against rents from comparable properties, with weight given to each transaction according to its timing, subject matter and particular circumstances.

16. The VO commented on the appellant comparable rental evidence in support of its revised unadjusted rate is £225.00/m², as follows:

    - Unit 11, The Marketplace, reflected a lease renewal commencing on 1 April 2022 at an annual rent of £31,800, with a six-month rent-free period and a three-year review, which devalued to £147.72/m², compared to the unadjusted rate of £180.00/m². After adjustment, it reflected a rate of £164.75/m². As the transaction was a lease renewal agreed after the AVD, the VO considered it less reliable than evidence of a new letting.

- 141 High Street, office records indicated a lease renewal commencing on 24 October 2019 for a term of five years, with no rent reviews and a two-month rent-free period. After adjustment, it devalued to £332.77/m² compared to an unadjusted rate of £285.00/m². As this transaction was a lease renewal rather than a new letting, the VO considered it less reliable evidence of rental value and accordingly attached less weight to it.

- Unit 3, The Marketplace, reflected a lease renewal commencing on 1 September 2019, which devalued to £154.54/m² compared with the unadjusted rate of £180.00/m². The VO submitted that limited weight should be attached to this evidence, as it related to a lease renewal agreed approximately 18 months before the AVD and was therefore considered less reliable than evidence from a new letting.

17. The VO referred to the following rental information in support of its contention that the unadjusted rate of £285.00/m² for the appeal property was not unreasonable:

    - 132 High Street – a new agreement commencing on 1 August 2021, four months post AVD, for a term of 10 years with 5 yearly reviews and no requirement for further adjustments, which devalued to £354.81/m² compared to an unadjusted rate of £285.00/m².

    - 120/122 High Street – a new agreement commencing on 1 December 2020, four months pre AVD, for a term of 5 years, which devalued to £292.03/m², compared to an unadjusted rate of £285.00/m².

    - Unit D 87-89 High Street - a new agreement commencing 1 March 2021, one month pre AVD, for a term of 5 years and a 1 month rent-free period, which devalued to £295.63/m², compared to an unadjusted rate of £225.00/m².

    - 2 Pentwyn Road - a new agreement commencing 1 March 2021, for a term of 10 years, which devalued to £240.00/m².

    - 102 High Street – a new agreement commencing 1 February 2021, for a term of 17 years with a 5-month rent-free period, which devalued to £324.75/m².

18. The VO proposed that its rental evidence demonstrated that the appeal property's valuation had been carefully considered and that the available rental evidence had been analysed and weighted in accordance with established valuation principles.

19. It was also submitted that the appellant had failed to produce evidence demonstrating that the existing RV was excessive and had therefore not discharged the burden of prove that the assessment was incorrect.

20. Accordingly, the VO contended that its valuation approach was consistent with established rating principles and relevant case law and invited the

Tribunal to dismiss the appeal and determine that the appeal property's existing assessment of RV £30,250 with effect from 1 April 2023, was fair and reasonable.

Decision and Reason

21. The Tribunal was required to determine whether a reduction in the unadjusted rate price of £285.00/m² was applicable to the appeal property.

22. In arriving at its decision, the Tribunal had regard to legislation contained within Schedule 6 of The Local Government Finance Act 1988, which required the appeal property to be valued by reference to values as at the Antecedent Valuation Date of 1 April 2021, whilst having regard to its physical circumstances at the Material Day of 1 April 2023.

23. The Tribunal accepted that, in accordance with the High Court case of *Lotus and Delta Limited v Culverwell (VO) and Leicester City Council*, the rent passing on the appeal property was best evidence available for determining rateable value. However, the Tribunal found that the passing rent arose from a lease renewal and was therefore not as persuasive as evidence derived from new market lettings.

24. The Tribunal was persuaded by the Valuation Officer's approach of considering the passing rent along with a basket full of new lettings agreed around the Antecedent Valuation Date. The Valuation Officer's evidence comprised several new lettings which provided consistent support for the current adopted rate of £285.00/m².

25. The Tribunal attached less weight to the appellant's supporting rental evidence, as it largely comprised lease renewals and transactions either removed from the Antecedent Valuation Date or subject to particular circumstances. The Tribunal was not persuaded that this evidence demonstrated that the current adopted tone was excessive.

26. Having considered all of the evidence, the Tribunal concluded that the body of new letting evidence provided a more reliable indicator of rental value than the single rent passing on the appeal property. The Tribunal was therefore satisfied that the current adopted rate of £285.00/m² was reasonable and that the existing assessment was supported by the weight of the evidence.

27. Accordingly, the Tribunal found that the appellant had failed to discharge the burden of prove that the appeal property's assessment was incorrect. Consequently, the appeal was dismissed and the existing Rateable Value £30,250 with effect from 1 April 2023 was confirmed.