

TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

Appellant: Mr G Goodman

Appeal property: Unit 2 Left Gwalia Stores, Sycamore Street, Newcastle Emlyn

Appeal number: 682530728637/192NV17

Date of Appeal: N/A

The Matter Appealed against: Disputes accuracy of entry in 2017 Rating List

Date of Hearing: 14th February 2019

Appearances: Mr G Goodman
Mr A Morse [for respondent Valuation Officer]

Date of Decision: 7th March 2019

Decision of Tribunal: Appeal allowed (in part)

Members of the Tribunal: Mr K Leighfield (Chairperson), Mr A E Sangster & Mr D R Shopland

Tribunal Clerk: Mr J Evans

Introduction

1. On 10th May 2018, the Valuation Officer received proposal from Mr Goodman in respect of Unit 2 Left Gwalia Stores in which he sought a reduction in the existing Rateable Value (RV) the Valuation Officer had attributed to the appeal property. In making his proposal, Mr Goodman sought a reduction in the current list entry to RV £5,375.
2. Since the VO did not agree with the substance of Mr Goodman's proposed alteration, the matter was remitted to the Valuation Tribunal for Wales according to Regulation of the Non-Domestic Rating (Alteration of List and Appeals) (Wales) Regulations 2005, as amended.
3. This is a summary of the case 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.

Summary of the appellant's case

4. Mr Goodman acquired the premises on 1st November 2017. He said that he had made enquiries about the rates he was liable to pay and was told that the amount was nil because it was unoccupied. However, the local authority issued a demand for rates shortly after he took occupation of the property. He said that had he been aware of how much rates he would be liable for, he would not have taken the property on.
5. To support his case for a reduction in rates Mr Goodman referred the Tribunal to the RV's of other properties situated on Sycamore Street. He said that a number of these properties such as number 7 were paying a similar level of RV despite being larger. He was also able to refer to larger properties such as number 6, that had lower RV's.
6. With regard to the appeal property, Mr Goodman said that its internal layout was not a square or oblong shape but culminated to a point at its rear. He accepted that this space was not particularly large but not presently unusable because a large shelving unit was arranged in front of it.
7. According to Mr Goodman the property's previous rent was £7,200 (1st May 2014) although he paid £6,600 pa which he negotiated in 2017. Mr Goodman confirmed that he was responsible for some of repairs. In view of the foregoing, Mr Goodman asked the Tribunal to reduce the RV attributed to the appeal property.
8. Mr Morse explained that he had not inspected the appeal property and accepted all of the points Mr Goodman raised in his case. Mr Morse said that the Valuation Officer had adopted an underlying level of value for Sycamore Street of £200/m². With regard to the subject property, Mr Morse admitted that in terms of its character it appeared inferior to a number of other properties on the street.
9. In his schedule of evidence, Mr Morse referred to a "Rating List Record Sheet" which depicted the 2010 and 2017 rating list entries for the subject property. He referred to an ordnance survey plan of Sycamore Street in which Mr Morse had indicated the appeal property's position. He also indicated where the Zone A (ZA) values of £200/m² occurred on Sycamore Street. Mr Morse's valuation of the subject property was set out as follows
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Floor	Description	Area/ m2	£/ m2	Value
Ground	Retail Zone A	38.12	200	7624
Ground	Retail Zone B	29.07	100	2907
Ground	Retail Zone C	0.83	50	42
Ground	Internal storage	12.35	20	247
Ground	Mess/Staff room	4.42	20	88
				10908
		Rounded down to RV		£10,750

10. Mr Morse said that as the subject property was a shop it was valued on a zone basis. This meant that Zone A value, which was the first 6.1m of the shop and represented its most valuable part was valued at £200/m². As the shop went into the next 6.1 metres or Zone B, the value was halved again and again until the back of the unit was reached.

11. In support of his case, Mr Morse referred to the valuation of Unit1, Right Gwalia Stores which was situated next door –

Floor	Description	Area/ m2	£/ m2	Value
Ground	Retail Zone A	47.17	200	9434
Ground	Retail Zone B	25.25	100	2525
				11959
		Rounded down to RV		£11,750

12. Mr Morse also referred to a schedule which referred to appeals made on the following properties on Sycamore Street which were dismissed at a Valuation Tribunal hearing –

- a. Angel House
- b. Ty Croeso
- c. Cambrian House

13. Mr Morse's evidence of properties whose Zone A value was based on £200/m² and which were also dismissed at a hearing were –

- a. Tivy Hall, College Street
- b. Central Café, Emlyn Square
- c. Midland Bank, College Street

14. At the conclusion of the hearing, the Tribunal decided to reserve its decision.

Decision of the Tribunal

15. Having considered all of the evidence placed before it and having visited the property on 5th March 2019, the Tribunal decided to allow the appeal (in part). In arriving at its decision, the Tribunal gave the following reasons –
16. Although Mr Goodman had sought a reduction in the existing level of RV to £5,375, he had neither been able to show that the Valuation Officer's level of underlying value, i.e. that value attributed to Zone A, was excessive nor had he substantiated how he arrived at that level of value. The extent of Zone A value of £200/m² went the entire length of Sycamore Street up to the point where the road divided (Market Square). At this point, the Zone A value dropped to £170/m². However, there no evidence before the Tribunal of successful challenges from other rate payers about their RV's and since there was no evidence before the Tribunal which suggested that the appeal property's underlying level of value was excessive. As a corollary, the Tribunal saw no justification to disturb the Zone A value the Valuation Officer had attributed to the subject property.
17. During its inspection of the building, the Tribunal observed the split floor level towards the mid-section of the property. The Tribunal also did not consider that the building's quality was the same as many others in the same Zone A area. To reflect this, the Tribunal decided to award an end allowance of 2.5% for the split level and a further 2.5% to reflect the poorer character of the building.
18. The passing rent of £7,200pa was negotiated in April 2014. Precisely what Mr Goodman and/or the landlord wer responsible for in terms of his repairing liability were not known. As a corollary, it was difficult to ascertain whether it conformed with the statutory definition of Rateable Value which in broad terms was amount equal to the rent at which a property might reasonably be expected to let on the open market, on full repairing and insuring terms, at the relevant antecedent valuation date (AVD), but assuming that physical matters were the same as at the material day. For the 2017 rating list the AVD is 1st April 2017. Economic factors had to be assumed to be as they were at that date for the purposes of estimating RV.
19. In view of the foregoing the Tribunal decided that an end allowance of 2.5% should be allowed to reflect the character of the property and a further 2.5% to reflect the split floor. As a corollary the Tribunal orders the Valuation Officer to amend the Rating List to accord to show RV £10,250 with effect from 1st April 2017.

Certified a true copy on 7th March 2019