

Appellant's Statement of Case

Appeal Property: The Pharmacy, Anywhere Way, Anywhere

Ratepayer: Anywhere Anything represented by Fred & Company.

Rateable Value: £14,500 in 2010 Rating List **Appeal number:** 1234567/123N05

Hearing on: Tuesday 25 November 2011 **At:** The Tribunal Offices, Anywhere

Facts agreed with the Valuation Officer

1. The appeal property is a shop and premises situated within an enclosed development, adjacent to the Anywhere Estate. It is occupied as a pharmacy. It is one of two retail units, Anywhere Way. Both properties were built in 2001 and the neighbouring unit has never been let and remains unoccupied. The appeal property is approximately 500 metres from a Doctors' Surgery (five full-time GPs).
2. The Appellant Company trade as "Anywhere Anything" and took up occupation of the appeal property in August 2001, on the basis of a 25-year lease. The initial rent was £10,000 per annum which, following a rent review on 1st August 2006 (five yearly), increased to £15,000.
3. The area of the property and number of car-parking spaces have been agreed and the unit should be valued using the zoning approach with Zone A having a depth of 6.1 metres.

Decision in issue

4. The Appellant Company is aggrieved because its rateable value on the appeal property has increased by around 300% since the 2000 Rating List. The appeal property's entry in the 2000 Rating List was £4,775 Rateable Value: in the 2010 Rating List it is £14,500 Rateable Value.
5. The appeal property has been valued by the Valuation Officer, in accordance with his valuation scheme, on a rate for Zone A of £200 per m², whereas I contend that the evidence supports a rate of £100 per m².

Decision sought

6. The proposal sought a reduction to £1 RV from 1 April 2010 but in this appeal the reduction from the Rating List entry to £7,800 RV from 1st April 2010 is sought.
7. My valuation of the appeal property is as follows:

Zone A	47.58m ² x	@ £100	= £4,758
Zone B	41.68m ² x	@ £50	= £2,084
Air conditioning	89.30m ² x	@ £7	= £625
Car Parking	3 spaces x	£100 each	= £300
Total Value			= £7,767

Rateable Value say £7,800

Summary of the arguments in support of the appeal

8. I contend that the Tribunal should not attach too much weight to the rent passing on the appeal property. First, it is not close to the antecedent valuation date (1 April 2008) and pharmacies tend to pay a premium to be situated next door to a medical centre. This is because pharmacies typically generate their income from prescriptions and, therefore, doctors' patient levels are of prime importance to them. In my submission, patient numbers tend to influence a pharmacy's rental bid. Consequently, the actual rent passing was not a rack rent but it was a contrived rent.
9. In support of this assertion, the neighbouring unit has been incapable of being let for nine years at an initial asking rent of £10,000 per annum.
10. In *R v Paddington Valuation Officer, ex p Peachey Property Corp Ltd* [1964] 3 All ER 200, Widgery J said: 'It is clear on authority that the actual rent payable at the date of assessment is not conclusive of the amount of gross value even if the terms of the current letting are the hypothetical statutory terms, (*Ryde on Rating*, Vol. 1, para. E [402]).

Summary of the evidence relied on in support of the appeal

11. There is clear comparable evidence to suggest the Zone A value should be £100:

38 Low Street, Anywhere at £100 Zone A
76 Higher Street, Anywhere at £100 Zone A
20 Hardwood Street, Anywhere at £100 Zone A
16 Poor Quality Street at £75 Zone A

12. The Zone A values were obtained from the VOA summary valuation on the website. I submit that the best comparable is 38 Low Street which is in a similar type of location and of a similar size.

The concluding statement

13. In summary I submit that the passing rent does not fully reflect the statutory definition. It was not negotiated through the 'higgling of the market' but was a contrived rent based on patient numbers and, as supported by case law, is not good evidence of the rateable value and therefore carries little weight. The fact that the adjacent unit has remained empty since construction supports the view that the rent on the appeal property would not be met by any tenant in the open market.
14. There is good comparable evidence that, in terms of Zone A, a tone for the list has been set at £100 and that the rateable value for the appeal property should be £7,800 from 1 April 2010.
15. A copy of this statement was sent to the Valuation Officer at VOAAnywhere@gov.uk electronically on 1st October 2011
16. Location Plans and photographs of the appeal property and comparables will be put before the panel at the hearing.

I submit that the above statement complies with the standard direction issued by the Tribunal on 1st September 2011 with the Notice of Hearing.

Signed*Fred*...RICS, valuer with Fred & Company Surveyors.

Dated ...1st October 2011