

- The absence in this decision of a reference to any statement or item of evidence placed before it by the parties should not be construed as being overlooked by the panel.

Issue

- Having considered the Appellant's challenge, the Respondent considered the existing RV of £74,000 to be excessive and revised the list entry for the subject property as follows:

Floor	Description	Area m ² /unit	Price per m ² /unit	Value
Ground	Offices/First Aid Room/Wcs	172.12	£44.00	£7,573
Ground	Workshop – Reduced Height /Store	185.90	£36.00	£6,692
Ground	Workshop/Store/Wcs/Sluice	770.34	£40.00	£30,814
Mezzanine	Stores	118.48	£20.00	£2,370
Mezzanine	Store	100.40	£18.00	£1,807
Ground	Reception/Office/Showcases	89.20	£48.00	£4,282
Ground	Showcase	1.00	£46.80	£47
Ground	Internal Storage	14.20	£38.00	£540
Ground	Store/Kitchen	24.80	£45.60	£1,131
First	Office	222.10	£48.00	£10,661
	Plant and Machinery			£249

Total value: £66,166 - Rounded down to £66,000

- The appeal hereditament was a workshop and premises, built in 1991 and refurbished in 1999 situated on the Long Rock Industrial Estate on the outskirts of Penzance.
- The appellant submitted that he considered that the RVs of smaller properties in Long Rock are approximately 15% higher than those of smaller properties in the four other areas of Cornwall which he had researched. Based on this price differential, he argued that the RV of the subject property should be 15% higher than properties of the same size in the four other areas, resulting in a price per m² of £34.50 and a RV of £59,599.

Decision and Reasons

- In deciding this appeal the panel was governed by rating legislation laid down by Parliament which defines Rateable Value:

Schedule 6 of the Local Government Finance Act 1988 (LGFA 1988), as amended by Section 1(2) of the Rating (Valuation) Act 1999, defined that the Rateable Value of a non-domestic property shall be taken to be the amount equal to the rent at which it was estimated the property might reasonably be expected to let on a year to year basis on these three assumptions:

- the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

- b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;
 - c) the third assumption is that the tenant undertakes to pay all the usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.
8. For the purposes of the 2017 Rating List the date at which this hypothetical letting is assumed to take place, the antecedent valuation date (AVD), has been set by Parliament as the 1st April 2015.
 9. Mr Gilbert had provided details of a number of properties on Guildford Road Industrial Estate, Hayle, which he considered to be similar to the subject property. He had also provided details of the RVs of a large number of industrial units in Tregonigie – Falmouth, Water Ma Trout – Helston and Hayle Industrial and Business Park, Hayle. These units had adopted main space rates per m² of between £65.00 and £85.00 for the smallest units (Gross Internal Area (GIA) of 47.5m² and above) and between £22.50 and £25.00 for the largest units (GIA of up to 3766.9m²).
 10. Ms Bidart had argued that the rents for industrial units in the other locations provided by the Appellant were lower than in Long Rock Industrial Estate due to their relative ages and locations. She stated that an analysis of the rent for Poiniou Way, Long Rock Industrial Estate (GIA 1002.56m²) of £48,250 pa with effect from 7 May 2014 of £45.63 per m² supported its adopted rate of £45 per m². She also provided an the rent for Unit 13 & 14, Long Rock Industrial Estate (GIA 496.88m²) of £31,320 pa with effect from 15 May 2013, which she argued supported its adopted base rate of £50.00 per m².
 11. From the rental evidence provided by the Respondent, the panel concluded that the rates adopted for smaller units on the Long Rock Industrial Estate did not appear excessive.
 12. Mr Gilbert had carried out statistical analysis of the adopted main space rates per m² in the RVs of the units at Hayle, Helston and Falmouth, compared to the GIA of each unit, and created a graphical representation depicting the reduction in adopted main space rate in relation to the increasing GIA of the units. He argued that the relationships between these two factors in these other three areas were similar to each other, but this relationship had not been duplicated at the Long Rock Industrial Estate.
 13. Mr Gilbert argued that the Respondent had failed to apply the model of quantum to the properties at Long Rock, where he stated the main space rates decreased from £87.50 per m² for a unit with a GIA of 45.5m² to £45 per m² for the unit with a GIA of 615.08m², but with no further reduction in main space rates for units with a GIA larger than this. Mr Gilbert argued that if the relationship between GIA and rate per m² exhibited at the three other areas

was replicated at Long Rock Industrial Estate, the resulting rate per m² for the subject property, whose GIA is 1698m² would be around £31.00 per m².

14. The panel was aware that the level of quantum allowance applied to larger properties varies depending on location. It accepts the Respondent's assertion that there is no fixed model which can be applied to calculate such an allowance; rather it depends upon the rental evidence available in each area. In this case, the panel was satisfied that there was no evidence that the demand for larger units on the Long Rock Industrial Estate mirrored that in the other areas analysed by Mr Gilbert, and that the same 'model' for quantum should therefore apply. The panel did not agree with Mr Gilbert's argument that the rental difference for smaller properties should be extrapolated in order to determine a rental value for the subject property just because there were no rented units of a similar or larger size on the estate.
15. The panel was aware that the RV of the subject property must be determined in relation to the economic circumstances prevailing at the AVD, which for the current list is 1 April 2015, and comparisons of RVs from previous lists are not usually helpful. However it noted that the values of industrial units in the other locations cited by Mr Gilbert had not increased in the current list compared to the 2010 list, which is based on the economic circumstances prevailing on 1 April 2008.
16. The Respondent had conceded that the values in the majority of the other units on Long Rock industrial Estate had remained static from the previous list, and had amended the RV of the subject property to £66,000 to show a nil increase from the previous list. The panel found that this approach was fair and reasonable and reflected the rental trends between the two AVDs which had been demonstrated both in Long Rock industrial Estate and the other areas cited by the Appellant.
17. The appeal is therefore dismissed.

Appeal No: CHG1000000109
Date: 7 November 2018