

THE VALUATION TRIBUNAL FOR ENGLAND



Non-domestic rates; 2017 list appeal; workshop and premises; rental evidence; relevance of 2010 agreement; appeal dismissed because the comparable assessment evidence did not support a lower rateable value.

Re: Tritech International Ltd, Next Ness Lane, Oubas Hill, Ulverston, Cumbria, LA12 7LB

APPEAL NO: CHG100008213

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|----------|---------------------------|------------|
| BETWEEN: | Tritech International Ltd | Appellant |
| | and | |
| | Mr Richie Roberts | Respondent |
| | (Valuation Officer) | |

BEFORE: Mr M Butler (Chairman) and Mrs F Duggan

SITTING AT: Holiday Inn, Preston

ON: Monday 7 January 2019

APPEARANCES:

Ms J McCloy and Mr G Atkinson from Tritech International Ltd.

The Respondent Valuation Officer was represented by Mr Chris Robinson of the Valuation Office Agency as advocate and expert witness.

Summary of decision

1. The appeal is dismissed as the comparable property evidence supports the Rateable Value (RV).

Introduction

2. This was a 2017 Rating List appeal. The RV of the appeal hereditament was £123,000 from 1 April 2017. This was a compiled list appeal so the material day was also 1 April 2017. The appeal was made on 16 August 2018, following the Valuation Officer's Decision Notice of 5 April 2018 in respect of the appeal property.
3. The appeal hereditament is a detached industrial unit built in 2014. It is of steel portal frame construction with protected profile metal cladding, and wooden cladding to the front. The unit has ancillary office accommodation, and there is a large yard area with car parking available. It is situated adjacent to a small retail park, just off the A590 on the outskirts of Ulverston.
4. The present valuation of £123,000 RV is based upon a total area of 3,059.34 m² at an unadjusted main space price of £32.50 per m².
5. In a statement which accompanied the challenge, Mr Atkinson explained why he believed that the 2017 assessment was incorrect and excessive. The property was built in 2014, and an appeal had been made against business rates in 2015/2016, which resulted in an agreed alteration to £98,500 RV in August 2016. Mr Atkinson submitted that the agreed value was based on the rental value of the property in August 2016, not 2010, and as this was only six months old, it should also apply to the 2017 List.
6. In the Valuation Officer's initial response to the challenge, an explanation of the assessment for the 2017 revaluation was provided. The List became effective from 1 April 2017, and the prescribed valuation date, also known as the antecedent valuation date (AVD), is 1 April 2015. This is the date in which RVs in the 2017 Rating List must be assessed from.

7. The appellant had agreed an assessment for the 2010 Rating List, which was based on the AVD of 1 April 2008, not the rental value of the property in August 2016.
8. In defence of the adopted £32.50 per m² for the appeal property, the following rental evidence was included:

| Address | Total area m ² | Effective date of rent | Analysed rent | Adopted value per m ² |
|--|---------------------------|------------------------|---------------|----------------------------------|
| Expro, Low Mill Business Park, Ulverston, Cumbria, LA12 9EE | 11,871.4 | 27-Apr-14 | £36.66 | £32.00 |
| Units H & H2 Mail Line Industrial Estate, Milnthorpe, Cumbria, LA7 7LR | 2,554.3 | 1-Jul-14 | £36.03 | £32.79 |

9. Taking account of the available information, the Valuation Officer considered that the RV of £123,000 could not be considered to be excessive as at the AVD of 1 April 2015.
10. The Valuation Officer issued a Decision Notice on 5 April 2018 which confirmed that the Rating List entry was correct, and that there would be no alteration made to the assessment of the appeal property. The disputed facts and/or issues were summarised as follows:
 - i. The proposer contends that the value agreed on 16 August 2016 for the 2010 Rating List should apply to the 2017 Rating List.
 - ii. The proposer challenges the rental evidence submitted by the Valuation Officer.
11. The Valuation Officer provided a detailed response to those issues.
12. For the decision to be appealed, the appellant had to serve a notice of appeal by 2 August 2018. The appellant served a notice of appeal on

the Valuation Tribunal on 2 August 2018, however, the fee was not paid until 16 August 2018. The President granted an extension of the timeframe in which to appeal as the appellant had been unsure of the level of fee to be paid.

13. In the appellant's notice of appeal, contained within an email dated 2 August 2018, the appellant set out their grounds for the appeal. Reference was made to the previous property rented by Trittech International, and a comparable property in Barrow-in-Furness.
14. The appellant was required to state whether the appeal had been made on the grounds of a) the valuation for the hereditament is not reasonable, or b) the list is inaccurate for some other reason. Mr Atkinson confirmed that the appeal was made on the grounds of (a) the valuation for the hereditament is not reasonable.
15. At the hearing, the Valuation Officer's representative, Mr Robinson objected to the introduction of new evidence which had not been discussed within the challenge period. Mr Robinson argued that the information had only been presented at the appeal stage, there had been no request made for new evidence to be admitted, and in any case, the properties had not been identified, and he had not had the opportunity to rebut the evidence.
16. In response, Ms McCloy stated that she wished to refer to the properties mentioned, as although only anecdotal evidence, it was part of the narrative as to why the assessment of the appeal property was considered to be unreasonable.
17. After a brief adjournment, the Chairman of the panel announced the decision to allow the evidence, but confirmed that the appellant was limited to the information contained within the notice of appeal. The panel had taken into account that this is a new appeal system, and that the appellant had not been professionally represented. The panel was satisfied that as the information (albeit limited) had been provided at the appeal stage, it should have been picked up and addressed earlier.

18. The information provided related to the property which the appellant had previously occupied in Ulverston, which was similar in size to the appeal property. The rent in 2009 was £19.96 per m², and in 2014 the rent was £22.36 per m², an increase of 12% in five years. Reference was also made to the only property of comparable size in Barrow-in-Furness, with a rent of £21.53 per m².
19. The appellant raised no objection to the introduction of rental evidence contained within the Regulation 17 Notice, served on 5 November 2018; the evidence had been contained within the Decision Notice, before the appeal was made.

Decision and reasons

20. The appeal hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2015 (antecedent valuation date or AVD).
21. Matters that affect the physical state or enjoyment of the property or the locality were to be taken as at 1 April 2017 for this appeal.
22. The appeal hereditament is not subject to a rent, and therefore there is no direct rental evidence available.
23. The appellant provided rental information with regards to the previous property rented by Trittech International and a comparable property in Barrow-in-Furness. However, without further details, (for example, address, age of the properties, and analysis of the rents) the panel could not attach any significant weight to that evidence.
24. This left the panel with the rental evidence provided by the Valuation Officer. Of the two properties scheduled, the panel held that Expro at Low Mill Business Park is the most relevant for comparison with the appeal property, as it is a modern industrial unit built in 2009, and only

1¼ miles away. Although it is a much larger unit, the adopted price of £32.00 per m² demonstrates an element of quantum. Ms McCloy had questioned the reliability of Expro as a comparable, as she believed that the assessment was being challenged. However, Mr Robinson stated that he had checked to see if a challenge had been made, and he confirmed that he had found no challenge in the system.

25. The panel attached less weight to the evidence of Units H & H2, Main Line Industrial Estate, being an older, inferior property located some distance away from the appeal property.
26. The panel noted that the main reason for the appeal appeared to be as a result of the 2010 List agreement. Ms McCloy contended that the £98,000 RV agreed for the 2010 List assessment was based upon rental values in 2015. While it was appreciated why the appellant would believe that to be the case, the panel was confident that the 2010 List agreement had been made with reference to rental values as at the AVD of 1 April 2008.
27. The panel supported the view of the Valuation Officer that the 2010 and 2017 Lists are separate and distinct. The property and its locality must be considered as they physically existed at the material day, but market conditions together with the economic climate that existed at the AVD. Comparisons between the two lists are not conclusive, and each List stands on its own merits and has to be viewed *de novo* having regard to the relevant evidence.
28. In the absence of any other rental or comparable property evidence, the panel concluded that a RV of £123,000 based upon an unadjusted price of £32.50 per m² is reasonable.
29. The appeal is therefore dismissed.

Date: 6 February 2019

Appeal number: CHG100008213