

VALUATION TRIBUNAL FOR ENGLAND



*Non Domestic Rating Appeal; Car showroom and premises; Valuation
approach; Mezzanine; Relativities; Description;
Appeal allowed in part.*

RE: Ciceley Commercials Ltd, Commercial Road, Darwen, Lancs BB3 0DB

APPEAL NUMBER: 237217698756/538N10

BETWEEN: Ciceley Commercials Ltd Appellant
and
Mr D Grace Respondent
(Valuation Officer)

PANEL: Mr M Unees (Chairman)
Mr A Hadley

SITTING AT: Residential Property Tribunal Service, 5 New York Street,
Manchester, M1 4JB

ON: Thursday, 15 August 2013

APPEARANCES: Mr J Hoskins (Evans & Payne – Representing the Appellant)
Mr L Thorpe (Valuation Officer's Representative)

Summary of Decision

- 1 The appeal was allowed in part and the assessment was determined at rateable value £109,000, with a description of 'Workshop, Showroom and Premises', with effect from 13 September 2010.

Introduction

- 2 This is not intended to be an exhaustive record of the proceedings, but the parties can be assured that all of the evidence presented was fully considered by the panel when coming to its decision. Consequently, the absence of a reference to any statement, or evidence, should not be construed as it having been overlooked.

- 3 The appeal arose from a proposal, made by the appellant's representative on 17 November 2010, against the rateable value of £114,000. The proposal sought a reduction to £1 rateable value and followed a Valuation Officer's Notice dated 13 September 2010. The proposal stated that the entry should describe the correct extent of the hereditament and contended that the entry is excessive, unfair, incorrect and/or bad in law.
- 4 The appeal property is a workshop with a showroom, offices and stores. It was built in 2003, on a site adjoining junction 4 of the M65.
- 5 The parties had agreed the basic rate to be adopted in the assessment and the price to be adopted for the land. The value for the plant and machinery had also been agreed.

Issues

- 6 The dispute before the panel was the relativities to be applied to the accommodation on the upper floor and the appropriate value to be placed on this area.

Evidence and Submissions

- 7 In his submission to the panel, the appellant's representative included photographs and plans of the premises and a copy of a decision of the Valuation Tribunal where the issue in dispute had been considered. He explained that the dispute related to the value placed on the mezzanine floor area by the Valuation Officer. For rating purposes between 1990 and 2010, such areas had been valued, for rating purposes, at a factor of 0.2 of the mainspace price and he contended that the same relativity should be applied in the present case. The Valuation Officer had changed his approach for the 2010 Rating List and his valuation reflected a factor of 0.7 of the mainspace price for the area under the mezzanine and 0.5 for the area above. Whilst this had the same net effect for mezzanines over storage / production areas, for mezzanines over offices this has resulted in a 250% increase and Mr Hoskins contended that this was unreasonable and unjustifiable in valuation terms.
- 8 The issue had previously been considered by the Valuation Tribunal and the panel was referred to the decision made in respect of Unit 405 Phoenix Industrial Park, Heywood, where the panel had determined that a factor of 0.2 of the mainspace price should be applied to the mezzanine area. On this basis, he requested that the panel determine the assessment at £104,000 rateable value.
- 9 The Valuation Officer's representative described the appeal property and its location and detailed the appeal before the panel. Following discussions with the appellant's representative and a review of the existing assessment he now acknowledged that the existing assessment was incorrect and contended that a revised assessment of £109,000 rateable value was appropriate. He did not accept that the appellant's representative had proved his contention, arguing that there had been no rental evidence submitted and only one Valuation Tribunal decision had been submitted. However, to counter this he referred the panel to a schedule detailing nine properties where appeals had been considered by the Valuation Tribunal and it had been decided that the value of the mezzanine floor had been valued at a factor of 0.5 or higher. In addition he referred to an appeal in respect of Unit 6 Dugdals, Closewhitehills Business Park, Whitehills Drive, Blackpool which had been determined at Valuation Tribunal on the basis of the approach advocated by the appellant but, following an appeal to the Upper Tribunal, had been settled on a consent order, on the basis proposed by the Valuation Officer.

- 10 It was submitted that the valuation model adopted by the Valuation Officer for the 2010 Rating List was intended to take better account of the real characteristics of hereditaments containing mezzanines and that the national scheme had been universally adopted. This scheme had been adopted for the valuation of the subject property and numerous appeals had been resolved on this basis. It was argued that one decision from a Valuation Tribunal did not, in itself, demonstrate that the approach was wrong and, in the absence of any other evidence, it was requested that the appeal be determined at a rateable value of £109,000 with a description of ‘Workshop, Showroom and Premises’, reflecting the true character of the hereditament.

Decision and Reasons

- 11 The panel determined that the appeal should be allowed in part and the assessment was confirmed at rateable value £109,000, with effect from 13 September 2010 and that the description should be amended to ‘Workshop, Showroom and Premises’.
- 12 The single issue before the panel related to the relativity to be adopted in the valuation of the mezzanine floor area and the area below. The panel recognised that there had been a change in the approach adopted by the Valuation Officer for the purposes of the 2010 Rating List but, in itself, this was not a matter for the panel. The panel was required to consider whether or not the appellant had demonstrated that the existing assessment was incorrect.
- 13 To support his argument, the appellant’s representative had referred to a decision of the Valuation Tribunal and, whilst the panel considered that decision and its reasoning, it recognised that the decision was not binding on its determination of this appeal. In addition, it was recognised that there had been numerous decisions made by the Tribunal, where the approach adopted by the Valuation Officer had been confirmed. The Valuation Officer had referred, in general terms, to many properties where the approach had been accepted and the panel did not accept that the one decision made by a Tribunal demonstrated that the approach adopted at the appeal property was incorrect.
- 14 The panel recognised that the changes had resulted in a large increase in the value of these areas at the appeal property, but that, in itself, did not prove that it was incorrect. No rental evidence was submitted by either party, but the approach adopted in the valuation of the properties by the Valuation Officer, was consistent with the way in which the rental evidence had been analysed.
- 15 The panel found that the approach adopted by the Valuation Officer in his valuation was fair and consistent with that adopted in the value of comparable properties. Accordingly, the appeal was determined at the level proposed by the Valuation Officer.

Order:

- 16 Under the provisions of Regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to amend the entry for the appeal property to Workshop, Showroom and Premises with a Rateable Value £109,000 with effect from 13 September 2010.
- 17 Under Regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Date: 13 September 2013

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