

VALUATION TRIBUNAL FOR ENGLAND



*Non Domestic Rating Appeal; Car parking spaces; Licence Fees; Tone;
Comparables; Appeal allowed.*

RE: Nos.68,75, 88-92 & 94-101 in Bst Astley House, 23 Quay Street, Manchester M3 4AH

APPEAL NUMBER: 421517933667/538N10

BETWEEN: Cheetham Bell JWT Appellant
and
Mr D Grace Respondent
(Valuation Officer)

PANEL: Dr R Barham (Chairman)
Mr C Bryan

SITTING AT: The Tribunals Service, Alexandra House, 14-22 Parsonage,
Manchester, M3 2JA

ON: Wednesday 1 April 2015

APPEARANCES: Mr J Hoskins (Evans & Payne Representing the Appellant)
Mr B Slater (Representing the Valuation Officer)

Summary of Decision

1 The appeal was allowed and the assessment was determined at rateable value £22,500 with effect from 1 April 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 resulted from a proposal submitted by the appellant on 25 January 2011, seeking a reduction in the rateable value of £30,000.

- 4 The appeal hereditament comprises 15 car park spaces in the basement of Astley House, 23 Quay Street within Manchester City Centre. The property is held under a lease from 27 November 2002 at a rent of £211,141 pa with a nil increase at review on 27 November 2007. The lease includes offices at Pt Gnd Flr & Bst and 6th-8th Flrs. The assessments of these two office hereditaments have been agreed at £18,000 and £179,000.
- 5 The existing assessment is based on a rate of £2,000 per space.

Issues

- 6 The dispute before the panel related to the level of value to be attached to the car parking spaces.

Evidence and Submissions

- 7 In his submission to the panel, Mr Hoskins described the appeal property and its location and referred to a series of plans showing its location and that of his comparables. Referring to the lease details, he argued that the agreements reached in respect of the offices, when deducted from the passing rent, left £14,411 attributable to the 12 spaces within the lease which amounted to £1,200 per space.
- 8 He referred the panel to a schedule of licence fees paid for car parking within Astley House that had been compiled by the landlord in 2007. This included an additional three spaces held by the appellant for which they paid £5,250. He contended that this was actual evidence from within this building and, when adjusted, provided, good evidence for rating purposes. The adjustments were necessary as the sums shown were licence fees inclusive of repairs and insurance of the building. Making the standard 12.5% deduction gave an adjusted figure of £4,594 for the three spaces held by the appellant, equivalent to £1,531 per space. For the 15 spaces let by another tenant, the adjusted licence fee was equivalent to £1,312 per space.
- 9 He contended that the schedule suggested that the greater the number of spaces involved, the lower the licence fee per space and, having regard to this evidence, he proposed that the assessment should be determined on the basis of a rate of £1,500.
- 10 He provided further support for this figure by reference to a schedule showing rates of £1,000 and £1,250 for car parking within an office context; £1,500 per space at nearby public car parks and £287.50 and £258.75 per space on a surface public car park. He also referred to various car spaces within the city centre that were available in 2013, ranging from £60 pcm to £120 pcm inclusive and argued that the weight of evidence showed that his proposed assessment of £2,500 was correct.
- 11 On behalf of the Valuation Officer, Mr Slater argued that the tone was established for car spaces within office blocks in the city centre. He contended that the existing assessment was correct and that the appeal property was assessed in line with that established tone. He considered that less weight should be attached to the licence schedule than the comparable evidence as it related to licence fees that had been agreed between 2000 and 2005. Referring to a schedule of comparables, he demonstrated that agreements had been reached in respect of car parking spaces in the basements of a number of office buildings ranging from £2,000 to £3,500 per space. In particular, he highlighted spaces at Bauhaus and Quay House which were both in Quay Street and assessed at £2,000 per space.

Decision and Reasons

- 12 Having looked at the comparable properties and having listened to the argument, the panel preferred the evidence of the appellant's representative and found that the rateable value should be reduced and that the assessment should be based on a rate of £1,500 per space.
- 13 The Valuation Officer had referred to a schedule of comparables and had acknowledged that the value attributable to such car spaces does vary and is dependent on the building and its location. The panel found that the schedule included only three assessments in Quay Street and accepted the unchallenged, appellant's representative evidence that one of the assessments (reflecting 12 spaces) had been deleted with effect from 1 April 2010. The other two assessments related to three and six spaces at Bauhaus, 27 Quay Street. The panel found this to be good, local evidence, but also noted and accepted the appellant's representative's argument that there was a difference in the rate per space dependent on the number of spaces held, within the subject property.
- 14 Whilst having regard to the comparables, the panel was mindful that the best evidence of value is established from passing rents and recognised that there was direct evidence from the subject property. The schedule of licence fees from within the building dated from 2007 and, although it had been argued that the agreements were effective from a period between 2000 and 2005, the opportunity was there for the licence to have been renegotiated at any time. The panel thus accepted that this schedule provided good evidence from close to the valuation date and attached most weight to this evidence.
- 15 It was also noted that there had been a nil increase in the rent on the office accommodation in 2007 and, when the assessments of the offices were looked at alongside the rent, the amount remaining for car spaces demonstrated that the proposed level of £1,500 per space was not excessive.
- 16 Overall, the panel found that the local evidence of licence fees provided the best indication of value and, having regard to the fact that the hereditament comprised 15 spaces, found that £1,500 per space was fully supported and, on this basis determined the assessment at rateable value £22,500.

Order:

- 17 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 rating list entry of the appeal property to rateable value £22,500, with effect from 1 April 2010
- 18 Under Regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Date: 30 April 2015

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