VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 rating list; Offices and premises; Rental evidence; Unadjusted base rate; Appeal allowed in part.

RE: Suite 3 (MD Suite), 7th Floor 5 Greenwich View Place, London E14 9NN

APPEAL NUMBER: CHG100038183

BETWEEN: Sir Robert Ogden Estates Ltd (represented by Tanner Rose Chartered Surveyors) — Appellant

And

Andrew Corkish (Valuation Officer) — Respondent

PANEL: Mr P J Hickson (Senior Member)
Mrs F Duggan

CLERK: Ms S Hodgson

ON: 20 October 2020

REMOTE HEARING

Summary of decision

1. Appeal allowed in part. The unadjusted base rate is reduced to £225 per square metre (psm).

Introduction

2. This was a 2017 rating list appeal. The rateable value (RV) of the appeal hereditament was £68,500 with effect from 1 April 2017. This was a compiled list appeal, so the material day was also 1 April 2017. The challenge stage was completed on 15 November 2019. The appellant sought a reduction in the RV to £54,500 by way of reducing the unadjusted base rate to £200psm.

3. The subject hereditament was an office within the City Reach development, located at the southern end of Millharbour in London. The office measured 274.4 square metres and was rated in the current list at £250psm with a rounded RV of £68,500.

4. The President of the Valuation Tribunal for England (VTE) is required to make sure arrangements are in place and make such statements and Directions so as to ensure that business before the Tribunal is conducted in accordance with The Local Government Finance Act 1988, Schedule 11, Part 1, paragraph A17(1) and The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and by virtue of Part 2 regulation (5)(arrangement for appeals) and regulation (6)(3)(g) (appeal management powers) the VTE may determine the form of any hearing.

5. Therefore, in pursuance of Regulation (6)(3)(g) the VTE has incorporated “remote hearings” as part of that definition and for the time being as the default option until it is safe to return to normal working. The Tribunal’s Consolidated Practice Statement has been amended to reflect this.

6. 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 before coming to its decision. Consequently, the absence of a reference to any statement, or evidence, should not be construed as it having been overlooked.

Issue

7. The issue for the panel to consider was the correct RV to be ascribed to the assessment.

Evidence and submissions

8. Mr Tanner for the appellant explained to the panel that the location had changed in the last 8-10 years and it was now a predominantly residential area. He referenced another development a 10-minute walk away, Harbour Exchange, and stated that the City Reach development had to compete for tenants with it. Mr Tanner advised that in the 2010 rating list there was a 20% difference between the valuation of offices at City Reach and at Harbour Exchange, with City Reach offices rated lower. In the 2017 list the value at both locations is £250psm. Mr Tanner provided rental evidence for other offices in the City Reach development and sought a reduction in the RV of the appeal dwelling to £54,500 by way of an adjustment of the base rate to £200psm.

9. Mr Shaw for the respondent also provided rental evidence of offices within City Reach. He explained that the office block was built to a high specification and was in a waterside location within a secure, landscaped, private estate within walking distance of two DLR stations. It was Mr Shaw’s view that the close by development, Harbour Exchange, should not be considered when valuing the appeal dwelling as there is sufficient evidence within City Reach. He stated that the two developments were separate and distinct. Mr Shaw provided photographs of City

Reach and asked for the appeal to be dismissed and the current RV of £64,500 to be confirmed with effect from 1 April 2017.

10. Prior to the hearing, both parties submitted new schedules of rents that were agreed in advance to be admitted as evidence.

Decision and reasons

11. It is the panel's view that Harbour Reach should not be considered for the purposes of valuing office space at City Reach. The panel held that each building should be valued on their own merits and the most persuading rental evidence available closest to the antecedent valuation date (AVD) of 1 April 2015.

12. The panel found there was sufficient rental evidence provided from other offices within the City Reach development to fairly assess the appeal dwelling against comparable units.

13. The panel considered the appellant's argument that there is a difference between the valuation in the 2010 rating list and the 2017 rating list. The value of a property is determined having regard to rental values and economic factors at the AVD. Each list has a separate AVD and for the 2017 list this was the 1 April 2015. The panel cannot consider the value of the appeal dwelling at the AVD for the 2010 rating list as having an effect on the 2017 list due to the difference in economic factors at each AVD.

14. It was the panel's opinion that the closest comparable to the appeal hereditament was Suite 2A, 7th Floor, 5 Greenwich View Place. The rent on this unit was from January 2015, three months prior to the AVD and was an open market rent. Both parties had adjusted the rent to £194psm.

15. The panel was also persuaded by the rent on Suite E, 3rd Floor, 5 Greenwich View Place which was from October 2015, six months post AVD. This was an open market rent that the appellant had adjusted to £245psm and the respondent to £253psm.

16. The panel heard from the respondent that there was a range of rents within this building between £200psm and £300psm and that in his opinion this would suggest that £250psm was not unreasonable for the appeal dwelling.

17. The panel heard evidence from both parties that showed a range of rents within City Reach. However, the panel considered that the majority of the evidence showed rents between £200psm and £250psm with only one rent significantly higher at £300psm. The panel attributed less weight to the comparable rent of £300psm as it was a rent for two units taken together.

18. Consequently, having taken all the evidence into account, the panel was of the opinion that the adjusted base rate on the appeal hereditament would sit somewhere between £200psm and £250psm at the AVD. The panel therefore considered that a rate of £225psm appeared fair and reasonable.

19. Therefore, the appeal is allowed in part and the RV is to be reduced to £61,740, rounded to say £61,500, with effect from 1 April 2017 using an unadjusted base rate of £225psm.

Order

20. The Tribunal orders, pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] that the respondent shall alter the 2017 list in respect of Suite 3 (MD Suite), 7th Floor 5 Greenwich View Place, London E14 9NN within two weeks, to £61,500 after rounding with effect from 1 April 2017.

Date: 13 November 2020

Appeal number: CHG100038183