THE VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal – Valuation Matter – Office and Premises – Price per m² adopted – rental evidence – weighting of evidence – appeals allowed in part.

Re: *TR G, Trowbray House, 108 Weston Street, London, SE1 3QB and*
TR 1, Trowbray House, 108 Weston Street, London, SE1 3QB

APPEAL NUMBERS: CHG100044695 and CHG100044439

BETWEEN:	*Nice and Serious Ltd and Tim Ronalds Architects*	Appellant
	and	
	Valuation Officer	Respondent

PANEL; Mr A Backway (Senior Member)
Mr S Hooberman

CLERK: Mr A Jolly

REMOTE HEARING

Attended

Appellant: Mr D Hill of Altus Group representing Nice and Serious Ltd and Tim Ronalds Architects

Respondent: Mr C Tawonezvi representing the Valuation Officer

Summary of decision

1. Appeals Allowed in Part.

Introduction

2. This appeal has been brought in respect of the following:

3. 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.

4. 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.

5. 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.

6. The appellant’s representative provided new evidence on 21 September 2020 which related to alterations to the 2017 Rating List entries for properties within Taper Studio, Long Lane, London and 42 Weston Street, London. The representative advised that the alterations of the List became known to them on the 15 September 2020 and considered these supported their contention. The Valuation Officer raised an objection to the admission of the new evidence on the grounds that the buildings were either some distance from the appeal hereditaments or were a new mixed development and the rental evidence was too remote from the antecedent valuation date (AVD) in any case.

7. The matter was presented to the Senior Member who accepted that the evidence was admissible as it was not known when the appeals were lodged by the appellants’ representative and that it was for the panel to consider the relevance of the evidence and to weight it accordingly. .

8. During the hearing the member of the panel informed the parties that he was familiar with the localities of the appeal hereditaments and the comparable properties.

9. Mr Hill appeared on behalf of the appellant as both Advocate and expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Hill’s declaration of truth included a statement that he was instructed under any conditional fee arrangement.

10. Mr Hill declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported the client’s case.

11. The panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and was allowable due to the Tribunal’s rules on admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial).

12. The panel therefore considered the “expert” evidence and attached such weight to it as it saw fit.

Issues

13. The issue before the panel concerned the price per m² to be adopted having considered the rental evidence and the weighing of that evidence. The parties had agreed that a temporary 10% allowance for adjacent building works should be applied.

Decision and reasons

14. The appeal hereditament was originally an industrial building built in the 1800s and converted to offices in the 1990s. No works to the building have been undertaken since the conversion. It had been valued at £400 per m² but the appellant's representative sought a reduction to £270 per m². The Valuation Officer's representative was seeking confirmation of the £400 per m² applied.

15. Mr Hill considered that the leases on the appeal hereditaments did not meet the Rating Hypothesis as they included service charges, were not full insuring and repairing leases and were personal to the tenant. He therefore was of the opinion that the rent passing was unreliable and argued that instead rental evidence from other buildings within the locality should be considered. In support of his contention that the rate per m² should be £270 he provided analysed rental evidence from Borough High Street, Stamford Street. Pear Place, Southwark Street, Newhams Row and Maltings Place which ranged between £350 per m² to £460 per m². He stated that many of his comparable hereditaments were newer buildings and provided superior facilities such as air conditioning and raised floors. He believed that as the appeal hereditament was converted offices within an older building the rate per m² should be less than new buildings within the locality. He stated that the adjacent Taper Studios, a newly built building, had been valued at the same per m² as the appeal properties.

16. Mr Hill stated that to support his contention that the rents for properties within Trowbray House were not Full Insuring and Repairing Leases and included a Service Charge he had provided the Occupation Agreement for Unit 10.2.1 at The Leathermarket. Also, he stated that when completing the Form of Return (FOR) they were told if the service charge was not known just to enter £1 which he considered may have happened in this instance.

17. Mr Hill requested the Panel allow the appeal and sought RV £57,000 for TR 1 Trowbray House, 108 Weston Street, London, SE1 3QB and RV £54,000 for TR G Trowbray House, 108 Weston Street, London, SE1 3QB.

18. Mr Tawonezvi stated that he considered the rental evidence for the appeal hereditaments supported the price of £400 per m² applied. He had taken the rental information from the completed FOR which showed rents commencing close to the AVD for three year terms with values between £453 per m² to over £600. He stated that the FOR also advised that the service charge was £1 and he considered he had not been provided with any supporting evidence to state that the service charge was anything other than that amount.

19. Mr Tawonezvi did not consider Mr Hill's comparable properties to be truly comparable due to the distance from the appeal hereditaments ranging from half a mile to nearly one and half miles away. Also, he stated that the RVs on the comparable properties had been adopted using the rental evidence available.

20. Mr Tawonezvi considered that it was for Mr Hill to prove that £400 per m² was incorrect and that from the evidence of the rents prevailing at Trowbray House the price per m² adopted was both fair and reasonable. He sought the panel to confirm RV £79,000 for TR G Trowbray House, 108 Weston Street, London, SE1 3QB and RV £83,000 for TR 1 Trowbray House, 108 Weston Street, London, SE1 3QB.

21. The panel having considered the rental evidence presented was satisfied that whilst the rental agreements for Trowbray House were close to the antecedent valuation date they did

not meet the rating hypothesis and required significant adjustment to accord. The panel therefore accepted that due to the adjustments required they would be less reliable.

22. The panel then considered the rental evidence presented by the appellant's representative. Whilst accepting they were further afield the panel considered that they did illustrate that values for newer, purpose built offices in the locality ranged from £350 to £460. The panel considered that Borough High Street was a more valuable locality than Weston Street and that rents should reflect this.

23. The panel was persuaded by Mr Hill that the price per m² for the appeal hereditaments was out of kilter as they were higher than the price per m² adopted for newer, purpose built offices and offices in areas the panel considered superior. It consider that the price per m² adopted for the Taper Studios, the new building situated close to the appeal properties, of £400 illustrated that the appeal hereditament, converted offices within a 1800s industrial building, at the same price per m² was too high.

24. However, the panel had not been persuaded that £270 per m² requested by the appellant's representative had been supported by the evidence. In considering the evidence of all the rents provided the panel believed a price of £360 per m² should be adopted for the appeal hereditaments.

25. The panel had been informed that a 10% temporary allowance had been agreed between the parties for building works on an adjacent building and therefore the panel applied this reduction to its valuation.

26. The panel therefore allows the appeals in part and determines the following:

    RV £71,000 for TR G, Trowbray House, 108 Weston Street, London, SE1 3QB with effect from 1 April 2017.

    RV £75,000 for TR 1, Trowbray House, 108 Weston Street, London, SE1 3QB with effect from 1 April 2017.

Order

27. As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2017 Rating List entry to £71,000 with effect from 1 April 2017 for TR G, Trowbray House, 108 Weston Street, London, SE1 3QB and RV £75,000 with effect from 1 April 2017 for TR 1, Trowbray House, 108 Weston Street, London, SE1 3QB within two weeks of the date of this order. The ratepayers are also entitled to a refund in full of the fees paid in accordance with regulation 13E (1)(a) of the Non Domestic Rating (Alteration of Lists and Appeals)(England) Regulations 2009.

Date: Tuesday 10 November 2020

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