IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No's: Please see attached schedule

Sitting remotely using Microsoft Teams
Date: 9 October 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2017 Rating List Appeals: Local Government Finance Act 1988; Offices and premises; Unadjusted base rate; Comparable assessment evidence; Appeals allowed in part.

Before:
MR AMRAN HUSSAIN
MS TM BLADES

Between:

ST JAMES'S PLACE
MEWBURN ELLIS LLP
SALMON LIMITED
PORTA COMMUNICATIONS PLC

Appellants

- and -

NICOLA JOHNSON
(VALUATION OFFICER)

Respondent

Regarding:
PLEASE SEE ATTACHED SCHEDULE
(the "subject properties")

Mr S Berkley from Knight Frank LLP
Mr P Smith from Ryan Property Tax Services UK Limited
Mr H Makhdumi from Evans & Payne LLP
Mr A McKillop for the Respondent

Hearing date: 10 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals are allowed-in-part.

2. The Tribunal Panel found that the current rateable values (RV) were unreasonable and determined revised RVs based on an unadjusted base rate of £450 per square metre (psm). Please refer to the attached Schedule of Valuations for the revised RVs and effective dates.

Introduction

3. These were 2017 Rating List appeals. The subject properties were located at City Tower, Basinghall Street, London, EC2V 5DE. The RVs of the hereditaments ranged from £166,000 to £930,000 depending on their size. All of the subject properties were in the 2017 Rating List with an unadjusted base rate of £475 psm. The unadjusted base rate was the only contended issue between the parties and therefore the appeals were all heard in one hearing with the agreement of the parties.

4. The challenge proposals were submitted by Knight Frank LLP, Ryan Property Tax Services UK Limited, and Evans & Payne LLP. They had been made on the grounds that the RVs shown in the 2017 rating list were wrong and proposed revised RVs for all the hereditaments.

5. Whilst the proposals from the agents varied in the unadjusted base rate being sought, following ongoing communications between the agents and the respondent, the agents were all seeking the same reduction at the hearing, to an unadjusted base rate of £435 psm based on the evidence that had been submitted.

6. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), all agents for the appellants declared that they were instructed under a conditional fee arrangement.

7. The agents understood and accepted that their duty was to the Tribunal in giving their evidence and that they would comply with this regardless of whether or not the evidence supported their client's cases.

8. Mr McKillop was acting as advocate and expert witness for the respondent and was not appearing on a conditional fee arrangement.

9. The panel accepted the 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).

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

11. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

Background

12. The subject properties were located within a twenty-one-floor office building which was originally constructed in 1964. It underwent a refurbishment which began in 2013. The building benefitted from a reception area and passenger lifts and was located in central London.

13. The adjustments to the unadjusted base rate were not in dispute between the parties.

Relevant Law

The Local Government Finance Act 1988

14. Schedule 6 of the Act provides that:

    2(1)The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions—

    (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

    (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;

    (c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

15. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

16. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject properties, the material day was the same as the effective dates on the schedule.

Discussion

17. The panel heard from Mr Berkley that there were two ways to look at rents at this stage of the list. Implied growth rate, and the settled assessment evidence in the locality. It was his opinion that the settlement evidence was stronger. He argued that there was a settled tone in the locality for office buildings and the subject building stood out at £475 psm.

18. Mr McKillop contended that the rental evidence from the subject building was the strongest evidence. He did not consider the subject building to be comparable to the assessment evidence submitted by the agents, as it was his opinion that the subject building was a tower, and therefore in a different market.

19. The panel reviewed the evidence before it and noted that, whilst it was not Mr McKillop's statement, the VOA had agreed with the agents that the subject property no longer formed part of the 'tower' market within the City of London. The panel agreed with this view having examined the details of the building including the original features such as the floor-to-ceiling heights of the floors. The images and details of the comparable assessments also demonstrated to the panel that it was reasonable to use them for comparative purposes, to ascertain the level of value in the subject building.

20. The panel had regard to five rents from the subject building that were effective within four to nine months of the AVD. Mr McKillop had provided two analyses for each rent. One covered the situation if the tenant invoked the break clause and the second was if they remained for the duration of the lease. The rents analysed between £428 psm and £556 psm, including £25 for fit out.

21. Mr Berkley analysed the rents to the first review which was five years for each. He had also analysed the incentives over five years. He clarified that the leases for levels 19 and 20 included a penalty to break, there was no break option for level 1, and there was no penalty for breaking the lease for levels 3 and 15. Mr Berkley had used an implied growth rate calculation to arrive at analysed rents between £406 psm and £524 psm.

22. Since the challenges had been made, a number of settlements on office buildings in London had occurred. The parties provided an updated list of comparable assessments reflecting these settlements, which was filed with the Tribunal as new evidence.

23. Twenty-nine office buildings in the locality were referred to, which had been settled between £375 psm and £465 psm. Of those, Mr McKillop was of the opinion that City Point was the most comparable as it was a tower of the same age as the subject building. It had been agreed at £462.50 psm. The panel noted it was originally built in 1967 and was partially demolished and redeveloped in 2001. It was the panel's view that the specification of City Point was superior to the subject property based on the evidence provided in the bundle.

24. 125 London Wall was originally built in 1992 and was refurbished in 2013. This had been settled by consent order for £390 psm. Mr Berkley did state that originally 125 London Wall had a 10% reduction for quality, and this was not additional in the £390 psm. He added 10% to the £390 to get a figure of £433 psm.

25. Woolgate Exchange had been determined at £425 psm by a previous Tribunal panel. It was built in 2000. 10 Aldermanbury was originally built in 2000 and refurbished in 2012. It had been agreed at £435 psm. Finsbury Circus House was originally built in 1988 and refurbished in 2013 and was settled at £425 psm. 10 Noble Street was constructed in 1999 and refurbished in 2017. It was settled at £450 psm.

26. The panel considered all of the evidence before it. The panel preferred the analysis of the rents by Mr McKillop which accounted for the penalties for invoking the break clauses in the leases. However, it also found that the rents required a lot of adjustment to meet the definition of rateable value. The panel noted there had been significant settlements in the office market since these challenges were first made, which would have had regard for rents in the area

when agreed between professional parties. When considering the basket of evidence as a whole, it was the panel's opinion that the RVs based on an unadjusted base rate of £475 psm was not reasonable and was unsustainable as a tone in light of the evidence. It appeared out of line with all of the other comparable assessments in the locality, and did not account for superior assessments valued at lower rates.

27. When considering the rents from within the subject building and the comparable assessment evidence, it was the panel's view that an unadjusted base rate of £450 for the subject properties was reasonable. The parties had confirmed that there was no dispute with any of the relativities applied to the individual assessments, and the 5% reduction for inferior air conditioning was not under appeal at this hearing.

Determination

28. In view of the above findings and conclusions, the Tribunal Panel is satisfied that the existing assessments are unreasonable and determined RVs as set out in the attached Schedule of Valuations at an unadjusted base rate of £450 psm.

29. The Tribunal Panel orders pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 [SI 2009 No 2269] that the respondent shall alter the 2017 list in respect of the listed appeals at City Tower, Basinghall Street, London, EC2V 5DE within two weeks, as per the attached Schedule of Valuations.

Right of further appeal

30. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) within **four weeks** of the date this decision and statement of reasons is issued.

31. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions"* available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mr Amran Hussain, Senior Member (Presiding)

Ms TM Blades, Senior Member

9 October 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 9 October 2025

Schedule of Appeals at City Tower, Basinghall Street, London, EC2V 5DE:

Appeal Number	Subject Property
CHG100118846	LEVEL 20
CHG100398192	PT LEVEL 6 (WEST)
CHG100132778	GND & 1ST FLRS & SKYLIGHT
CHG100535327	GND & PT 1ST FLR & SKYLIGHT
CHG100136117	LEVEL 19
CHG100909600	LEVELS 6 & 7

Schedule of Valuations at £450 psm:

Subject Property	Area (m^2)	Total (£)	-5% (£)	RV (£)	Effective date
LEVEL 20	573.00	257,850	244,958	**244,000**	01/04/2017
PT LEVEL 6 (WEST)	350.42	157,689	149,805	**149,000**	04/02/2019
GND & 1st FLRS & SKYLIGHT	2,384.00	885,330	841,063	**840,000**	01/04/2017
GND & PT 1st FLR & SKYLIGHT	2,295.96	851,759	809,171	**805,000**	04/06/2019
LEVEL 19	582.13	261,959	248,861	**248,000**	01/04/2017
LEVELS 6 & 7	1,165.26	524,367	498,149	**497,500**	01/01/2022