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

Case No: CHG100162964
and CHG100791410

Sitting remotely using
Microsoft Teams

Date: 13 May 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — offices and premises – comparable properties – rental evidence

Before:
MRS M J COLE

Between:

ASSOCIATION OF COMMONWEALTH UNIVERSITIES and UNIVERSITIES UK — **Appellants**

- and -

NICOLA JOHNSON (VALUATION OFFICER) — **Respondent**

Regarding:
4TH FLOOR PART LEFT FRONT AND REAR 6TH FLOORS WOBURN HOUSE, 20 TAVISTOCK SQUARE, LONDON WC1H 9HQ and
PART BASEMENT GROUND MEZZANINE FLOOR PART FRONT AND REAR & 1ST – 2ND FLOORS WOBURN HOUSE, 20 TAVISTOCK SQUARE, LONDON WC1H 9HQ
(the “subject properties”)

Mr M Morrison of Ryan Property Tax Services UK Ltd, for the Appellants
Mr P Emmerton, for the Respondent

Hearing date: 23 April 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. I find that the entries in the 2017 rating list should be reduced as follows;

   4th Floor Part Left Front and Rear 6th Floors Woburn House, 20 Tavistock Square, London WC1H 9HQ in the 2017 Rating List to £340,000 and

   Part Basement Ground Mezzanine Floor Part Front and Rear & 1st – 2nd Floors Woburn House, 20 Tavistock Square, London WC1H 9HQ to £500,000, both effective from 1 April 2017.

Introduction

3. I heard these appeals alone as my fellow panel member was unable to attend and a replacement could not be found at short notice. The Tribunal's business arrangements permit me to hear these appeals alone in such circumstances.

4. The appellants' representative made proposals to challenge the entries in the 2017 rating list at £410,000 in respect of 4th Floor Part Left Front and Rear 6th Floors Woburn House (hereafter referred to as 4th and 6th floors Woburn House) and £610,000 in respect of Part Basement Ground Mezzanine Floor Part Front and Rear & 1st – 2nd Floors Woburn House (hereafter referred to as 1st and 2nd floors). Both entries were effective from 1 April 2017. The proposal for the former was made on 4 February 2020 and for the latter on 31 March 2022, seeking a reduction in the tone to be applied to the valuations. The Valuation Officer (VO) did not find the proposals to be well founded, and Challenge decisions were issued for each proposal on 20 July 2021 and 25 July 2022 maintaining the existing entries in the rating list. Appeals against those decision notices were received by the Tribunal on 5 November 2021 and 24 November 2022.

5. Mr Emmerton stated that he was appearing as Advocate for the respondent, presenting evidence prepared by a colleague.

6. In view of the Upper Tribunal's judgment in Gardiner & Theobold LLP v Jackson (VO) [2018] UKUT 0253 (LC), Mr Morrison declared that he was appearing for the appellant as Advocate and Expert Witness. He confirmed that his firm was instructed under a conditional or other success-based fee arrangement and that he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

7. I accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and is 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). It was therefore appropriate for me to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before me.

8. The subject hereditaments are offices located in a mixed-use building, including office and residential accommodation, constructed in 1928. Both subject offices had been valued at £425/m^2, and the VO defended the existing valuations. The appellants' representative initially

sought a reduction in the unit price to £305/m^2 but later revised the proposed valuations to £350/m^2. The facts and survey data for the properties was agreed and the only issue to be decided was the tone.

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

Preliminary issue

10. Since lodging these appeals, the appellant's representative sought permission to include further evidence in 2021, October 2024, and March 2025. Mr Emmerton confirmed by email on 16 April 2025 that the VO had no objection to the inclusion of these additional items of evidence. Therefore, I considered these items were agreed for inclusion by both parties under Regulation 17A(1)(b) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

Relevant Law

11. The subject properties must be valued by the statutory assumptions set out in in Schedule 6 to the Local Government Finance Act 1988 as follows:

"(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."*

12. The material date on which to consider the physical state of the hereditaments and their locality was 1 April 2017, when the entries were made in the rating list. The valuation date for the 2017 rating list is 1 April 2015, the antecedent valuation date (AVD).

Discussion

13. I had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, which provided guidance on the weight to be applied to different forms of evidence and firstly considered the rent passing on the subject properties. On the 4th and 6th floor offices there was a rent passing which was renewed in January 2016. The rent is across three separate leases as follows: £89,872.50 per annum for the Part 4th floor, £152,188.50 for the 5th floor, and £128,735.50 for the 6th floor, making a combined rent of £370,796.50 per annum. Mr Morrison contended there was a four month rent-free period at the start of the lease with a further eleven weeks rent free in 2017, 2018, and 2019. He analysed this rent to £305.44/m^2.

14. The VO disagreed with Mr Morrison's analysis as no copy of the lease was provided and the Form of Return (FOR) filed stated there was a rent-free period of one year and fit out works undertaken over eight months. The improvement works totalled £900,000 with the landlord contributing £250,000. The VO had taken £500,000 as being rateable and amortised over 10 years. The VO analysed the rent to £415.78/m^2.

15. On the 1st and 2nd floor offices, there was a rent passing from November 2016 at £496,511 with a ten month rent-free period. Mr Morrison analysed this to £283.98/m^2. The VO submitted that around £230,000 of fit out works were undertaken, and this must be accounted for in the analysis. As the rent was over 18 months after the AVD, the VO placed little weight on the passing rent and considered the existing valuations reasonable.

16. The appellants' representative relied on two other rents in Dilke House, 1 Malet Street, WC1E 7JG. The 1st Floor offices were let at £23,500 from 1 September 2014 and the 2nd Floor at £55,230 from 1 December 2014. Mr Morrison analysed these rents to £355.94/m^2 and £322.79/m^2, respectively. The VO contended that the 1st Floor offices in Dilke House were a rent that was a renewal from 2011 at a nil increase, which was analysed to £392/m^2. In respect of the 2nd Floor of Dilke House, the VO submitted that there were £60,642 of tenant's improvement works and a three month rent-free period. The VO analysed this rent to £384/m^2. On 27 March 2025, Mr Morrison submitted to the Tribunal and the VO some recent settlements on various hereditaments in Dilke House, which agreed a tone of £350/m^2 and contended that, in light of these agreements, £345/m^2 was fair for the subject properties.

17. In defence of the existing valuations, the VO's evidence contained three rents. An open market letting on 35-37 Alfred Place, WC1E 7DP was referenced, which was from 31 July 2015 with a twelve month rent-free period. The stepped rent of £367,500 applied from 21 July 2016 until 20 May 2017, followed by an annual rent of £750,000 for the remainder of the term. The VO analysed this rent to £478.61/m^2.

18. Also referenced were two rents in Tavistock House. Firstly, the Conservatoire for Dance and Drama, 5th Floor 353-355 Tavistock House, 13 Tavistock Square, WC1H 9JP had a lease renewal for a term of five years from 11 August 2014 for £49,200, with a break clause in the third year. The VO analysed this rent to £389.86/m^2. Secondly, BMA Part 2nd floor Tavistock House, 13 Tavistock Square, WC1H 9JP was subject to a new letting from 1 November 2014 at £200,080 per annum, for a ten-year term. After adjustments to reflect fit out costs, the VO analysed this rent to £520.09/m^2. All three of the examples referenced by the VO were valued at £425/m^2 and Mr Emmerton submitted that these supported the same value for the subject properties.

19. I noted that most of the rents relied upon by the parties required adjustments to reflect the statutory definition of rateable value. Mr Morrison submitted that the subject properties are basic office accommodation with exposed utilities and were not comparable with the superior accommodation offered in Tavistock House, relied upon by the VO.

20. In support of his case for a reduction, Mr Morrison provided details of the refurbishment at 35-37 Alfred Place in 2014, valued at £2.2 million. A brochure was presented to illustrate the standard of accommodation provided at this building. In contrast, photographs were provided of the subject property, Woburn House, showing an inferior standard of accommodation.

21. Another brochure was presented to illustrate the high standard of accommodation offered at Tavistock House, home to the headquarters of the British Medical Association. At the hearing,

Mr Emmerton conceded that Tavistock House is a superior property to the subject offices and the analysis of the BMA offices reflected the superior accommodation. He submitted that Tavistock House may be undervalued at £425/m^2 but the 2017 list is closed, preventing alteration.

22. After considering all the evidence available, I was persuaded that the existing valuations for the subject properties were unreasonable. The parties did not agree on the analysis of the rents passing on the subject properties, but the VO's analysis was £415/m^2 for the 4th – 6th floors and £384/m^2 for the 1st – 2nd floors. Both figures were below the £425/m^2 in the current valuations. Given the adjustments required, I placed limited weight on the subject properties' rents and considered the comparable properties presented. 35-37 Alfred Place had been refurbished before the AVD, and the VO analysed this rent to £478/m^2. The VO contended that there had been tenant's improvements and fit out at the subject properties, but there was no evidence they had been refurbished to a similar level as 35-37 Alfred Place and I therefore considered Alfred Place may provide a higher specification of office accommodation.

23. From the images presented on Tavistock House, I considered this building to be far superior to the subject property. The VO analysed the 5th floor offices to £389/m^2 and the 2nd floor to £520/m^2. Given the differences in the standard of accommodation, I did not feel that Tavistock House was comparable to the subject properties. Dilke House was considered comparable to the subject properties by Mr Morrison, and I noted the VO had analysed the 1st floor rent to £392/m^2 and the 2nd floor to £384/m^2. A number of hereditaments in Dilke House were agreed between the parties in November 2024 at £350/m^2, despite these rents analysing higher. Mr Morrison had revised his proposed valuations for the subject property from £305/m^2 to £345/m^2 in light of the Dilke House agreements. From the available evidence I was not persuaded that the existing valuations were reasonable, and I found that they should be reduced. Considering the agreements on Dilke House, I found that the valuations proposed by Mr Morrison at £345/m^2 were fair.

Determination

24. In view of the above findings and conclusions, I am satisfied that the existing valuations for the subject properties were unreasonable and should be reduced.

25. In accordance with Regulation 38 (4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to amend the entry for 4th Floor Part Left Front and Rear 6th Floors Woburn House, 20 Tavistock Square, London WC1H 9HQ in the 2017 Rating List to £340,000 and Part Basement Ground Mezzanine Floor Part Front and Rear & 1st – 2nd Floors Woburn House, 20 Tavistock Square, London WC1H 9HQ to £500,000, both effective from 1 April 2017.

26. The Valuation Officer must comply with this Order within two weeks of its making.

Valuations

4th Floor Part Left Front and Rear 6th Floors Woburn House, 20 Tavistock Square, London WC1H 9HQ

Floor	Description	Area m^2	£/m^2	Value (£)
Fourth	Office	112.4	£345	£38,778
Fifth	Office	393.9	£380	£149,824

Sixth	Office	339.0	£380	£128,942
Fourth	Office	66.9	£345	£23,061
			RV	£340,625
			Say	£340,000

Part Basement Ground Mezzanine Floor Part Front and Rear & 1st – 2nd Floors Woburn House, 20 Tavistock Square, London WC1H 9HQ

Floor	Description	Area m^2	£/m^2	Value (£)
Basement	Canteen	156.4	£173	£26,979
Basement	Kitchen	51.9	£173	£8,950
Basement	Internal Storage	2.4	£86	£207
Basement	Cloak Room	16	£173	£2,760
Basement	Internal Storage	23.8	£86	£2,053
Basement	Internal Storage	19.1	£86	£1,646
Basement	Computer Room	18.5	£173	£3,191
Basement	Internal Storage	19.1	£86	£1,648
Basement	Internal Storage	37.5	£86	£3,234
Basement	Internal Storage	4.8	£86	£414
Basement	Internal Storage	6.2	£86	£535
Basement	Internal Storage	7.2	£86	£1,001
Basement	Internal Storage	19.3	£86	£1,665
Basement	Internal Storage	6.9	£86	£595
Basement	Locker Room	5.8	£173	£1,001
Ground	Reception/Entrance	38.1	£345	£13,145
Ground	Conference Hall	213.1	£362	£77,195
Ground	Post Room/Print Room	79.1	£362	£28,654
Ground	Meeting Rooms	67.5	£345	£23,288
Mezzanine	Office	64.75	£362	£23,456
First	Office	242.6	£362	£87,882
First	Office	6.9	£345	£2,381
First	Coat store	3.5	£345	£1,208
First	Board Room	92.8	£345	£32,016
Second	Office	396.99	£362	£143,810
Mezzanine	Front Office	39	£362	£14,128
			RV	£502,662
			Say	£500,000

Right of further appeal

27. 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.

28. 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/.

Mrs M J Cole, Senior Member (Presiding)

13 May 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 13 May 2025