VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; price per m² to be adopted; rental evidence; settlements within locality; weighting of evidence, appeal allowed in part

APPEAL NUMBER:	CHG100427394
RE:	2nd Flr, 33 Robert Adam Street, London, W1U 3HR (the "subject property")
BETWEEN:	Apex Housing Group Limited — Appellant and Andrew Ricketts (Valuation Officer) — Respondent
SITTING:	*remotely using Microsoft Teams*
ON:	Thursday 31 October 2024 at10:00am
BEFORE:	Mr M Aslam (Presiding Senior Member) Mr A Hussain (Senior Member)
CLERK:	Mr A Jolly
APPEARANCES:	Mr M Morrisons of the Altus Group representing the appellant Mr A Powell representing the respondent

---

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part. The rateable value (RV) of £168,000 based on a price per m² of £450 was confirmed with effect from 10 May 2019.

Introduction

2. This appeal has been brought in respect of the following: an appeal was lodged by the Altus Group on behalf of the occupier Apex Housing Group Ltd on 28 July 2022 against the Valuation Officer's Decision of 30 March 2022.

3. Mr Morrison 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 Morrison's declaration of truth included a statement that he was instructed under a conditional fee arrangement.

4. Mr Morrison 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.

5. 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).

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

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

8. Mr Powell representing the respondent appeared in a dual role.

Preliminary Issue

9. Mr Powell, prior to the hearing, introduced new evidence in relation to the lease for the whole of 33 Robert Adam Street, London and the floor plan in relation to 1st Floor 9-13 St George Street, London. Mr Morrison raised no objections to the inclusion of new evidence and accordingly the panel admitted the evidence

Issue

10. The issue before the panel concerned the price per m² that should be adopted with effect from 10 May 2019. The appellant's representative had originally sought a reduction from RV £195,000 at £525 per m² to £133,000 based on a price of £350 per m². However, at the hearing Mr Morrison was seeking a reduction to £151,000 based on a price of £400 per m². The respondent was seeking the dismissal of the appeal.

11. The subject property was located on the northern side of the Robert Adam Street close to the junction of Baker Street and was served by Bond Street, Marble Arch and Baker Street underground stations. The subject property was in a five storey building built in the 1970s and was of mixed use providing both office and residential accommodation. It includes air conditioning, lift access, perimeter trunking, showers, commissionaire, car parking and shared meeting rooms. It was entered into the 2017 list with effect from 10 May 2019 at an RV of £195,000 based on a price of £525 per m².

Decision and reasons

12. Mr Morrison stated that he considered the price per m² of £525 to be excessive and sought a reduction to £400 per m². In support of his contention, he referred to the lease on the subject property which was over 20 months from 10 May 2019 to 5 January 2021 at a rent of

£95,000 rising to £191,119 which he had analysed to £351.33 per m². He stated that the respondent had analysed the rent to £374.41 with both having analysed the rent below the rate per m² adopted.

13. Mr Morrison then referred to the rental evidence for the 3rd floor of 33 Robert Adam Street where the 2013 rent had analysed to £319.89 per m² but the respondent had analysed the rent to £433.23 which again was lower than the price per m² adopted.

14. Mr Morrison considered that as the two rents were both open market transactions the greatest weight should be placed upon them.

15. Mr Morrison stated that there were no other offices within Robert Adam Street and therefore he referred to settlements within the locality and in particular to 9-13 George Street where the rate per m² had been reduced from £575 to £472.50. He considered that George Street was a better location and the building, being a modern property, was superior to the subject property. He therefore considered the subject property should be valued at a lower price per m². As further support Mr Morrison referred to 1 James Street where the price per m² had been reduced from £450 to £425. He considered James Street, which fronts Oxford Street was a better location. He also stated that the price per m² adopted for the 2023 rating list for the subject property was lower than that adopted for George Street.

16. Mr Morrison considered that his evidence supported his contention that £525 per m² was not reasonable and that a price of £400 should be applied giving an RV of £151,000.

17. Mr Powell stated that he was familiar with the locality but had been unable to inspect the subject property as it was no longer occupied by the appellant.

18. Mr Powell stated that in the 2010 rating list the value for Robert Adam Street was agreed at £525 per m² and that it remained the same for the 2017 Rating List.

19. In support of his contention Mr Powell referred to his analysed rents covering the both 2nd and 3rd floors as well as the rents for the Grd, 1st, 2nd and 3rd floors. He had analysed the rents from £374.41 per m² to £687.08 (then adjusted to antecedent valuation date (AVD) giving values between £330.98 and £611.50. He considered the rental evidence showed that £525 per m² adopted was reasonable. He stated that he gave lesser weight to the rent from 2019 as it was too remote from the AVD and that the lease for the subject property was outside the Landlord and Tenants Act. Also, the rent on the 3rd floor had a curious stepped rent and therefore placed lesser weigh on that rent. He considered more weight should be attached to the rents for the whole building from 2011 and 2016.

20. Mr Powell referred to the settlement for 9-13 George Street. Whilst the 2017 rating list appeal had been settled based on the rent he had dealt with the property for the 2023 rating list where he had discovered the awkward layout of the property with a split bridge feature which he considered was the reason for the lower rent. He confirmed that the 2023 entry for 9-13 George Street was £625 per m² (including an addition for air conditioning). He also considered that 1 James Street was too far from the subject property to be of assistance.

21. Mr Powell considered the RV of £195,000 based on a price of £525 per m² to be reasonable and requested that the appeal be dismissed.

22. The panel noted that the parties differed in their approach to analysing the rental evidence, however, it was accepted where both parties had analysed the rent it for the subject property and the 3rd floor it was lower than the price per m² adopted for the subject property. However, the respondent had analysed the rental evidence for the Grd, 1st, 2nd and 3rd floors which had analysed to £327 per m² for the 2011 lease and £611.50 for the 2016 lease. The panel considered that there was no evidence of a pattern of rents that could be seen from the rental evidence. It also noted that much of the rental evidence was too remote from the AVD or the rent was less reliable due to being outside the Landlord and Tenants Act. Whilst of some assistance lesser weight was placed upon the rental evidence in this instance.

23. The panel considered the settlement details for 9-13 George Street and 1 James Street. It considered James Street to be too far from the subject property to be of assistance but considered that 9-13 George Street, running parallel with Robert Adam to be of assistance. It noted that comments of the appellant that it was a modern building compared with the subject property and that it was in a better locality. The panel had not been provided with any supporting evidence that Geoge Street was a superior location but accepted it was a more modern property.

24. The panel was informed that 9-13 George Street had been settled at £472.50 per m² based on the rent but the respondent had stated that the property had an awkward layout which maybe the reason for the lower rent. The panel paid attention to the floor plan and whilst the layout was split into two sections with a bridge effect crossing between the two sections it had not been persuaded that this was the reason for the reduction in the price per m² for the 2017 rating list but had been based on the rent passing for that property. The panel considered that the subject property would have a lower value per m² than that of the more modern 9-13 George Street.

25. The panel, in considering the price per m² to be adopted, had not been persuaded that £400 per m2 and £525 per m² were reasonable. It considered the differences in age between 9-13 George Street and the subject property would not equate to a £72.50 per m² difference. In considering the evidence including the rental and settlement of 9-13 George Street, it considered £450 per m² was reasonable.

26. The panel having considered all the evidence considered that £450 per m² and the RV of £168,000 with effect from 10 May 2019 was reasonable. The appeal was therefore allowed in part.

Valuation

Floor	description	Area	£ per m²	value £
second	Office	355.18	£ 450.00	£ 159,831.00
	car parking	3	£ 3,000.00	£ 9,000.00
			total	£ 168,831.00
			RV	£ 168,000.00

Order

27. As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2017 Rating List entry to £168,000 with effect from 10 May 2019 within two weeks of the date of this order.

Refund of appeal fee

28. As the ground of the appeal has been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

Date issued to parties: 27 November 2024

Right of further appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.
