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

Case No: CHG100435203

Sitting remotely using Microsoft Teams

Date: 21 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Offices and premises; appeal against the accuracy of the rateable value of the hereditament; appeal dismissed.

Before:
MR M ASLAM
MS J MORTON

Between:

ATHONA LTD **Appellant**

- and -

MS K GILES
(VALUATION OFFICER) **Respondent**

Regarding:
SUITE 1 2ND FLR KINGSGATE 1, KING EDWARD ROAD, BRENTWOOD, CM14 4HL
(the "subject property")

Mr C Cates (instructed by Ryan Property Tax Services UK Ltd), advocate for the **Appellant**
Mr M Clayton (instructed by Ryan Property Tax Services UK Ltd), expert witness for the **Appellant**
Mr L Stevens for the **Respondent**

Hearing date: 15 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal panel made no change to the rating list entry in respect of the subject property.

Introduction

3. This appeal has been brought in respect of Athona Ltd, Suite 1 2nd Flr Kingsgate, 1 King Edward Road, Brentwood, CM14 4HL, which entered the 2017 rating list as ‘offices and premises’, at £173,000 with effect from 1 April 2017.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal has been made to this Tribunal on the grounds that the rateable value (RV) for the appeal property is not reasonable.

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

Background

6. The subject property is on the second floor of Kingsgate House. The office block was constructed in 1989. It has raised floors, two passenger lifts with an ancillary goods lift, full VAV air conditioning and allocated car parking spaces. The area in terms of main space (ITMS) was 846.30m^2.

7. The RV for the hereditament with effect from 1 April 2017 was £173,000 RV. This was assessed using an unadjusted rate of £205/m^2.

8. The Appellant’s representatives were seeking a reduction to £141,000 RV based on an unadjusted rate of £167.50/m^2.

9. The evidence submission before the panel comprised all the evidence disclosed and exchanged during the challenge which included comparable assessment evidence and photographs.

10. Mr Clayton appeared on behalf of the Appellant as expert witness. He stated that his company was being paid on a contingency fee basis but was aware that in giving expert evidence his responsibility was to the Tribunal.

11. The panel accepted this expert witness evidence on the above basis as 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 in England). The panel therefore considered the “expert” evidence and attached such weight to it as it saw fit.

12. Mr Cates for the appellant, appeared as advocate.

13. Mr Stevens for the Valuation Officer, also appeared in the dual role of advocate and expert witness.

Relevant Law

14. The term “rateable value” was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant responsible for all rates, taxes, repairs and insurance. In respect of the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2020 (SI 2020 No.832) requires the rental levels to be taken on 1 April 2015. In respect of the subject appeal, the material day is 1 April 2017.

Discussion

15. In the case under consideration, the panel analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141.

16. The starting point, and main consideration for the panel, was the actual rent passing on the appeal hereditament. The passing rent was £177,821 with effect from January 2015, subject to a reduced rate for 20 months, which included a half-rent incentive in place of a rent-free period. The Appellant contended that, after applying a 5% adjustment to account for the landlord’s responsibility for external repairs, the rent devalued to £166.34/m^2. Mr Clayton maintained that this represented the most reliable evidence, as it was a new letting close to the antecedent valuation date (AVD).

17. Mr Stevens argued that this rent was not reliable because it was front ended with lower rent at the beginning and higher rent towards the end of the term. He had analysed the rent to £154.86/m^2 but stated that if the rent-free period was excluded, it analysed to £210/m^2. Without access to the full lease details or insight into the negotiation process, he questioned whether this represented a true market letting. He contended that the initial rent was potentially artificially low and highlighted the unusually long 20-month lease term, which he considered was excessive. Additionally, there was uncertainty regarding the tenant’s fit-out costs or other capital expenditure as this detail was unknown.

18. The panel acknowledged that the rent relied on by the Appellant related to the subject property and that the effective date was close to the AVD, which would typically warrant significant weight. However, there was a lack of detail in respect of this lease. It was unclear why there was an extensive incentivised 20-month period at half rent at the start of the lease, and there was no detail provided regarding any fit-out works required. In light of these uncertainties, the panel concluded that it was not safe to place much reliance on the rent in isolation.

19. In terms of indirect rental evidence, Mr Stevens referred to rents within Kingsgate House, where all suites had been assessed at £205/m^2. He considered that the best evidence was in respect of ADM Milling, Part 1st Floor, Kingsgate. The property was a similar size to the subject property, measuring 840.40m^2. A lease renewal took effect on 1 June 2014, with rent of £206,614, which had been analysed to £233.56/m^2. Mr Stevens stated that the tenant had been in continuous occupation since June 1989 and suggested that the longevity of the tenancy may have benefitted the landlord by providing a secure tenant, potentially resulting in a lower rent. However, he stated that rental levels across the building were relatively consistent.

20. Mr Clayton argued that the lease included upward-only rent reviews, which could have led to an artificially high rent. He also argued that two of the assessments within the Kingsgate

House related to smaller suites, approximately 300m^2, which were not directly comparable to the subject property. Both parties agreed that limited weight should be given to the ground floor rent, as the available lease information was derived from stamp duty documentation held by the Valuation Officer, and full lease detail were not available.

21. The panel noted that excluding the rent on the subject property, four rents within the building had been analysed between £205.29/m^2 and £300.60/m^2 and had all been assessed at £205/m^2. The subject property was the only one with a rent reduced period of 20 months. Whilst these rents had been agreed in June 2014, which was further from the AVD, they demonstrated that £205/m^2 was not excessive for the subject property.

22. Regarding the comparable assessment evidence, Mr Clayton referred to 1 St James Road. He stated that this office building was located almost directly opposite the subject building, so was very close in terms of proximity. He argued that the Valuation Officer had previously considered 1 St James Road to be superior, as it was initially assessed at a higher rate of £250/m^2. This figure was later revised by agreement to £195/m^2, with a further 5% reduction applied due to the absence of raised floors. Mr Clayton argued that the property had been rebuilt in 2010, making it more modern, and was also smaller in size at 325.69m^2. On this basis, he argued that the larger subject property should be assessed at a lower rate than 1 St James Road.

23. The panel noted that whilst the ground and first floors of 1 St James Road were constructed in 1993, the second and third floors were added in 2010. Despite its proximity, the panel was not persuaded that this property was directly comparable to the subject property. Neither party submitted internal photographs, but based on the external images, the subject property appeared to be more visually appealing and also benefitted from a staffed reception area. Taking these factors into account, the panel was not persuaded that the subject property should be assessed at a lower rate than 1 St James Road, which had been agreed at £195/m^2.

24. In the absence of any compelling evidence, the panel was not persuaded that £205/m^2 was unreasonable for the subject property.

Determination

25. In view of the above findings and conclusions, the Tribunal was not satisfied that any reduction in the rating list was warranted. The appeal was therefore dismissed.

Right of further appeal

26. 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.

27. 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 M Aslam, Senior Member (Presiding)

Ms J Morton, Member

21 August 2025

Mrs K Edhouse-Thomas
Clerk to the Tribunal
Date issued to the parties: 21 August 2025