



VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; price per m² to be adopted; rental evidence, weighting of evidence; Lotus and Delta v Culverwell (Valuation Officer) and Leicester City Council [1976] RA 141; appeal dismissed

APPEAL NUMBER: CHG100466887

RE: 8th Flr Lacon House, 84 Theobalds Road, London, WC1X 8RW
(the "subject property")

BETWEEN:	Syzygy UK Limited	Appellant
	and	
	Andrew Ricketts (Valuation Officer)	Respondent

SITTING: *remotely using Microsoft Teams*

ON: Wednesday 9 October 2024

BEFORE: Mr A Sheth (Presiding Senior Member)
Mrs AE Fielder (Senior Member)

CLERK: Mr A Jolly

APPEARANCES: Mr T Warren of Colliers International representing the appellant
Ms L Tang representing the respondent

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed. The rateable value (RV) confirmed at £655,000 with effect 1 November 2017.

Introduction

2. This appeal has been brought in respect of the following: an appeal was lodged by Colliers International on behalf of the occupier Syzygy on 8 July 2022 against the Valuation Officer's Decision of 21 March 2022.

3. This statement of reasons is not and does not purport to be a full verbatim record of the proceedings.
4. Mr Warren 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 Warren's declaration of truth included a statement that he was instructed under any conditional fee arrangement.
5. Mr Warren 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.
6. 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).
7. The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.
8. Ms Tang, representing the respondent confirmed that she was acting in the dual role of advocate and expert witness.
9. Following from the Upper Tribunal's decision in *Bunyan (VO) v Acenden Ltd* [2023] UKUT17 (LC) both parties re-analysed their rental evidence having regards to the period to which the rent should be analysed and adding £25 per m² for fitting out costs. Both parties agreed with the new submissions and therefore the panel admitted the new analysed rental evidence.
10. The appellant's representative had sought a postponement of the appeal in order that it could be listed with other appeals within the same building. The respondent raised an objection to this as she considered the matter could be dealt with independently of the other appeals. The postponement request was refused as it was considered not a good reason for a postponement in line with the consolidated practice statement.

Issue

11. The issue before the panel concerned the price per m² to be adopted for the subject property from 1 November 2017.
12. The subject property was located on the corner of Theobald's Road and Lamb's Conduit Street and comprised an office building arranged over 10 floors including a basement and was built in the 1940s. The property underwent substantial refurbishment in 2000 including integration of new build offices into the existing fabric of the building. Following a new owner of the building in 2014 the building underwent a Cat. A refurbishment which took place during 2015/16. The basic specification of the subject property includes suspended ceilings, four pipe fan coil air conditioning and raised floors. Due to the age of the building, there were numerous columns throughout the floorplate creating difficulties to operate an open floor plan.

13. In their appeal the appellant's representative had sought a reduction to RV £550,000 based on a price per m² of £400. Due to the reconsideration of his analysed rents at the hearing the appellant sought a reduction to £640,000 based on £465 per m².
14. The respondent sought for the appeal to be dismissed confirming RV £655,000 based on £475 per m².

Decision and reasons

15. Mr Warren stated that the subject property had been built and similarly refurbished to a neighbouring office at Warner House which had been valued at £400 per m² whereas the subject property was valued at £475 per m².
16. Mr Warren stated that the analysed rents had been agreed between the parties apart from one where there was a difference of £3 per m² which he did not consider changed his opinion of value.
17. In support of his contention that £465 per m² should be applied he provided his analysed rental evidence which ranged from £461.21 per m² to £552.29 per m². Whilst he accepted that the rental evidence was not from the antecedent valuation date (AVD) he had used Co-Star rental growth to adjust rental growth to draw a comparison. From his rental evidence he considered that there appeared a rental trend between £460 per m² to £470 per m² which supported his price per m² of £465. He stated that the rental evidence for 6th floor and 8th floor at £552.29 per m² and £547.00 per m² appear to be outliers but this may be due to being on higher floors with better natural light and views although the whole building would be valued at the same per m².
18. Mr Warren explained that in the 2023 rating list the subject property was valued at £510 per m² whereas Warner House at £485 per m² and therefore there was a greater difference between the two buildings in the 2017 rating list than the 2023.
19. Ms Tang referred to the Lotus and Delta v Culverwell (Valuation Officer) and Leicester City Council [1976] RA 141 and considered the rent on the subject property was the starting point and then consideration of other rents of similar properties within the locality. Although the rent on the subject property was from August 2017 and therefore post AVD she still considered it provided good evidence and it analysed to £547 per m².
20. In looking at other rental evidence within the same building Ms Tang considered the rents closest to the AVD provided the best evidence out of the basket of rents. The 6th floor lease commenced on 1 June 2016 and analysed to £552.29 per m² and the 7th floor lease commenced on 1 August 2016 and analysed to £491.64 per m² which supported £475 per m² being applied. She stated that seven out of the nine rents she had provided in her decision notice were higher than the value sought by the appellant's representative. In support of her contention that £475 per m² was reasonable she provided some calculations to show mid-way points between the rents.
21. Ms Tang stated that whilst similar to each other, rental evidence showed that rents in Lacon House were £100 higher than those in Warren House. From the basket of evidence, she considered that RV £655,000 was reasonable.

22. The panel noted that both parties had analysed all the rents the same save one where there was a difference of £3 per m². It also noted that all the rents were post AVD but accepted that in the absence of other rents closer to the AVD these rents provided the best evidence.
23. The appellant's representative considered the rents on the subject property and the 6th and 7th floor to be outliers as they were higher than other rents within the building but also stated that upper floors sometimes achieved higher rents due to more natural light and views. The panel did not consider the rents to be outliers and that the basket of rents should be considered which included those of the subject property and the 6th and 7th floor.
24. The panel noted the rental evidence for part of 8th floor at 84 Theobald's Road and 3-5 Jockey Fields/3-5 Bedford Row. The panel gave minimal weight to part of the 8th Floor due to it being considerably smaller than the subject property and other floors. It also gave less weight to 3-5 Jockey Field/3-5 Bedford Row as it considered the rents from within the actual subject property building to provide suitable evidence.
25. In considering the rental evidence only two rents analysed to £465 per m² or below with the remaining floors analysing between £470.81 per m² to £552.29 per m² with a number in excess of £475 per m². From this evidence the panel had not been persuaded by the appellant's representative that £475 per m² was unreasonable. It considered the most compelling evidence was that of the two rents closest to the AVD.
26. The panel having considered the evidence and having not been persuaded by the appellant's representative that the £475 per m² was unreasonable and confirm RV £655,000 and dismiss the appeal.

Date issued to parties: 29 October 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.
