VALUATION TRIBUNAL FOR ENGLAND

Non-Domestic Rating appeal; 2017 Rating List; offices; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; appeal dismissed.

APPEAL NUMBER:	CHG100608963	
RE:	6th floor, Commodity Quay, London, E1W 1AZ (the "appeal property")	
BETWEEN:	DPR Consulting Limited	Appellant
	and	
	Andrew Ricketts (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	27 March 2025	
BEFORE:	Mrs N Carman, Senior Member Mr SM Hooberman, Member	
CLERK:	Mrs D Davies IRRV (Hons) BA (Hons)	
APPEARANCES:	Mr Stewart Carter, of Ryan Property Tax Services Ltd, on behalf of the appellant as both advocate and expert witness Ms Rebecca Heuck, on behalf of the respondent as advocate	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal panel determined that the appeal property's assessment should remain unaltered at £430,000 rateable value (RV).

Introduction

3. This is a 2017 rating list appeal. The appeal property was entered in the 2017 list as offices and premises, assessed at a rate of £355/m^2. The appellant was seeking an allowance of

10% for poor light. The valuation officer determined the challenge to be not well-founded and the appellant appealed to this Tribunal. The appeal was registered on 4 July 2022 under Regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009, with the grounds being that the current valuation for the hereditament was not reasonable.

4. In order to assist the panel, the parties had agreed all basic facts before the hearing. The issue in dispute was whether an end allowance for poor light was warranted.

5. Mr Carter appeared in a dual role as advocate and expert witness, and Ms Heuck appeared as advocate for the valuation officer. It was noted that Mr Carter's company was employed on a contingency fee basis.

6. Both representatives declared that they understood and fully accepted that their duty was to the Tribunal in giving evidence, and they confirmed that they would comply with this as well as the requirements of the professional body, regardless of whether or not the evidence supported the client's case.

7. The panel accepted the expert witness evidence on the above basis: the appeal was not considered complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations. The panel determined that it was appropriate to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the issue before it.

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

Background

9. The appeal property is a sixth-floor office and premises on St Katharine Docks. It measures 1,217m^2 in terms of main space (ITMS). The offices are housed in a former warehouse overlooking the basin. The building was constructed in 1971 and refurbished in 2014.

10. The sixth-floor windows are arched rather than floor to ceiling as on other floors in the building. The appellant's representative contends that the shaping and additional brick significantly reduces the natural light in the appeal property when compared to the other floors. He is arguing for the re-instatement of the 10% allowance for poor natural light that was in place on the 2010 list. That allowance was given as a result of a decision of this Tribunal.

11. The evidence before the panel comprised of the information disclosed and exchanged during the challenge process. The submissions included photographs of the appeal property and comparable properties, a location plan of the property, rental evidence for the appeal properties, rating assessments in support of tone, the parties' skeleton arguments, extracts of the previous VT decision - *Blackstone Property Management v Mr D Jackson (VO)* [2018] 590027147662/538N10, and a copy of the current and proposed valuations. The evidence also included an updated schedule of rental evidence and a marketing brochure.

Relevant Law

12. 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 being responsible for all rates, taxes, repairs and insurance. In respect of all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841) requires the rental levels to be taken as at 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

13. The material day (the date by which physical factors have to be considered) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. For this appeal the material day is 1 April 2017.

Discussion

14. The panel analysed the competing evidence with reference to the findings in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141, which was included in the evidence documents. The Lands Tribunal judgment provided authoritative guidance on the weight to be attached to rental and assessment evidence. This case had established six propositions that gave clear guidance to be followed when assessing rateable value. Bearing these six propositions in mind, the panel acknowledged that the rent on the appeal property is accepted to be the correct starting point, with consideration given to how that rent relates to the terms of the statutory definition of rateable value.

15. The panel noted that the representatives had in some cases taken different approaches in analysing the rent; it understood that valuers would apply judgement in such matters and that there was not a definitively correct answer.

16. The rent on the appeal property was agreed in May 2016, a year after the AVD. It is a 15-year term, with 39 months’ rent-free period. The rent is £746,301 per annum. The valuation officer analysed the rent to £405.30/m^2 after adjustments, and the appellant’s figure is in the region of £336/m^2, based on a devaluation over 10 years. The panel noted that the rent was determined just over one year post AVD and considered it on that basis to be reliable evidence.

17. The representatives had provided rental evidence from other floors in Commodity Quay for the panel to consider. All were assessed at the same £355/m^2 as the appeal property. Closest in size to the appeal property were the offices on the fourth and fifth floors. The fifth floor measures 1,225m^2 ITMS. The rent of £666,900 was agreed six months prior to the AVD and it analyses to £390.96/m^2 according to the valuation officer.

18. The fourth floor measures 1,168m^2 ITMS and the valuation officer analysed the September 2014 rent to £378.16/m^2. The valuation officer had analysed the rent for the second and third floors at £356.99/m^2. The appellant’s agent analysed the rent for the second to fourth floors at £353.69/m^2 (toned to AVD).

19. The panel considered the seventh floor to be somewhat of an outlier. Described as a ‘superior’ floor with a terrace, the details were included to provide context for the appeal property. Both parties analysed the rent to a much higher price per metre squared than the

other floors. The appellant determined a figure of £563.42 and the valuation officer arrived at £584.50.

20. The panel found that the rents of floors one to six were within a reasonable range, with the appeal property having the joint lowest rent per metre squared. It considered that this indicated that the rent had already taken account of differences between the floors. It also acknowledged that the assessed rate of £355/m^2 was conservative when compared to the analysed rents.

21. The appellant's evidence submission had included details of two comparable assessments. A 10% allowance for poor natural light reduced the rate per m^2 at Ground floor Southwark Bridge Road from £300 to £270.

22. Quay Level East had been assessed at £355/m^2 but had received an allowance of 13.5% for disadvantages including a sloping site. This allowance had been given in the 2010 list and had been re-applied to the 2017 list following a challenge. It was now assessed at £307.08. The panel knew that each rating list stood on its own merits and considered that the allowance had been applied again because the evidence demonstrated that it was warranted, not simply because it had been previously given.

23. The appellant's representative contended that the rate of £355/m^2 initially applied to Quay Level East indicated that the valuation officer believed that the 'base' for similar properties was £355/m^2, with adjustments being made from that base to reflect specific disadvantages or advantages.

24. The panel reviewed the photographic evidence and concluded that there was a natural light disadvantage to the sixth floor in comparison to other floors in the building. However, it was not convinced that the disadvantage was sufficient to warrant a reduction in a rate that was already generous according to the rental evidence. The panel knew that it was not bound by the previous Tribunal decision, nor did it have full knowledge of the evidence available to that Tribunal.

25. The appellant's representative submitted as evidence a schedule of properties in the locality that had been granted a natural light allowance; he argued that this indicated that an adjustment separate to the base rate should apply where one floor in a building has a disadvantage that others do not have. The panel did not consider that the list provided sufficient evidence on which it could come to the same conclusion.

Disposal

26. In appeals of this nature, the burden on proof is placed on the appellant to demonstrate that the existing assessment was excessive. In this appeal the panel was not satisfied that a natural light allowance was warranted. Accordingly, the panel confirmed that the appeal property had been correctly valued at £430,000 RV, with effect from 1 April 2017.

Date issued to parties: 17 April 2025

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.