VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 Rating List; Local Government Finance Act 1988; offices and premises; appeal against the accuracy of the rateable value for the hereditament; appeal dismissed.

APPEAL NUMBER:	CHG100718039	
RE:	Fourth Floor North, 47-51 Great Suffolk Street, London, SE1 0BS (the "subject property")	
BETWEEN:	Ronin International Ltd	Appellant
	and	
	Andrew Ricketts (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	Tuesday 7 May 2024	
BEFORE:	Mr D Greensmith, Presiding Senior Member Mrs FER Duggan, Member	
CLERK:	Mrs K Edhouse-Thomas IRRV(Hons)	
APPEARANCES:	Mr A Stevenson of Hampton Lovett, representative for the appellant Mr C Goodhand of Hampton Lovett, representative for the appellant Ms V Paramasivam, representative for the respondent	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal panel determined that the assessment was not unreasonable at £233,000 Rateable Value (RV) with effect from 20 March 2018.

Introduction

3. The appellant's representatives had made a challenge against the accuracy of the RV in the 2017 Rating List, by way of a proposal that they served on the valuation officer on 12 August

2021. After considering the proposal and evidence submitted during the challenge period, the valuation officer decided that the proposal was not well founded and refused to alter the existing assessment of £233,000 RV. A decision notice to that effect was served on the appellant on 18 February 2022 and its representatives then appealed the valuation officer's decision to the tribunal on 16 June 2022, on the grounds that the current valuation for the hereditament was not reasonable, under Regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009. The material day was 20 March 2018, this being the date the hereditament entered the rating list.

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

Background

5. The subject property is a detached former warehouse building, which has been converted to provide retail accommodation on the ground floor and office space on the upper floors. The accommodation is over six floors, including the basement and measures 740.68m^2. The subject hereditament is an amalgamation of three hereditaments on the fourth floor and entered the rating list as offices and premises with effect from 20 March 2018.

6. The RV for the hereditament with effect from 20 March 2018 was £233,000 which was based on a main space value of £315/m^2. The appellant was seeking a reduction to £155,000 based on a main space price of £210/m^2. It was argued that the valuation officer should have assessed the property using the valuation scheme specific to the building.

7. The case had been previously listed to a hearing on 1 December 2023, and adjourned to allow additional evidence to be submitted by the appellant's representative in relation to various valuation schemes. The new evidence certificate was issued on 22 December 2023.

8. In response, the valuation officer provided additional rental evidence, and no objection was received from the appellant. At the hearing, the appellant's representative, Mr Stevenson, stated that he was happy for the new rental evidence to be included.

9. Mr Stevenson appeared before the panel as advocate only. He was assisted by Mr Goodhand who had internally inspected the property, however this was in 2018 shortly after the assessment was merged.

10. The valuation officer's representative, Ms Paramasivam, appeared before the panel in a dual capacity as both advocate and expert witness. Whilst Ms Paramasivam had not been the caseworker for the challenge decision, she had inspected the property externally.

Relevant Law

11. 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 requires the rental levels to be taken as at 1 April 2015, the antecedent valuation date (AVD).

12. The valuation officer referred to the judgement in *Lotus and Delta Ltd v Culverwell (Valuation Officer) and Leicester City Council* [1976] RA 141.

Discussion

13. In the challenge submission, the appellant's representative raised three arguments which were not relied upon as primary grounds of appeal at the oral hearing but were mentioned and therefore recorded in this decision.

14. The first argument was that ‘comparable properties in the area are charged on a lower rate’. The appellant provided examples of four smaller properties with a main space value around £300/m^2, implying that the appeal property should be less or the same. The valuation officer had argued that these properties did not have a raised floor, which the appeal property benefited from. The valuation officer also gave some examples of properties with raised floors which had a higher price per m^2. Having regard to the valuation officer’s evidence it was clear to the panel that those offices with raised floors were adjusted upwards.

15. The second argument was that ‘the fourth floor should not be charged at a higher rate than the rest of the building’. The appellant argued that normally the fourth floor would be 30% of the first floor price. The valuation officer said that this reduction would not apply because the subject property benefited from a lift. The panel found the valuation officer’s argument persuasive because the appeal property had a lift.

16. The final argument was that ‘quantum allowances have not been applied correctly’. The valuation officer had provided comparable assessments with sizes ranging from 529m^2 to 845m^2 and argued that none of these properties had a quantum allowance. The panel had concerns that it did not have sufficient evidence to allow any allowance for quantum.

17. At the hearing, the appellants primary argument was that the property had been placed in the wrong valuation scheme, and that it should be placed in the scheme specific to the building. The valuation officer argued that prior to the refurbishments and the amalgamation of the hereditaments, part of the assessment was valued in the building specific scheme as a ‘workshop and premises’. She argued that this scheme was no longer relevant because the combined assessment was now valued on an office scheme. She also provided evidence that there was a new valuation scheme in place for the valuation list which came into effect from 1 April 2023.

18. This was all useful background information, but ultimately the panel’s remit is to determine the rateable value, not make a decision on what valuation scheme the appeal property should fall within.

19. The panel considered the rental evidence and acknowledged that there was a rent passing on the appeal property of £235,000 from March 2018. However, whilst this rent indicated that the price adopted was not excessive, it noted the drawback with the evidence; namely that this lease had commenced three years after the AVD of 1 April 2015.

20. The panel further reviewed the rental evidence in respect of comparable properties provided by the valuation officer. She had provided details of three offices where rent reviews had been undertaken closer to the AVD of 1 April 2015. At Units A and B at First Floor, 57 Great Suffolk Street, the rent of £150,360 with effect from 16 February 2015 analysed at £333/m^2 with a unit rate of £325/m^2. At Fourth Floor at 57 Great Suffolk Street, rent of £49,000 with

effect from 18 June 2015 devalued to £432/m^2 with a unit rate of £325/m^2. The rent of £155,000 with effect from 1 March 2016, at the final property, Fourth Floor, South Block, 47-51 Great Suffolk Street analysed at £364/m^2 with a unit rate of £300/m^2. These rents also demonstrated to the panel that the price adopted was not excessive. Additionally, they were all assessed by the valuation officer at a higher price per square metre than the appeal property.

21. Having looked at the rents and comparable evidence, the panel was unable to find anything to warrant a reduction in the rateable value.

Disposal

22. In view of the above findings and conclusions, the Tribunal panel is satisfied that the rateable value of £233,000 for the subject hereditament was not unreasonable, and the appeal was therefore dismissed.

Date issued to parties: 29 May 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.
