VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 list appeal; office and premises; subject rent; Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council 1976; RV was reasonable; appeal dismissed.

APPEAL NUMBER:	CHG100737899	
RE:	Pt Grd & 1st-4th Flrs 27, Victoria Square, London SW1W 0RB (the "subject property")	
BETWEEN:	Veterans Aid	Appellant
	and	
	Andrew Ricketts (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	10/01/2025	
BEFORE:	Mr J Thomas, Presiding Senior Member Mrs T Watson, Senior Member	
CLERK:	Mrs C McAvoy IRRV(Dip)	
APPEARANCES:	Matthew Evans of Altus Group, for the appellants Christopher Cates, for the respondent	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel found the current Rateable Value (RV) to be reasonable.

Introduction

3. This appeal has been brought in respect of the following: Pt Grd & 1st-4th Flrs 27, Victoria Square, London SW1W 0RB which was entered in the 2017 Rating List as 'offices and premises' at £50,500 RV effective from 11 December 2017.

4. A challenge was submitted on 11 October 2021 which disputed the determination of the RV. The current RV of £50,5000 was based on an unadjusted rate of 380/m^2. The challenge proposed a reduction to £300/m^2 which produced a reduced RV of £40,000.

5. Mr Cates, for the respondent, appeared as advocate. Mr Evans, for the appellant, appeared in a dual role of 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 Evans, for the appellant, declared that he was instructed under a conditional fee. He declared that he accepted and understood that his overriding duty was to the Tribunal.

6. The panel accepted the expert witness evidence on this basis as the appeal was not considered to be 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 Tribunals' rules concerning admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial). 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.

Issue and Relevant Law

8. The issue between the parties concerned the RV of the subject property, specifically, the unadjusted rate per m^2 that should apply.

9. The term 'rateable value' as defined in paragraph 2(1), Schedule 6 to the Local Government Finance Act 1988 (as amended):

> "The rateable value of a non-domestic hereditament (none of which consists of domestic property and none of which is exempt from local non-domestic rating) shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions –
>
> a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;
>
> b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;
>
> c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above."

10. The antecedent valuation date (AVD) for 2017 list rating appeals is 1 April 2015. The material day was 11 December 2017.

11. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta v Culverwell and Leicester City Council (*LVC/376/1975). This case had established six propositions, which gave clear guidance to be followed when assessing rateable value, namely:

‘(1) Where the hereditament which is the subject of consideration is actually let that rent should be taken as the starting point.

(2) The more closely the circumstances under which the rent is agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of Gross Value in s.19(6) of the General Rate Act 1967 the more weight should be attached to it.

(3) Where rents of similar properties are available they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.

(4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attributed to the differing types of evidence depending on the one hand on the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.

(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but in such circumstances it would be clearly more difficult to reject the evidence of the actual rent.’

Discussion

12. In deciding this appeal, bearing the six propositions in mind, the panel acknowledged that the starting point was the actual rent passing on the subject property. It was let on a new lease effective from 11 December 2017 for a rent of £82,328 per annum. The panel found that little weight could be applied to the subject rent. It had been agreed some thirty months post AVD and was therefore too far removed to attach any significant weight. It therefore found it necessary to consider the basket of evidence provided, specifically, rent passing on properties considered comparable to the subject property.

13. The rental evidence provided from the respondent included three properties which had rents agreed in May, August and November 2015 and had been analysed to the range of £478.43 to £547.15. The unadjusted rate applied to each was £380/m^2. The panel placed more weight on those at Grosvenor Gardens which were rents agreed for a five year or less term.

14. The appellant also referred to three rents which were agreed September 2014, June 2016 and November 2016. The rents had been analysed to £202.42 to £386.10. In respect of Bst & Grd Flr 9 and 1st-3rd flrs 8 on Lower Grosvenor Place SW1W 0EJ, the appellant’s representative considered that they were strong comparable assessments. They were previously in the same valuation scheme as the subject property, they were valued the same

in the 2010 rating list, and they had an unadjusted rate of £380/m^2 when the 2017 list was compiled. As a result of a challenge, the list was altered and they were moved to a new scheme and the revised unadjusted rate applied was £300/m^2. It was Mr Evans main contention that they were directly comparable in age, specification and locality and therefore the subject should also be reduced. The fact that they were now in another scheme, did not mean that there were not comparable.

15. The panel found that a ‘scheme’ was more of an administrative tool and often included a range of properties and values. As such, something being in the same scheme did not mean it was directly comparable and likewise, there could be similar properties in a different scheme. The appellant could not confirm the reason for the reduction and the respondents representative submitted that if there had been an error, such error may have existed in the 2010 list also.

16. As there was insufficient information concerning the reduced RV’s for the two assessments on Lower Grosvenor Place, the panel found that it could not rely solely on the fact that they were previously rated the same as the subject property. It did not follow that the subject property should also be reduced. It therefore found that it had to consider the rental evidence provided, and more weight was given to those agreed closest to the AVD.

17. Whilst each rating list should be considered *de novo*, the panel found that as the subject property was agreed at £350/m^2 in the 2010 list, it was unlikely that there would be a downward market and there was no evidence presented by the appellant to support this. The proposed RV of £40,000 did appear low when considering the subject rent which was agreed a couple of years post AVD, together with the 2010 rate per m^2, and the rental evidence provided for other offices close to the AVD.

18. In such appeals, the burden rests with the appellant to prove that the subject property’s RV is unreasonable. The panel found that, for the reasons stated, it could not put all the reliance on the two reduced assessments, especially when there was a question over why they had been reduced. In conclusion, the panel found that the appellant’s representative failed to discharge this burden and it was not persuaded to reduce the RV.

Disposal

19. In view of the above findings and conclusions, the Tribunal Panel is satisfied that the RV of the subject property is reasonable and the appeal is dismissed.

Date issued to parties: 3 February 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.