

THE VALUATION TRIBUNAL FOR ENGLAND



2017 Rating List Appeal – was rateable value and the price per m² adopted by the Valuation Officer unreasonable – rental evidence – tonal evidence – location of appeal hereditament and comparable hereditaments – weighting of evidence – appeal allowed

Re: Clockhouse Place, Bedfont Road, Feltham, TW14 8HD

APPEAL NUMBER: CHG100749331

BETWEEN:	SAP	Appellant
	and	
	Ms D Bunyan	Respondent
	(Valuation Officer)	

PANEL: Miss K Riddy (Presiding Senior Member)
Mrs S Sahota (Senior Member)

CLERK: Mr A Jolly

REMOTE HEARING: Thursday 11 January 2024

APPEARANCES: Mr M Webb of Colliers International representing the appellant
Mr A Bailey representing the respondent

Summary of decision

1. Appeal allowed. The rateable value (RV) of £1,670,000 is confirmed with effect from 1 April 2017 based upon a price of £150 per m².

Introduction

2. This appeal has been brought in respect of the following: An appeal was lodged by Colliers International on behalf of the owner/occupier on 5 June 2023 against the Valuation Officer's Challenge Decision Notice of 8 February 2023.
3. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.
4. Mr Webb 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 Webb's declaration of truth included a statement that he was not instructed under any conditional fee arrangement. Mr Webb 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.

5. During the hearing the panel requested for the Valuation Officer's representative to re-send two pages of his challenge decision notice which related to the rental evidence and comparable assessment as the pages, when transferred as part of the appeal, were blurred. These were forwarded to both the clerk and the appellant's representative and the clerk forwarded the pages to the panel.
6. Mr Bailey was appearing as both advocate and expert witness.

Issues

7. The issue before the panel concerned the price per m² to be adopted having regards to rental and tonal evidence.
8. The appeal hereditament was a detached office building constructed over four floors built in 1987. The property had undergone refurbishment since it was constructed. It was located fronting the Bedfont Road close to Heathrow Airport and was within the London Borough of Hounslow area. To the rear and side of the hereditament were residential properties and to the other side was the Staines Road.
9. The appeal hereditament had been entered into the 2017 rating list at RV £2,410,000 based on a price per m² of £220 with the appellant's representative seeking a reduction to £1,670,000 based on a price of £150 per m².
10. The appeal hereditament had been valued in the scheme for offices within the TW14 postcode area of Hounslow with an unadjusted price of £220 per m² due to the property having raised floors, full central heating and air conditioning. 115 surfaced covered car parking spaces had been included at a value of £550 per space and 228 surfaced open car parking spaces had also been included at £475 per space.
11. The property had been inspected on Thursday 12 January 2023 by the appellant's representative and another Valuation Office caseworker.

Evidence and submissions

12. The bundle comprised all of the documents exchanged between the parties as part of the challenge process including the VO's case decision notice, rental evidence and assessment summaries, valuations and the appellant's challenge submission.

Decision and reasons

13. Mr Webb stated that due to the proximity to Heathrow Airport the appeal hereditament had been valued within the Heathrow market which spans four local authority areas. He stated that the Heathrow market was an attractive location for international companies especially due to the airport and the road network including the M25 and M4 and accepted that rents in the scheme normally make sense, but he did not consider the appeal hereditament to be truly within the Heathrow market.
14. Mr Webb stated that the appeal hereditament was located within the London Borough of Hounslow area and considered that the value would be less due to it being a standalone

office within a mainly residential area. He stated that the valuation scheme was based on offices within a purpose-built business park. He did not consider rental evidence and tonal evidence from Bedfont Lakes to be of assistance and considered tonal evidence of other standalone properties within the wider catchment area to be more comparable. He stated that the only other standalone office block within the same scheme was located in Staines and had since been demolished.

15. Mr Webb stated that there were three office parks within the West London area and two were within the Heathrow market which were Bedfont Lakes and Stockley Park with Chiswick Park outside the market area. He provided the tone value for the three parks and standalone properties within the locality of the parks and the percentage difference in the price per m² adopted. With Bedfont Lakes there was no percentage difference between offices within parks and standalone offices whereas there was 20% between properties in Chiswick and 39% between properties for Stockley Park. He therefore considered that there should be a difference between tones for Bedfont Lakes and standalone properties within the vicinity.
16. In support of his contention that £220 per m² was not reasonable Mr Webb provided tonal evidence for office blocks built between 1990 and 2015 with a price per m² of between £135 and £170. These were all located within the TW14 or SL3 locality but not all within the Heathrow market area. He stated that one of his clients had been an occupier of Bedfont Cross, which was the closest property in age to the appeal hereditament, but had since moved to Bedfont Lakes and was now paying double the rent he was at Bedfont Cross.
17. Mr Webb considered that the price of £150 per m² should be adopted and sought confirmation of RV £1,670,000 with effect 1 April 2017.
18. Mr Bailey referred to the Upper Tribunal decision of *Bunyan (VO) v Acenden Ltd* [2023] UKUT 17 (LC) which concerned the fitting out of offices and that the fit-out cost should be applied to the tone. He stated that the price per m² had been originally £280 but following a settlement of a challenge for Hethering House, Bedfont Road the price was reduced to £220 per m² and therefore was applied to the appeal hereditament.
19. In support of his contention that £220 per m² was reasonable Mr Bailey provided rental details of offices located in Bedfont Lakes which analysed to between £228.90 per m² and £329.05. He stated that his comparable hereditaments were not prime properties nor in prime locations on the business park. He also provided tonal evidence on offices located in Bedfont Lakes which were constructed between 1992 and 2001 and had been valued based on £220 per m².
20. Mr Bailey considered the rental evidence and his tonal evidence supported the price of £220 per m² and requested the panel to dismiss the appeal.
21. The panel was aware that as the occupier of the appeal hereditament was also the owner there was no rental evidence to assist as a starting point. The panel therefore had to consider other evidence to establish the price per m² to be applied which included rental and tonal evidence.
22. The panel noted that the appeal hereditament was within the Heathrow market catchment area and had been valued in line with other offices within a Business Park, together with one other office which has since been demolished. Whilst the Business Park was closest to the appeal hereditament the panel considered that offices within an office-oriented business

park were not comparable to a standalone office in a mainly residential area. Unfortunately, the only other office in the scheme which was a standalone office has been demolished and no rental evidence had been provided apart from comment concerning the challenge decision which had reduced the price per m² to £220. The panel therefore gave less weight to the rental evidence provided by the respondent.

23. The panel then considered the tonal evidence provided by both parties. The respondent's tonal evidence related to properties within Bedfont Lakes and as previously considered the panel did not consider these to be comparable to the appeal hereditament due to the location within an office-oriented business park. Also, from the appellant's representative's evidence, standalone offices in the vicinity of the Business Parks of Stockley Park and Chiswick Park were valued less than those located within the Business Parks. The panel therefore gave less weight to the respondent's comparable hereditaments.
24. The panel considered the appellant's representative's comparable hereditaments. Whilst these were located further afield, they were standalone offices. These offices had been valued between £130 per m² and £170 m². The panel noted that these comparable hereditaments ranged in size from 1,748 m² to 12,191 m² but there was no compelling evidence to suggest quantum had been applied to the price per m² adopted.
25. The panel considered the best evidence in relation to age and location was Bedfont Cross, Stanwell which had been valued at £150 per m². It also considered Axis One, Hurricane Way also provided assistance. This was a newer building, having been constructed in 2005 and was 5,391 m² in size and was also valued at £150 per m². The panel considered that the comparable evidence provided the best evidence.
26. The panel having considered and weighted the evidence considered the best evidence was that of the tonal evidence of other standalone offices within the wider locality. From this evidence the panel had been persuaded that £220 per m² was unreasonable whilst £150 per m² was reasonable. The panel therefore allowed the appeal and confirm RV £1,670,000 with effect from 1 April 2017.

Valuation

Floor	Description	Area m ²	£ per m ²	Value
GF	Office	2990.4	£150.00	£448,560.00
FF	Office	2915.65	£150.00	£437,347.50
SF	Office	2915.65	£150.00	£437,347.50
TF	Office	1362.23	£150.00	£204,334.50
		total		£1,527,589.50
	surfaced cover spaces	115	£550.00	£63,250.00
	surfaced open spaces	228	£375.00	£85,500.00
			Total	£1,676,339.50
			RV	£1,670,000.00

Order

As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2017 Rating List entry for Clockhouse Place, Bedfont Road, Feltham, TW14 8HD to £1,670,000 with effect from 1 April 2017 within two weeks of the date of this order.

Refund of appeal fee

As the ground of the appeal has been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

Date: Thursday 1 February 2024

Appeal number: CHG100749331

Right Of 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.