IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No: CHG100808603

Sitting remotely using
Microsoft Teams

Date: 25 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2017 rating list — office and premises — Lotus & Delta Ltd v Culverwell (VO) And Leicester City Council [1976] RA 141 — tone of value for main space — appeal dismissed.

Before:
MS C Y JONES
MISS AM PRICE

Between:

GREEN POWER GLOBAL — **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) — **Respondent**

Regarding:
UNIT SB 139 AT SOUTHBANK HOUSE,BLACK PRINCE ROAD,LONDON SE1 7SJ
(the "subject hereditament")

Mr A Burgess of Ryan Property Tax Services UK Limited for the **Appellant**
Mr H Hirani of the Valuation Office Agency for the **Respondent**

Hearing date: 12 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed. The panel confirmed the rateable value (RV) of the subject hereditament to be £29,500 with effect from 3 October 2019.

Introduction

2. The appeal process began with a proposal made by the Appellant on 19 May 2022 in respect of the Valuation Officer's (VO) list entry of the subject hereditament at £29,500 with effect from 3 October 2019. The Appellant proposed a revised assessment of £22,750 RV from that date based on a reduced tone of value for main space of £275 per m^2.

3. The Respondent issued a challenge case decision notice on 25 May 2023 which stated that the existing rating list entry, and tone of value of main space of £355 per m^2 was reasonable. The Appellant appealed that decision to this Tribunal on 27 June 2023, on the grounds that the valuation for the subject hereditament was unreasonable.

4. The subject hereditament was an office and premises located in China Works, a converted Grade II listed six storey red brick former commercial building built in 1878.

5. Mr Burgess appeared on behalf of the Appellant as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), the representative confirmed that he was instructed under a conditional fee arrangement. He 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 on the above basis as the parties agreed the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of Valuation Tribunal for England (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). 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 proceedings.

Issue

8. The panel was required to determine the correct RV to be attributed to the subject hereditament in the 2017 rating list. The issue in dispute concerned the tone of value for main space.

Relevant Law

9. The subject hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to be let from year to year on a number of assumptions. Those assumptions are listed in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988.

10. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841), the date of the hypothetical rent was 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

11. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject hereditament, the material day is 3 October 2019.

12. The Lands Tribunal decision of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 is referred to in this decision.

Discussion

13. It is a well-established rating principle that the starting point in the determination of a property's RV should be the rent passing on the subject hereditament itself. The subject hereditament was let on a Workspace Occupation Agreement at a rent of £47,502 per annum with effect from November 2019. The Appellant had analysed that rent to £596.76 per m^2.

14. The Respondent referred to seven comparable assessments within China Works, the building that comprised the subject hereditament. The Respondent stated that the properties were let on new 2-year leases with internal repair terms between 7 January 2015 and 1 November 2015. The rents had been analysed in the range of £300.22 per m^2 and £416.90 per m^2, accounting for a toned adjustment to the AVD and external repairs and insurance of 11.1%. The tone of value for main space for all of the properties was £355 per m^2. The Respondent contended that the rents were in close proximity to the AVD, supported the tone of value for main space at the subject hereditament and there was therefore no reason to consider comparable assessments outside of the building.

15. Mr Burgess contended that little weight should be attached to the rents of the comparable assessments in China Works cited by the Respondent as they were Occupation Agreements which would require numerous adjustments to conform to the rating hypothesis. He argued that the agreements had mutual rolling break options, the rents included utilities and service charges, tenants must use telecoms provided by the landlord and the agreements were on an IRI basis and therefore did not conform to typical agreements on an FRI basis, and reflective of the market for typical offices and premises.

16. As such, Mr Burgess argued that comparable assessments were preferable evidence in ascertaining a tone of value for main space. He referred to *Paymentsense Ltd v Valuation Officer* (VTE: CHG100769826, 13 March 2024), a Valuation Tribunal decision where the Tribunal found a premium was being paid at the appeal property due to the nature of, what the Appellant described as a similar agreement to those in the subject appeal, and therefore the rent would be significantly lower if let on typical lease. He also referred to an agreement at Metal Box Factory where he contended that the VO applied less weight to the rent for the same reasons.

17. Mr Burgess referred to comparable assessments at Albert Embankment and Graphite Square to support a reduction in the tone of value for main space of the subject

hereditament. 13th Flr, Westminster Tower 3, and 9G at 9, Albert Embankment had their respective tones of value for main space reduced from £336 per m^2 to £290 per m^2 following agreement, and £400 per m^2 and £325 per m^2 following a well-founded challenge. Those properties were 284.70 m^2 and 213.03m^2 respectively. He argued that numbers 3 and 9 Albert Embankment were in a superior condition to the subject hereditament and did not suffer from the restraints of a Grade II listed building. He also referred to Units at Graphite Square, which had a tone of value of main space of £275 per m^2. He argued that the only difference between that building, and China Works was that China Works was listed. Tintagel House, 92 Albert Embankment was a serviced office, refurbished in 2017 and had tones of value for main space between £300 per m^2 and £330 per m^2. He contended that the building benefited from river views and would achieve a higher level of value than that at China Works.

18. Mr Hirani contended that little weight should be attached to the comparable assessments relied on by Mr Burgess due to the strength of the rental evidence at China House which he considered supported the tone of value for main space at the subject hereditament. He stated that the sizes of the subject hereditament and the comparable assessments at China House were significantly smaller than the assessments referred to by Mr Burgess at Albert Embankment and what was within the range of Units at Graphite House. He argued that there was a differential in the number of services included at Westbourne Studios in *Paymentsense Ltd v Valuation Officer* where it was more management intensive than those offered at the China Works which was primarily a café and reception, as opposed to dedicated communal areas and games rooms. He also argued that the majority of the comparable assessments at China Works benefitted from air conditioning, and the Respondent's comparable assessments were not of any significant superior specification than the subject hereditament. Mr Hirani also referred to a lease agreement at the subject hereditament exchanged during the challenge stage and highlighted that tenants had a six-month break notice whereas the landlord had none.

19. In accordance with *Lotus and Delta*, the panel considered the passing rent at the subject hereditament and determined it was too remote from the AVD to provide any assistance in determining the RV. Turning to the third proposition in *Lotus and Delta*, the panel considered the rental evidence provided by the Respondent in the form of seven assessments at China Works which comprised the subject hereditament. The panel attached significant weight to that evidence. The properties were similar in size and shared the same locality with the subject hereditament, were new lettings in close proximity to the AVD and had analysed rents of in the range of £300.22 per m^2 and £416.90 per m^2. The panel was aware that those rents had been adjusted, however, it was not satisfied they were to an extent to demonstrate a tone of value for main space of £355 per m^2 was unreasonable given that figure fell well within that range.

20. The panel was not persuaded by Mr Burgess' argument that the rents at China Works were unreliable given their nature as Workspace Occupation Agreements. In light of a copy of a Workspace Agreement at China Works, the panel did not find that the stipulations showed a plethora of unquantifiable services or that the terms were unclear or vague in terms of what was or was not included in the rent. The panel did not find that the rent was artificially high in light of the nature of the services in the agreement. As such, it did not consider that significant adjustments to the rent were required which would undermine its reliability when determining RV.

21. Whilst a Valuation Tribunal decision was provided where a panel found that such an agreement demonstrated artificially inflated rent, each appeal is decided on its own merits, and evidence may have been available in that case to support that panel's findings. The panel of the subject appeal did not find the same given the aforementioned reasons. Furthermore, whilst they can be of persuasive assistance, lay panel Tribunals are not binding on other Tribunal Panels.

22. The panel attached little weight to the comparable assessments provided by the Appellant for other serviced offices which included Metal Box Factory, Westbourne Studios and Tintagel House. Mr Hirani stated that Westbourne Studios benefitted from additional services than available at the subject hereditament. The panel considered there were difficulties when comparing serviced office buildings as there was often a significant differential between the levels of service provided which were unique to the individual building.

23. The panel also attached little weight to the comparable assessments from the Appellant at Albert Embankment and Graphite Square. The subject hereditament was significantly smaller than the former two and whilst the subject hereditament fell into the range of sizes of Units at Graphite Square, it comprised at least one Unit which was at least 380m^2 larger than it. The panel had attached significant weight to the rents of the comparable assessments relied on by the Respondent at China Works. The panel was not satisfied that the Appellant had demonstrated such a difference in the degree of specifications of his comparable assessments and the subject hereditament, or its purported disadvantage of being listed to warrant a reduction in its RV.

Determination

24. In view of the foregoing, the appeal is dismissed.

Right of further appeal

25. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) within **four weeks** of the date this decision and statement of reasons is issued.

26. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions"* available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Ms C Y Jones, Senior Member (Presiding)

Miss AM Price, Senior Member

25 September 2025

Sam Fletcher
Clerk to the Tribunal
Date issued to the parties: 25 September 2025