IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF 2017 RATING LIST APPEALS

Case Nos: CHG100794283 and CHG100856470

Sitting remotely using Microsoft Teams

Date: 13 May 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — office and premises – tone of the rating list – rental evidence – comparable properties

Before:
MRS M J COLE

Between:

EZOIC UK LTD
AND
BIG LIGHT PRODUCTIONS LTD — **Appellant**

- and -

ANDREW RICKETTS
(VALUATION OFFICER) — **Respondent**

Regarding:
4 TH FLOOR, 33 ALFRED PLACE, LONDON WC1E 7DP; and
5TH FLOOR, 33 ALFRED PLACE, LONDON WC1E 7DP
(the “subject properties”)

Mr M Morrison, of Ryan Property Tax Services UK Limited, for the Appellants
Mr P Emmerton, for the Respondent

Hearing date: 23 April 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals are dismissed.

2. I find that the entries in the 2017 rating list are reasonable and should be confirmed, with effect from 2 May 2017, as follows:

   4th Floor, 33 Alfred Place, London WC1E 7DP at £108,000
   5th Floor, 33 Alfred Place, London WC1E 7DP at £37,250

Introduction

3. I heard these appeals alone as my fellow panel member was unable to attend and a replacement could not be found at short notice. The Tribunal's business arrangements permit me to hear these appeals alone in such circumstances.

4. The appellants' representative made proposals to challenge the entries in the 2017 rating list at £108,000 in respect of the 4th floor and £37,250 in respect of the 5th floor. Both entries were effective from 2 May 2017. The proposal for the 4th floor was made on 11 April 2022 and for the 5th floor on 16 September 2022, seeking a reduction in the tone to be applied to the valuations. The Valuation Officer (VO) did not find the proposals to be well founded, and a Challenge decision was issued for each proposal on 15 May 2023 maintaining the existing entries in the rating list. Appeals against those decision notices were received by the Tribunal on 5 July 2023.

5. Mr Emmerton stated that he was appearing as Advocate for the respondent, presenting evidence prepared by a colleague.

6. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson* (VO) [2018] UKUT 0253 (LC), Mr Morrison declared that he was appearing for the appellant as Advocate and Expert Witness. He confirmed that his firm was instructed under a conditional or other success-based fee arrangement and that he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

7. I accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and is 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). It was therefore appropriate for me to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before me.

8. The subject hereditaments are offices located in a building constructed in 1959, with office accommodation over six floors. The VO originally recorded the building as being built between 1900-1918 but now accepted this was inaccurate. The subject building underwent a refurbishment in 2016-17 and the VO had valued the offices under scheme 435444 for "offices built 1990-present time, purpose built or of a similar standard to a property of this age", to reflect the improvements as a result of the works.

9. Both subject offices had been valued at £575/m^2 and the VO defended the existing valuations. The appellants' representative initially sought a reduction in the unit price to

£380/m^2 but, on appeal, revised the proposed valuations to £475/m^2. The facts and survey data for the properties was agreed and the only issue to be decided was the tone.

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

Relevant Law

11. The subject properties must be valued by the statutory assumptions set out in in Schedule 6 to the Local Government Finance Act 1988 as follows:

“(1) 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.”

12. The material date on which to consider the physical state of the hereditaments and their locality was 2 May 2017, when the entries were made in the rating list. The valuation date for the 2017 rating list is 1 April 2015, the antecedent valuation date (AVD).

Discussion

13. I had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, which provided guidance on the weight to be applied to different forms of evidence and firstly considered the rent passing on the subject properties. Both the 4th and 5th floors are under one lease, which commenced from 2019 at £196,367.50 per annum, according to the appellants’ representative. The VO submitted that the lease was for £184,345 per annum, agreed in 2017, and after adjustments this analysed to £173,505. The VO submitted that this rent analysed to £654.81/m^2, supporting the existing valuation. I found that this rent, whether dating from 2017 or 2019, was agreed too far from the AVD to be of assistance in establishing the rental value in April 2015 and, as the lease covered both floors, it would require adjustment to reflect the separate hereditaments. Therefore, I turned to examine the other rental evidence available and comparable properties presented by the parties.

14. The appellant’s submissions referenced a rent agreed on the 2nd floor of the subject building from December 2014, which Mr Morrison contended analysed to £275/m^2. The VO called the reliability of this rent into question as no Form of Return (FOR) was held to support this rent and no copy of the lease was provided upon request during the challenge discussions. The VO submitted that, if such a lease was agreed, it would reflect the property prior to the refurbishment and therefore was of little assistance when considering it on the material date

of 2 May 2017. When the 2nd floor entered the list following the refurbishment, it was valued at £575/m^2 along with the subject properties. In light of the queries over the 2014 rent and the fact it would be prior to the refurbishment, I placed little weight on that example.

15. The VO acknowledged that the assessment for Basement 33-34 Alfred Place was valued at £475/m^2 but submitted that this was on the understanding that it was not part of the refurbishment of the building. The VO had valued it on the assumption that it had no central heating, air conditioning, or raised floors but, following the challenge discussions on the subject properties and the appellants' representative's assertion that the basement was of equal quality to the upper floors, the valuation in the 2023 list for the basement had been amended to the same tone as the rest of the building. In light of the VO's submissions on this hereditament, I placed little weight on it to support the appellants' case for a reduction as the lower tone applied was based on an inferior office space and the 2017 list entry was not corrected only because the list was closed.

16. Basement to 6th floors Remax House, 31-32 Alfred Place was referred to by the VO as a rent agreed in September 2016 at £1,575,000. It was submitted that this analysed to £611.38/m^2, supporting the tone of £575/m^2 applied. The VO stated this property adjoins the subject building and was acquired and refurbished by the same developer. I found this example persuasive as the refurbishment would likely be comparable to the subject offices and it was an adjacent property. I noted that the assessment for Remax House covers multiple floors totalling 2,276m^2 ITMS, and is therefore far larger than the 4th and 5th floors combined (210m^2 and 65m^2 ITMS respectively) but the level of rent agreed in 2016 supported the existing tone.

17. The final rent referenced in evidence was that of 1st floor Whittington House, 19-30 Alfred Place. This office was subject to a lease from August 2014 at £493,625 per annum, which the VO submitted analysed to £627.64/m^2. I noted Mr Morrison's submissions that this is a 1980s built property with larger floor plates, demonstrated by the 1st floor assessment at 876m^2 ITMS but as this building is also in Alfred Place, close to the subject property, I found the rent to be reflective of the locality and close to the AVD.

18. I concluded that the rental evidence from close to the AVD of 1 April 2015 available in Alfred Place supported the tone applied of £575/m^2. The December 2014 rent on the 2nd floor was not demonstrated by the appellants and the VO had no FOR to verify the rent. The basement assessment at 33-34 Alfred Place had been valued on a lower standard of accommodation and corrected in the 2023 list. However, I concluded that the rents on Remax House and Whittington House supported the tone applied to the subject property.

19. Mr Morrison referred me to two examples of office assessments in the same scheme as the subject properties (435444) which had been valued at £475/m^2. These were 4th floor Bull House 114-118 Southampton Row, London and 1st floor rear Lynton House 7-12 Tavistock Square, London. I noted from the map in evidence that these two assessments were located further from the subject properties but still within the WC1 postcode area. Also referenced was 35-37 Alfred Place, sharing a party wall with the subject property according to Mr Morrison, valued at £425/m^2 under scheme 365706.

20. I noted the VO's submission that 35-37 Alfred Place is a former industrial premises converted to office use and dates from the early 1900s. Due to the difference in age, character, and scheme, I did not place weight on this example. However, the VO's evidence confirmed that Lynton House, 0.6 miles from the subject building, was built in the 1960s and was therefore of similar age to the subject properties. The VO contended that the reduction in Lynton

House was based purely on rents in the same building that supported a lower tone. I did not find the example in Lynton House persuasive as the tone in that building was supported by rents in that property and it was some distance from the subject property.

21. A similar distance from the subject property was 4th Floor Bull House, which the VO confirmed is a purpose-built office building dating from the mid-1960s. Much like the subject building, this property was refurbished in 2016-17. Mr Morrison submitted that this was initially valued at £575/m^2 but following an agreement in May 2020, it was reduced to £475/m^2. In the decision notice, the VO conceded that a reduction had been agreed on this property and there was no record of why it had been given. However, it was considered an error, and the list had been altered to restore the tone to £575/m^2. It was submitted that this tone was accepted when a challenge was withdrawn by another rating agent on the 1st floor assessment in the building. I found that the subsequent alterations to the valuation for 4th Floor Bull House undermined the agreement on which the appellant relied in this appeal.

22. After considering all the evidence presented, I satisfied that the existing valuations based on £575/m^2 were not unreasonable. The rents in Alfred Place analysed to a sum in excess of £575/m^2 and the examples of comparable properties relied upon by Mr Morrison were explained by the VO or the entries in the list had since been altered to a higher value. I was not persuaded there was sufficient evidence to support a reduction in these appeals.

Determination

23. In view of the above findings and conclusions, I am satisfied that the entries in the 2017 rating list are reasonable and the appeals are therefore dismissed.

Right of further appeal

24. 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.

25. 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/.

Mrs M J Cole, Senior Member (Presiding)

13 May 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 13 May 2025