VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2017 rating list appeal; Local Government Finance Act 1988; Price per m^2 in dispute; Lotus and Delta v Culverwell (VO) [1976] RA 141; Rental evidence; Comparable assessments; Appeal dismissed.

APPEAL NUMBER:	CHG100867961	
RE:	GND F 300-302 High Holborn, London WC1V 7JH	
BETWEEN:	PopUp Painting and Events Ltd	Appellant
	And	
	The Valuation Officer	Respondent
SITTING ON:	26 November 2024 (Remote Hearing number 3)	
BEFORE:	Mr Martin Smith	(Presiding Senior Member)
	Dr Sally Penni	(Senior Member)
CLERK:	Mr Duncan Adamson IRRV (Hons)	
APPEARANCES:	Ms Katie Breen of Hampton Lovett Consultant Surveyors Ltd	representing the appellant
	Chris Goodhand	of Corporate Commercial Surveyors, assisting the appellant.
	Mr Chris Cates	for the respondent

Summary of decision

1. Appeal dismissed. The base price of the appeal property was confirmed as £1,400/m^2 and the rateable value (RV) as £209,000 with effect from 1 April 2017.

Introduction

2. This 2017 rating list appeal had been brought in respect of the following: the appellant was the non-domestic ratepayer of the appeal property GND F 300-302 High Holborn, London WC1V 7JH.

3. The property had been entered in the 2017 rating list with an RV of £209,000 based on a rate of £1,400/m^2 with effect from 1 April 2017.

4. The challenge proposal was submitted by the appellant’s representative on 17 October 2022 to reduce the base price to £950/m^2 and therefore the RV to £142,000 with effect from 1 April 2017.

5. The VO issued a challenge decision notice on 20 July 2023 which stated that, based upon the evidence and information available, the rating list entry was reasonable and disagreed with the entry proposed.

6. On 25 November the respondent’s representative submitted new photographs of the appeal property which were emailed to the appellant’s representative and the tribunal panel. These were not new evidence.

7. The appeal property was situated in the ground floor of a nine storey building on a busy city centre street. It had heating and air conditioning facilities and was used as a shop and premises.

8. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.

Issue

9. The issue in dispute is the base price £/m^2 to be used in the appeal property’s rating assessment.

Evidence and submissions

10. The bundle comprised all of the documents exchanged between the parties as part of the challenge process including the appellant’s challenge submission, initial response to the challenge and the VO’s challenge case decision notice.

11. The appellant’s representative had stated that the appeal property was valued on a zoned basis and described as an office and premises, the same as the eight floors above it. She referred to the Lotus and Delta case but stated that there was only a peppercorn rent at the AVD which was not of any use in its assessment.

12. She submitted comparable properties within the same valuation scheme, 382954, to show that the current base rate of £1,400/m^2 was excessive. All of the properties were on High Holborn and located within half a mile of the appeal property and of a similar, if not better, quality.

13. She had made reference to CoStar, a provider of analytical information that collects rental information from willing tenants.

14. All of the leases on these properties had been signed very close to the beginning of the AVD year and therefore gave a clear representation of what the rental figure at the beginning of this rating period was. The mean average price per m^2 was £453.75/m^2, which, when applied to the appeal property, £453.75 x 301.30m^2 gave a rental figure of £136,715 which she believed was a more accurate figure to be used than the current rateable value.

15. The average size of the listed comparable properties was 211.14m^2, nearly 100m^2 smaller than the appeal property, with an average base rate of £1,003/m^2.

In her opinion, if quantum were to be applied £950/m^2 is justifiable and in line with the base prices. This would give a new rateable value of £142,000 with effect from 1 April 2017.

16. The VO's representative stated that the appellant's representative had only submitted properties she considered comparable to the appeal property but there was no rental evidence included. This was not in line with the Lotus v Delta case.

17. He submitted that they were not valued within the same assessment matrix or scale of the appeal property and were therefore poor evidence. These were 3 - 4 Lincoln Inn Fields, 8 - 9 High Holborn, 24 – 28 High Holborn, 34 High Holborn, 34 - 36 Gray's Inn Road, 35 High Holborn, 300 High Holborn and 14 - 22 Gray's Inn Road.

18. There was also no valid comparison between the floors of the whole of the property as the use of the ground floor was different to those above.

19. Further, that although the appellant's representative had submitted other properties that were in the same matrix he felt that there were other better comparables and made reference to Gnd Flr Celcon House 289 – 293 High Holborn, Gnd Flr Front W & Rear 296 – 298 High Holborn, Gnd Floor, Northumberland House, 303 – 306 High Holborn, Gnd Flr 307 – 308 High Holborn, Gnd Flr 314 High Holborn, Gnd Flr 315 High Holborn and 319 and 320 High Holborn.

20. He had also made reference to a Group Pre-Challenge Review (GPCR) in respect of properties in High Holborn and stated that the VO did make some adjustments but that £1,400/m^2 for the appeal property was justified.

21. He also argued that the appellant's comparables were poor and did not support a reduction in the base price.

Decision and reasons

22. The panel referred to the Local Government Finance Act 1988 in respect of the definition of rateable value in paragraph 2(1), Schedule 6 to the Act (as amended). The rateable value of any hereditament is to be taken to be the amount, determined in accordance with the statutory assumptions, equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year, on 1 April 2015 the "antecedent valuation date" (AVD). The material day for this appeal was 1 April 2017.

23. The panel was aware that the leading judgment in non-domestic rating assessments was *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 however, the panel noted that both parties had disregarded the rent on the appeal property and therefore gave this evidence little weight.

24. The panel noted the comparable properties submitted by the appellant but found that some were in a different mode and category, some were on different floor levels and did not provide as suitable comparators to support a reduction in the base rice of £1,400/m^2. The panel found that the property at 280 High Holborn was the closest in size to the appeal property but was valued at £1,600/m^2, more than the appeal property.

25. The panel noted that the respondent had stated that High Holborn had been subject to a Group Pre-Challenge Review by the valuation office and zone A for properties of this retail type was confirmed as £1,400/m^2. The panel found this to be helpful and also noted that none of the appellant's comparables were retail properties.

26. The panel made reference to the list of properties submitted by the respondent's representative and found that they were in the same parade and located close to the appeal property. They were valued on a zoned basis and the zone A rate was £1,400/m^2 and this supported the rate on the appeal property.

27. The panel was aware that in cases such as these the onus was on the appellant to demonstrate that the rating list was unreasonable with relevant evidence, however, the panel found that the appellant had not made her case and dismissed the appeal.

Date issued to parties: 20 December 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.