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

Case No: CHG100885188

Sitting remotely using Microsoft Teams

Date: 10 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Offices and premises — Rental evidence — Assessment evidence — Appeal dismissed.

Before:
MR AMRAN HUSSAIN
MS TM BLADES

Between:

EL AL ISRAEL AIRLINES LIMITED (REPRESENTED BY RYAN PROPERTY TAX SERVICES UK LIMITED) — **Appellant**

- and -

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

Regarding:
GND FL LEFT BLACKBURN HOUSE, BLACKBURN ROAD, LONDON, NW6 1RZ
(the "subject property")

Mr J Fitzsimmons for the Appellant
Mrs R Axup for the Respondent

Hearing date: 7 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel confirmed the rateable value (RV) of the subject property at £110,000 with effect from 1 February 2019.

Introduction

3. This was a 2017 rating list appeal. The subject property had been entered in the 2017 rating list as “Office and Premises” at an RV of £115,000 with effect from 1 February 2019. This was based on an unadjusted base rate of £300 per square meter (psm) plus a 10% uplift for air conditioning.

4. The challenge proposal was submitted by Ryan Property Tax Services UK Limited on behalf of EL AL Israel Airlines and was received by the Valuation Officer (VO) on 5 December 2022. It had been made on the grounds that the RV shown in the 2017 rating list was wrong and proposed a revised RV of £77,258 based on an unadjusted base rate of £220 psm.

5. Following the exchange of evidence and discussions throughout the challenge period, the VO revised her decision and reduced the RV to £110,000 with effect from 1 February 2019, due to a 5% allowance being applied for the layout, location, and mixed use of the subject property. A challenge case decision notice was issued on 24 March 2023 to this effect.

6. At the hearing Mr Fitzsimmons was originally seeking a reduction to £73,000 RV which was based on £220 psm and included the 5% end allowance. Through questioning Mr Fitzsimmons confirmed that £220 psm was the unadjusted base rate as stated in paragraph 1.3 of his evidence statement. He did not dispute that there was air conditioning at the subject property and agreed with the uplift of 10% and that this had not been included in his valuation. He accepted that this would alter the RV that he was requesting, still calculated on an unadjusted base rate of £220 psm.

7. Mr Fitzsimmons 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 Fitzsimmons declared that he was instructed under a conditional fee arrangement.

8. Mr Fitzsimmons understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

9. The Tribunal Panel accepted this expert witness evidence on the above basis as the appeal was not 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 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).

10. The Panel therefore considered the expert evidence and attached such weight to it as it saw fit.

11. Mrs Axup was appearing for the respondent as advocate only.

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

Background

13. The subject property was an office located on the ground floor of a nine-story mixed use building. It was located in West Hampstead and had a total area of 390.19m^2

Relevant Law

The Local Government Finance Act 1988

14. Schedule 6 of the Act provides that:

    2(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.

15. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015.

16. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 1 February 2019.

Discussion

17. The leading judgment of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141, set out six propositions to be followed when considering the weighting of evidence:

    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 was 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 differing types of evidence depending on the one hand 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.

18. Mr Fitzsimmons argued that as the 2017 list was closed, more weight should be given to settlement evidence. He had provided evidence of the neighbouring hereditament which had been reduced to £220 psm. This comparable property was part of the same building at Gnd Flr Right Blackburn House. The subject property lease was a sublet from the headlease which Mr Fitzsimmons stated was the reason behind the reduction in base rate to £220 psm. It was Mr Fitzsimmons' contention that the settlement of Gnd Flr Right demonstrated a settled tone in the area.

19. The panel heard from Mr Fitzsimmons that there was no element of quantum in either the valuation scheme the subject property was in, or that of Gnd Flr Right, however Gnd Flr Right had a total area of 1,529.74m^2. He stated that in the 2010 rating list both assessments were valued at £270 psm.

20. Mrs Axup relied on the rent of the subject property which was a new letting with effect from 2 February 2015 for a term of nine years and seven months on full repair and insurance terms. She had analysed the rent to £308.63 psm which was inclusive of an 8% uplift for office fitout. Since the appeal had been made, an agreement had been made between the VOA and rating agents in relation to the figure to be used for office fitouts in London, which was £25 psm. Mrs Axup also provided the analysis of the rent using the £25 psm instead of 8% and this analysed to £310.77 psm.

21. The panel considered the arguments and evidence from both parties. It placed no weight on the fact that the subject property was in the 2010 rating list at the same rate as the comparable assessment. Each list has a different AVD and the panel was aware that the rental evidence for the 2017 list was not available and would also not have been relevant for the 2010 list where the AVD to consider rental levels was 1 April 2008.

22. The panel considered Mr Fitzsimmons argument that as the 2017 rating list was now closed, settlements held more weight. The panel noted the first and final propositions set out in the Lotus & Delta judgment. Where there was a rent on the subject property, this would be the starting point, and where there were no rents of comparable properties, other assessments may be helpful but it would be difficult to reject the actual rent.

23. The panel found that Mr Fitzsimmons had not demonstrated a tone in the locality for similar properties to the subject. The panel accepted that the subject property was the same age and in the same location as the neighbouring Gnd Flr Right, however it did not find it to be truly comparable due to the difference in size. Gnd Flr Right was almost four times the size of the subject property. Sufficient evidence had not been provided of other comparable assessments

to show that there was no quantum, and it was the panel's opinion that the settlement of one other assessment in the rating list did not demonstrate a tone in the locality.

24. The panel placed the most weight on the subject rent which was agreed only two months pre-AVD, was a new letting and had been analysed to £308.63 psm and £310.77. The panel found that based on this rent, the RV was not unreasonable, and the evidence provided by Mr Fitzsimmons did not demonstrate otherwise.

Determination

25. In view of the above findings and conclusions, the Tribunal Panel is satisfied that the RV of £110,000 with effect from 1 February 2019 was reasonable. Therefore, the appeal was dismissed.

Right of further appeal

26. 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.

27. 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/.

Mr Amran Hussain, Senior Member (Presiding)

Ms TM Blades, Senior Member

10 September 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 10 September 2025