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

Case No: CHG100997485

Sitting remotely using Microsoft Teams

Date: 31 October 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2017 Rating List; Local Government Finance Act 1988; Office and Premises; Accuracy of compiled list entry; rental evidence; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal allowed in part.

Before:
MR PJ WARD
MR A IQBAL

Between:

BEDS AND BARS — **Appellant**

- and -

Andrew Mouland
(VALUATION OFFICER) — **Respondent**

Regarding:
PART FIRST AND SECOND FLOORS, OVERLORD HOUSE, 1D COLET GARDENS, LONDON, W14 9DH
(the "subject property")

Mr A Brooke of Dunlop Heywood representing the Appellant
Mr J Bean representing the Respondent

Hearing date: 28 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal finds a tone of value of £300.00 per m² for the subject hereditament was reasonable and confirmed the rateable value (RV) at £69,500 with effect from 1 April 2017.

Introduction

3. This was a 2017 Rating List appeal. The subject property had been entered in the 2017 rating list as 'Offices and Premises' at a RV of £83,000 with effect from 1 April 2017.

4. The challenge proposal was submitted by Dunlop Heywood on behalf of the Appellant and was received by the Valuation Officer (VO) on 24 March 2023. A reduction in the RV to £60,000 with effect from 1 April 2017 was sought by the Appellant.

5. The VO issued a challenge case decision notice on 14 June 2024, which stated that based upon the evidence and information available, the rating list entry of £83,000 was considered reasonable.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received by the Tribunal on 5 August 2024.

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

Background

8. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included rental evidence and its analysis, the parties' skeleton arguments, expert witness statements and location maps and photographs of the subject premises and other comparable offices.

9. The subject property comprises office space of 266.60m^2 located on the first and second floors of Overlord House, a purpose built office building constructed in 1983.

10. The Appellant considered that the best indication of the correct RV for the subject property was the rent passing on the subject property of £60,000 per annum (pa) effective 11 September 2014. The Respondent considered that the subject rent held little weight, and that the current RV of £83,000 was supported by the rents agreed on comparable offices in the locality.

Relevant Law

11. The term 'rateable value' is defined in paragraph 2(1), Schedule 6 to the Local Government Finance Act 1988 (as amended):

“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. 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.

13. 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 April 2017.

14. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO)and Leicester City Council* 1976, as referred to by the Respondent. This case had established six propositions, which gave clear guidance to be followed when assessing rateable value, namely:

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 agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of Gross Value in section 19(6) of the General Rate Act 1976 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 value of the appeal hereditament, the weight to be attributed to the differing types of evidence depending on the one hand on 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.'

Discussion

15. The panel was aware that, following the propositions set out above, the rent on the subject property should be a starting point, followed by those on similar properties. The subject property had been let on a new ten-year lease from 11 September 2009 with rent of £50,000 payable for the first year and £60,000 pa for the remaining years. The lease contained a review at year five and this was agreed at £60,000 pa for the remaining term from 11 September 2014. The Appellant considered that the rent review, just over six months prior to the AVD was the strongest evidence and supported a reduced RV of £60,000.

16. The Respondent considered that the rent review held less weight than either a new letting or a lease renewal, it was agreed too far from the AVD, and it was also based on a 'stepped rent' and due to these factors should be given low weight. The panel did not consider that the new letting in 2009 was a stepped rent as described by the Respondent, as it was only a lower amount for the first year. The panel did not consider that this factor would affect the weight it should attribute to the rent review and determined that this rent should be given moderate weight and be a starting point as proposed in *Lotus.*

17. The Appellant had relied solely on the subject rent and had provided no rental or assessment evidence for comparable offices in the locality.

18. The Respondent referred to rental evidence for four offices which he considered supported the current RV of the subject property. Three of these were located in Lincoln House, 137 to 143 Hammersmith Road, London W14 0QL. Part Gnd Floor was a new letting in August 2014 which he had analysed at £347.46 per m^2; Part 2nd Floor was a new letting in November 2014 analysed at £609.47 per m^2 and 1st & Part 2nd Floor was a new letting in February 2015 analysed at £383.89 per m^2. The Respondent's other comparable property was 1st Floor, 72 Hammersmith Road, W14 8UD which was a rent review (upward only) in December 2014 and was analysed at £618.05 per m^2. The Respondent considered that the rents on Part 2nd Floor, Lincoln House and 1st Floor, 72 Hammersmith Road appeared to be outlying transactions and should be given low weight, and that the highest weight should be given to the rent for 1st & Part 2nd Floor, Lincoln House which was for a new lease agreed two months before the AVD.

19. The Appellant did not consider that 72 Hammersmith Road and Lincoln House were comparable to the subject building, which was located above a public house, and had its entrance on Colet Road. The Respondent's comparable properties were in the Appellant's opinion of superior quality to the subject property, with Lincoln House having been recently refurbished at the time of the lettings, and in addition offices in Lincoln House benefited from the following features not enjoyed by the subject property;

- Air Conditioning
- Secure parking
- Bicycle Storage and shower
- Entrance lobby with concierge
- Raised floors
- Lifts to all floors

- Modern lighting

20. The panel was satisfied that the Respondent's comparable properties were in a similar locality to the subject property, on the same stretch of Hammersmith Road, populated mainly by purpose-built offices. However, it noted from the photographs provided in the Appellant's bundle that the subject property did not have raised floors and its entrance was much less prominent that of Lincoln House and 72 Hammersmith Road. It considered that 72 Hammersmith Road was more modern and of vastly superior quality than the subject property. Offices in both of the Respondent's properties had been assessed at £360.00 per m^2 compared with £324.00 per m^2 for the subject property, which the panel considered indicated that the Respondent acknowledged their superior quality. The panel was of the opinion that the difference in values applied did not fully reflect the differential in quality and the current rate of £324.00 per m^2 was therefore excessive.

21. The Appellant had analysed the rent on the subject property from 11 September 2014 to be £260.00 per m^2, based on a relativity of 0.9 for the area on the first floor and 0.855 for the area on the second floor. Giving this rent moderate weight, and taking a stand back and look approach at the other rental evidence in the locality for offices of superior quality, the panel considered that a rate of £300.00 per m^2 was reasonable, resulting in an RV of £69,500 as per the valuation set out below.

Floor	Desc	Area m^2	Relativity	£/m^2	Value £
Second	Offices	174.17	0.855	256.50	£44,674.61
Second	Store	5.46	0.855	256.50	£1,400.49
First	Office	86.97	0.9	270.00	£23,481.90
Total Area		266.6			
Total					£69,557.00
				Say	£69,500.00

Determination

22. In view of the above findings and conclusions the panel determined that the RV of the subject property should be altered to £69,500 with effect from 1 April 2017. The appeal is therefore allowed in part.

23. In accordance with regulations 38(4) and 38(9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to alter the rating list within two weeks of the date of this order to show the entry for the subject property to be £69,500 with effect from 1 April 2017.

24. The ratepayer is also entitled to a refund in full of the fees paid in accordance with regulation 13E (1)(a) of the Non-Domestic Rating (Alteration of Lists and Appeals)(England) Regulations 2009. The refund will take around six weeks to process.

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/.

Mr PJ Ward, Senior Member (Presiding)
Mr A Iqbal, Senior Member

31 October 2025

James Massey
Clerk to the Tribunal
Date issued to the parties: 31 October 2025