



## VALUATION TRIBUNAL FOR ENGLAND

*2017 Rating List; Office and premises; Compiled List Entry; Price per square metre; Rental evidence/assessment of comparable properties; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeals allowed in part.*

APPEAL NUMBER: See attached schedule

RE: Various Offices at 100 Liverpool Street London EC2M 2AT  
(the “appeal properties”)

|          |                                      |            |
|----------|--------------------------------------|------------|
| BETWEEN: | British Land T/A Storey              | Appellant  |
|          | and                                  |            |
|          | Mr A Ricketts<br>(Valuation Officer) | Respondent |

SITTING: *remotely using Microsoft Teams*

ON: Monday 3 March 2025

BEFORE: Mr GD Coombes (Presiding Senior Member)  
Mrs AE Fielder (Senior Member)

CLERK: Miss K Hendry

APPEARANCES: Mr B Bowles of Knight Frank (Appellant’s Representative)  
Mr N Green (Respondent’s Representative)

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## DECISION AND STATEMENT OF REASONS

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### Decision

1. The appeals were allowed in part.
2. The panel confirmed the basis of value should be reduced from £600/m<sup>2</sup> to £550/m<sup>2</sup>.
3. Regarding CHG101058665 - PART 1ST FLR 100, LIVERPOOL STREET, LONDON, EC2M 2AT, the panel determined that an allowance of 15% for lack of natural light and 5% for poor access should be applied.

## Introduction

4. The challenge proposals were submitted by the appellant's representative and received by the Valuation Officer (VO) on 5 May 2023. They had been made on the grounds that the Rateable Value (RV) shown in the 2017 rating list was inaccurate. Revised RVs were proposed based upon a reduced basis of value from £600/m<sup>2</sup> to £515/m<sup>2</sup>.
5. The appellant's representative was also seeking an allowance of 20% for no natural light and 5% for poor access with regards to appeal CHG101058665 - PT 1ST FLR 100, LIVERPOOL STREET, LONDON, EC2M 2AT.
6. The VO issued a challenge case decision notice on 28 February 2024 which disagreed with the proposed alterations of the list and stated that the rating list entry was reasonable based on the evidence and information available.
7. 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.
8. Mr Bowles 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), he confirmed that he was instructed 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.
9. The 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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.
10. Mr Green appeared before the Tribunal as advocate only.
11. This statement of reasons is not and does not purport to be a full verbatim record of the proceedings.

## Background

12. The appeal property was located on the southern end of the Broadgate Estate which was situated at the junction of Liverpool Street, Sun Street Passage and Broadgate Circle. It was directly adjacent to Liverpool Street Station in the City of London, with access to the Elizabeth line. Situated in close proximity to Moorgate, Spitafield and Shoreditch.
13. The building was redeveloped by the appellant in 2020 to provide commercial office and retail accommodation. The structural frame of the existing building designed by Arup built in 1988 was retained. It is a multi-tenanted building. The appellant occupies the part first floor and second floor. The appellant provides offices for growing businesses as well as larger organisations seeking space on two to three year leases.

14. The appeal property measured 500,000sq ft and had 12 floors. It benefited from the following specification:
- Dual entrances to Liverpool Street and Liverpool Street Station
  - 2.8 – 3.4m ceiling heights
  - 200mm fully accessible raised floors
  - BREAM outstanding
  - Central feature staircase
  - Air conditioning – High Fresh Air volume
  - Six x 24 person passenger lifts
15. The issue between the parties is whether the appeal property should be valued at a main space rate of £600/m<sup>2</sup> as submitted by the VO or a main space rate of £515/m<sup>2</sup> as the appellants representative submitted.

### Relevant Law

16. The subject property must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 of the Local Government Finance Act 1988).
17. The panel was aware of the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 cited by the parties. This case had established six propositions, which gave clear guidance to be followed, 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 s.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.'

18. 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 1992/556) as amended.

## Discussion

19. The appellant's representative stated that the offices were leased on an all-inclusive basis by the appellant. The rents include items such as business rates, service charge, fitting out costs, furniture and access to some services such as break out areas and meeting rooms. Therefore, the leases do not conform to the hypothetical tenancy due to the number of adjustments required to be made and the distance away from the AVD.
20. Mr Bowles stated that the appeal property had been valued at £600/m<sup>2</sup> which was the highest level of value applied to an office building within the City of London. The only other buildings that had been valued at that level were office towers consisting of over 15 floors in height, such as The Leadenhall Building at 122 Leadenhall valued at £575/m<sup>2</sup>. Tower offices command a premium over low-rise office buildings due to the views across the capital.
21. In order to support a lower value, Mr Bowles referred to rents, averaged at £520/m<sup>2</sup>, on similar properties as follows:
  - a) 30 Gresham Street – newly built in 2003 with an average rent value of £470/m<sup>2</sup>.
  - b) 100 Cheapside – newly built in 2014 with an average rent value of £514/m<sup>2</sup>.
  - c) 1 Aldermanbury Square – built in 1991 and redeveloped in 2014 with an average rent value of £450/m<sup>2</sup>.
  - d) 5 Aldermanbury Square – newly built in 2007 with an average rent value of £471/m<sup>2</sup>.
  - e) 201 Bishopsgate - newly built in 2008 with an average rent value of £414/m<sup>2</sup>.
  - f) 2 London Wall Place – newly built in 2017 with an average rent value of £520/m<sup>2</sup>.
22. 2 London Wall Place also had appeals outstanding to challenge the basic value of £575/m<sup>2</sup>.
23. He also referred to comparable assessments of other properties which had been agreed in the 2017 rating list:
  - a) 5 Broadgate. This had been agreed at £515/m<sup>2</sup> and was situated 100 meters north of the appeal property on the Broadgate Estate. It was complete in 2016 and was famous for its football pitch size floors. It was a 13 storey office building providing over 700,000sq ft of new space.
  - b) Ropemaker Place, 25 Ropemaker Street. This had a value agreed at £515/m<sup>2</sup>. It was situated 400 meters west of the appeal property. It was a 20 storey office building developed in 2009 of 601,260sq ft of offices and 34,169sq ft of retail and ancillary accommodation.
  - c) 30 Gresham Street. This had a value agreed at £505/m<sup>2</sup> reduced from £575/m<sup>2</sup>. It was located approximately 500 meters southwest of the appeal property. It was constructed in 2003 and provided a total of 36,000m<sup>2</sup> of office accommodation over basement, lower ground, ground and eight upper storeys. There was also 1,1383m<sup>2</sup> of

retail arranged in three units over the part lower ground, ground and first floors. It also benefitted from a double height reception from the Gresham Street entrance.

- d) 20 Gresham Street. This had a value agreed at £535/m<sup>2</sup> reduced from £575/m<sup>2</sup>. It was located approximately 500 meters southwest of the appeal property. It was constructed in 2008 and consisted of basement to seven floors. It also benefitted from a double height reception

- 24. Mr Bowles argued that the best comparable was 5 Broadgate as it was the closest, consisted of 13 floors and was only slightly larger and was finished to a high specification in 2016, close to the AVD. He stated that the two buildings in Gresham Street were considered to be in a much better location, more central city, although they were older.
- 25. In response Mr Green referred to 125 Wood Street as a starting point. It measured 3,615m<sup>2</sup>. It was a new letting for £2,152,484 in May 2015 for a ten year term, which analysed to £545/m<sup>2</sup>, adding £25/m<sup>2</sup> uplift for fit out equated to a starting point of £570/m<sup>2</sup>. Given that the appeal property was more modern, it would be let at a higher value and therefore supported £600/m<sup>2</sup>. He argued that 5 Broadgate, 25 Ropemaker Street, 20 Gresham Street and 30 Gresham Street were older and therefore worth less.

#### Part 1<sup>st</sup> Floor, 100 Liverpool Street – CHG101058665

- 26. Mr Bowles argued that a 20% allowance for lack of natural light and 5% allowance for poor access should be granted for Part 1<sup>st</sup> Floor as it could not be used as an office and should not be valued on the same rate as the offices within the building.
- 27. He explained that Part 1<sup>st</sup> Floor sat above the ground floor retail space and was originally designed as retail storage. As the retailers did not want this space it was retained by the landlord. To access this space, you had to go up the second floor via the lifts or escalators and then descend down a floor via a staircase. As it could only be accessed via a staircase, it had no disabled access. Mr Bowles stated that normally a 5% standard adjustment was given for second floors without a lift.
- 28. He also sought a 20% allowance for this area due to lack of natural light which meant that it could not be let to a normal office tenant and was therefore limited in its use. The space had been utilised as an auditorium / meeting room. It was not specifically designed for this use and did not have the benefit of a sloping floor. Mr Bowles stated that normally the VO would value ground floor offices with limited natural light at 75% and basement offices with no natural light at 50%. He therefore considered a 20% allowance for this property to be reasonable.
- 29. In support of the allowances Mr Bowles referred to other properties in the locality where a discount had been given.
  - a) 3<sup>rd</sup> Floor, The Broadgate Tower, 20 Primrose Street. This had been granted a 15% allowance for a permanent disadvantage which included poor natural light due to structural pillars on the floor plate. It also sat beneath the canopy which connected Broadgate Tower with the building next door.
  - b) LG08 A, LG08 B, LG08 C at Warnford Court, 29 Throgmorton Street, London had all been given a 20% allowance due to issues with natural light.

c) Grd Flr 7, Luke Street, London had been given an allowance of 12.5%

30. In response to this Mr Green argued that the auditorium benefitted from raised floors and had access to a lift, albeit a goods lift and did not feel any allowances were warranted.
31. Having regard to the evidence presented, the panel concluded that the basic rate adopted by the VO of £600/m<sup>2</sup> was excessive and should be reduced to £550/m<sup>2</sup>. The panel did not agree that the appeal property should be valued higher than office tower buildings which had been agreed at £575/m<sup>2</sup>. The panel held that the best evidence was the comparable property of 5 Broadgate which was situated within close proximity to the appeal property. Whilst 5 Broadgate had been agreed at a reduced rate of £515/m<sup>2</sup>, the panel held that the appeal property was located in a better position closer to Liverpool Station and was of slightly better specification. The panel applied lesser weight to Ropemaker Place as it was taller and older than the appeal property. Whilst Gresham Street was described as a better more city centre location, these two properties were the oldest having been built in 2003 and 2008. As 20 Gresham Street had an agreed value of £535/m<sup>2</sup>, the panel concluded that £550/m<sup>2</sup> was reasonable for the appeal property given its newer much more modern specification.
32. Turning to the allowances, the panel confirmed that 5% should be granted for lack of access as the Part 1<sup>st</sup> Floor could only be accessed via descending from the second floor down to the first. Whilst the VO had stated there was a goods lift, this was not to be accessible as the storage was originally designed for retail storage, the lift access would be accessible from the ground floor in the retail space and therefore not accessible to all. In terms of the lack of natural light, the panel did not consider it to be more disadvantaged than 3<sup>rd</sup> Floor, The Broadgate Tower in which a 15% allowance had been given for a pillar in the middle of the floor space directly in front of a window which blocked the light. The appellant had been able to repurpose the space as a meeting room / auditorium, and whilst it was not designed specifically for that purpose, the panel felt that a 15% allowance was reasonable as the space should not be valued the same as offices.

### **Disposal**

33. The panel therefore allowed the appeal in part to confirm a revised rate of £550/m<sup>2</sup>. For Part 1<sup>st</sup> Floor the panel confirmed a 5% allowance for access and 15% allowance for lack of natural light.

### **Order**

34. As a consequence of the above decision, the VO is ordered to reduce the 2017 Rating List entry entries in accordance with the schedule below within two weeks of the date of this order.

### **Refund of appeal fee**

35. As the ground of the appeals have been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

**Date issued to parties:** 26 March 2025

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### **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.

Schedule of appeals:

| Appeal Number | Address                                                  | Effective Date | Revised RV |
|---------------|----------------------------------------------------------|----------------|------------|
| CHG101058562  | Office A 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 28/04/2022     | £299,000   |
| CHG101058565  | Office B 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 10/01/2022     | £253,000   |
| CHG101058570  | Office C 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 01/03/2022     | £121,500   |
| CHG101058580  | Office D 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 28/02/2022     | £83,500    |
| CHG101058585  | Office E 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 01/12/2022     | £128,500   |
| CHG101058589  | Office F 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 06/09/2021     | £193,000   |
| CHG101058587  | Office G & H 2nd Flr 100, Liverpool St, London, EC2M 2AT | 19/07/2021     | £181,000   |
| CHG101058604  | Office I 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 21/06/2021     | £81,500    |
| CHG101058609  | Office J 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 21/06/2021     | £79,000    |
| CHG101058616  | Office K 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 09/09/2021     | £98,500    |
| CHG101058620  | Office L 2nd Flr 100, Liverpool Street, London, EC2M 2AT | 09/09/2021     | £159,000   |
| CHG101058625  | Lounge 2nd Flr 100, Liverpool Street, London, EC2M 2AT   | 21/06/2021     | £113,000   |
| CHG101058662  | Storey Club 2nd Flr 100, Liverpool St, London, EC2M 2AT  | 21/06/2021     | £90,000    |
| CHG101058665  | Pt 1st Flr 100, Liverpool Street, London, EC2M 2AT       | 21/06/2021     |            |
|               | Allowance 5% Access                                      |                |            |
|               | Allowance 15% Natural light                              |                | £102,000   |