VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Local Government Finance Act 1988; offices and premises; rental evidence close to the valuation date; appeal against the accuracy of the rateable value for the hereditament; appeal dismissed.

APPEAL NUMBER:	CHG101051214 CHG101060618	
RE:	2ND FLR,MORGAN HOUSE,WINDSOR,SL4 1EP 3RD FLR,MORGAN HOUSE,WINDSOR, SL4 1EP (the “subject properties”)	
BETWEEN:	Record Group Services Limited	Appellant
	and	
	(Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	30 January 2025	
BEFORE:	Mrs N Carman, Presiding Senior Member Mr A Sheth, Senior Member	
CLERK:	Miss N Shepherd IRRV (Hons)	
APPEARANCES:	Mr A Hair of Ryan Property Tax Services UK Ltd, on behalf of the appellant Mr J Reene, on behalf of the respondent	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals are dismissed.

2. The panel made no change to the rating list entries in respect of the subject properties.

Introduction

3. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal has been made to this Tribunal on the grounds that the rateable value (RV) for the appeal property was not reasonable.

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

Background

5. The subject properties were on the second and third floors of a purpose-built office building, constructed in 1990. The building was located within the centre of Windsor, within ten minutes' walk of the town's main shopping streets and Windsor and Eton Central station. 2nd Floor Morgan House measured 817m^2 and 3rd Floor Morgan House measured 414m^2.

6, The Ratable Value (RV) for 2nd Floor Morgan House was with effect from 1 April 2017 £216,000 and for 3rd Floor Morgan House was with effect from 1 April 2017 £109,000. This was based on an unadjusted rate of £265/m2 at both hereditaments.

7. The appellant's representative was seeking a reduction to £183,000 RV for 2nd Floor Morgan House and £93,000 for 3rd Floor Morgan House based on an unadjusted rate of £225/m2.

8. The evidence submission before the panel comprised all the evidence disclosed and exchanged during challenge which included rental evidence and its analysis, and comparable assessment evidence. Prior to the hearing, both parties requested that further photographs be admitted. Neither party had any objection to their inclusion.

9. Mr Hair, as representative for the appellant, appeared in a dual role of advocate and expert witness. He stated that he was being paid on a contingency fee basis but was aware that in giving expert evidence his responsibility was to the Tribunal.

10. The dual role is allowable in this Tribunal's proceedings having regard to the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009) (regulation 3 (Discharge of VTE functions – general) and rules regarding admissibility of evidence (regulation 17(2)(a)). However, it was necessary to consider the "expert" evidence and assess what weight, if any, to give it in the context of the matters in issue.

11. Mr Reene for the valuation officer, appeared in the role of advocate and expert witness.

Relevant Law

12. The term "rateable value" was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant being responsible for all rates, taxes, repairs and insurance. In respect of all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires the rental levels to be taken on 1 April 2015, the antecedent valuation date (AVD).

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.

Discussion

14. In the case under consideration, the panel analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141.

15. The starting point for consideration was the actual rent passing on the subject hereditament. According to the Valuation Officer's records, the rent passing at 2nd Floor Migan House was was £338,403 per annum effective from 1 September 2016. Taking into account fit out costs, and a three-month rent-free period this had been analysed to £415.48/m2, which was significantly more than the current unadjusted rate of £265/m2. Mr Hair submitted that limited weight should be applied to this rental evidence as it was not a clean rental transaction due to the ratepayer having occupied the subject property since the early 2000's. However, the panel noted that no details of the lease had been supplied within the appellant's submission.

16. Mr Hair referred to several offices and premises located within Windsor which he considered were of a similar specification to the subject properties and where agreements had been made with the Valuation Officer resulting in the unadjusted rate being reduced to £225/m2. He did not understand why the assessment of the subject property had not been reduced in line with these properties, as the agreement demonstrated a tone for similar offices and premises within the locality of the subject properties.

17. The panel had regard to the comparable properties referred to by Mr Hair, first addressing 2nd Floor Minton Place which measured 1244.8m^2. The panel noted that the respondent had provided rental details in respect of this property with a new lease commencing with effect from 16 July 2014 for an amount of £172,992 per annum which had been analysed to £196.78/m2. The panel noted that this rental amount was significantly lower than that at 2nd Floor Migan House.

18. The panel considered this property to be useful in terms of the proximity in terms of lease start date to the AVD, however noted it was significantly larger than the subject properties and therefore quantum may have been a factor in this assessment. Furthermore, having regard to the photographs of Minton Place provided the panel noted that this was situated above commercial and retail space and was not as attractive externally as Morgan House. Taking these factors into account the panel did not consider that this property supported the subject properties having the same unadjusted rate.

19. Rental evidence had also been provided by the respondent in respect of York House, which had also been referred to by Mr Hair in supporting a reduction to £225/m2 for the subject properties. This had a new lease of £164,000 per annum commencing with effect from 1 July 2019. Whilst the panel noted this rental figure was less than that of 2nd Floor Migan House, it found the date of this lease to be too far removed from the AVD to be of any assistance.

20. York House measured 632m^2. Having regard to the photographs provided the panel considered this to be the most comparable of the properties referred to by Mr Hair to the

subject properties, however noted that it was situated further from Windsor Town Centre. Mr Renee contended that whilst York House did have renovations undertaken on its facade, it remained dated inside, whereas at the subject properties there had been significant tenant fit out costs, meaning the subject properties were of a far superior standard. This therefore resulted in a higher unadjusted rate.

21. The final two properties Mr Hair referred to were Crown House which measured 1090.39m^2 and 71-73 Victoria Street which measured 315.5m^2. Comparing photographs of these two properties with the subject properties, the panel considered that these properties did appear to be not as prominent architecturally as Morgan House and did not appear to be of the same specification externally. This was further demonstrated by the fact that allowances had been applied at these properties to reflect age, dated fit out and lack of raised floors.

22. The Valuation Officer had provided rental details in respect of Assurant House and 2-4 Victoria Street in support of the current unadjusted rate of £265m^2 at the subject properties. Assurant House measured 1099.88m^2 and had a lease renewal commencing with effect from 1 May 2018 at £399,000 per annum. 2- 4 Victoria Street measured 1133.90m^2 and had a lease renewal commencing with effect from 19 January 2012 at £355,740 per annum and a subsequent rent review on 1 January 2017 with the rent increasing to £417,500 per annum. Both of these properties had an unadjusted rate of £260/m2.

23. The panel considered these rental details useful as they were of a more similar figure of that at the subject property, compared to those presented by Mr Hair, However, it found the date of the rental details to be too far removed from the AVD and as such attached little weight to them. The panel did however consider that these two properties to be good tonal evidence. The panel noted that these properties were lightly larger than the subject properties and that when taking into account a factor for quantum, the unadjusted rate of £260/m2 at these properties did support that of £265/m2 at the subject properties.

24. The panel ultimately applied little weight to the comparable properties provided by Mr Hair. It considered that it had not been persuaded that these were of a quality attributable to the subject properties. It attached most weight to the rental evidence of 2nd Floor Minton Place, along with the assessments of Assurant House and 2-4 Victoria Street, which it considered supported the current unadjusted rate of £265/m2.

Disposal

25. Having regard to the evidence, the panel determined that the tone of value for the main space at the properties was fair and reasonable at £265/m2 . The RV for 2nd Floor Morgan House was therefore confirmed at £216,000 and for 3rd Floor Morgan House at £109,000, with effect from 1 April 2017.

26. In view of the foregoing, the appeals were therefore dismissed.

Date issued to parties: 1 March 2025

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.