VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal; Offices and premises; Compiled List Entry; Price per square metre; Rental evidence; Evidence/assessment of comparable properties; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal dismissed.

APPEAL NUMBER:	CHG101073098	
RE:	Gnd Flr Lhs Kings Gate 1, Grenfell Road, Maidenhead SL6 1HN (the “appeal property”)	
BETWEEN:	The Juice Plus+ Company Ltd	Appellant
	and	
	Lucy Dyer (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	26 March 2025	
BEFORE:	Mr C Derrick, Presiding Senior Member Mr WJ Read, Senior Member	
CLERK:	Ms R Muller	
APPEARANCES:	Mr A Hair of Ryan Tax Services UK Limited, representative for the Appellant Miss J Snelgar, representative for the Respondent	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was dismissed.

2. The Tribunal panel found that the current Rateable Value (RV) for the appeal property at £54,500 with effect from 1 April 2017 was not unreasonable.

Introduction

3. This was a 2017 compiled Rating List appeal. The assessment of the appeal property was originally entered into the 2017 Rating List at £56,000 RV, with effect from 1 April 2017 and it

was described as office and premises. For this appeal, matters that affect the physical state or enjoyment of the property and the locality were to be taken as at the material day, which was 1 April 2017 with the Antecedent Valuation Date (AVD) being 1 April 2015.

4. A check had been submitted on 20 March 2024, where the Valuation Office (VO) revised the base rate of £230 per m² to £233.29 per m², which resulted in a revised assessment for the appeal property at £54,500 RV. A challenge was submitted on 13 June 2023, and the challenge completed on 26 March 2024. An appeal was received by the Tribunal on 25 April 2024, made on the grounds that the tone applied was incorrect and excessive as the appeal property's RV was not in line with assessments on comparable properties provided in the locality, considering the differences in the physical attributes between the properties.

5. Mr Hair had sought a reduction on the assessment of the appeal property to £50,000 RV based on an adjusted price per m² of £215 per m².

6. Miss Snelgar stated that the challenge had been submitted on the historic assessment of £56,000 RV, as the tone had been reduced at Check stage and currently, she argued that the live assessment base rate of £233.29 per m² and the RV of £54,500 with effect from 1 April 2017 was not correct. However, as the VO cannot correct the assessment of the appeal property in the 2017 Rating List without increasing the tone and RV, she sought to defend the existing RV of £54,500, which was based on an unadjusted price of £233.29per m².

7. Mr Hair 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 Hair stated that he was instructed on a contingency fee basis.

8. Mr Hair declared that he understood the above judgment and therefore, 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 his client's case.

9. Miss Snelgar, on behalf of the Respondent also appeared as both advocate and expert witness.

10. 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).

11. The panel, therefore, considered the "expert" evidence and attached such weight to it as it saw fit.

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

<u>Background</u>

13. The appeal property was a ground floor office and valued as 'office and premises', within the 2017 Rating List. It was located on Grenfell Road in the borough of Windsor and Maidenhead. The area of the appeal property was 246.90 m² net internal area (NIA).

Relevant Law

14. The panel is governed by Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, which 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841). This common date was used to ensure that every property was treated in a consistent way.

16. The appeal 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 to the Local Government Finance Act 1988).

17. The actual date of valuation is 1 April 2015, this being the AVD. As also noted above matters that affect the physical state or enjoyment of the property (termed hereditament) or the locality were to be taken as at 1 April 2017, the material day for this appeal. When assessing the RV of any hereditament, rating law also requires that it must be assumed to be 'vacant and to let', and in the state set out in Schedule 6 of paragraph 2(7) of the Act, in relation to both its physical nature and mode or category of use.

Discussion

18. The panel was informed that there was a rent passing on the appeal property of £71,766 per annum and had commenced on 18 December 2014 with a rent free period of six months. It was a new lease for a period of seven years and eight months. It was assumed to be under full repairing insuring terms (FRI). An adjustment had been made with regards to the six months rent free, which was considered to be for an amount of £50,000. Therefore, Mrs Snelgar stated that she considered the rent to be analysed at £65,601 per annum.

19. Mr Hair stated that following discussions and agreements between Ryan Tax Services UK Limited and the Valuation Office Agency, he had reviewed the evidence and reassessed the approach to tone adoption for Grade A and B offices in Maidenhead. He therefore considered that the tone adopted with regards to the appeal property was excessive and should be

reduced in line with the agreements made for Grade A and B offices within Maidenhead at a reduced base rate of £215 per m².

20. The panel found the passing rent on the appeal property compelling, as it was a new lease agreement, which had taken place circa four to five months prior to the AVD of 1 April 2015. It had also been considered to be on open market values. Therefore, the panel placed it greatest weight onto the details of the appeal property’s rent details.

21. Mr Hair pointed out that in the earlier Rating Lists, the appeal property had been classified as a Grade A office. However, in the current Rating List, it had been classified as a Grade B office, which affected its RV. Mr Hair stated that the appeal property should still be valued according to the previous Grade A classification.

22. Mr Hair relied upon tone agreements across Maidenhead for Grade A and B offices, where the appeal property fell in line with the £215 per m² bracket that was agreed for other properties in the area of the following: Grade A properties within Maidenhead had been valued at between £208 per m² and £215 per m². The property of Gnd Flr Right, The Place, Bridge Avenue was similar in size with an NIA of 273.87 m². The base rate had been reduced in an agreement from £240 per m² to £215 per m².

23. Mr Hair emphasised that ground floor properties in similar locations, such as ‘The Place’ and ‘Eastgate’ in Windsor, were valued at £215 per m². These properties were situated in town centre locations like the appeal property and were of similar size. He stated that the comparison with Grade A properties was appropriate for the appeal property, more so than Grade B properties. Mr Hair also stated that it had also been agreed with the Valuation Office Agency that quantum adjustments, if any, are negligible. This principle had been consistently upheld across multiple Billing Authorities within the South region and this approach should be considered with regards to the appeal property.

24. Mr Hair stated that whilst some of the comparable properties were slightly larger, they were sufficiently similar to the appeal property in terms of quality and location. He requested that the panel consider the entire picture, including market trends, location and the fact that the appeal property should be valued at £215 per m², as this rate was already established for similar properties in the area. Mr Hair argued that the valuation of the appeal property should be reduced based on the comparative evidence and the lack of consideration for the appeal property’s smaller size.

25. Miss Snelgar argued that the size band limitations were dictated by the rent on the appeal property, noting that smaller properties generally have a higher rate per m². This was due to the principle of "Quantum," which implied that larger properties tended to have lower rates per m² due to economies of scale. Mr Hair questioned this by highlighting two comparable properties within the same building of 1st Flr and Gnd Flr, Unit 3, Switchback Office Park Gardner Road, Maidenhead. Both offices were Grade B and had a lower agreed rate at £180 per m². He questioned the approach used in assessing comparable properties, particularly regarding the Quantum break and whether the agreed-upon value of £215 per m² for some properties should be applied to the appeal property, instead of Miss Snelgar’s higher figure of £233 per m². When considering the location plan, the panel noted that these two properties, although were within Maidenhead, were located further away from the centre and therefore, it considered that the appeal property may have more value applied due to its location nearby the town centre.

26. The panel was informed that the difference between Grade A and Grade B classifications was that Grade A offices were newer and more modern, with better amenities and sustainability ratings. Whereas, Grade B offices are older, possibly outdated and with fewer amenities. The appeal property, initially valued as Grade A in the 2010 Rating List, was now possibly considered closer to Grade B due to its age and declining sustainability factors.

27. The panel considered that the 2017 Rating List was a new List and had to be looked at with fresh eyes. Not to compare details with earlier Lists. Therefore, it viewed the appeal property as it was entered into the current List as a Grade B classification and therefore, should be valued as such. Therefore, the panel placed more weight on the details of the comparable properties that had been classified within Class B.

28. The panel considered the two comparable properties situated in the Switchback Office Park, which were similar in size to the appeal property, where the base rate had been reduced from £200 per m² to £180 per m² on agreement. Even though the panel placed weight as it saw fit on to the tone agreements made across Maidenhead for Grade A and Grade B offices, it had to first take into account details of the rent with regards to the appeal property, which had been agreed close to the AVD of 1 April 2015. Therefore, the panel placed more weight on to the details of the new lease for the appeal property when making its decision.

29. Miss Snelgar presented her case and argued that the rent on the appeal property, which was agreed upon shortly before the AVD, justified the valuation of £233.29 per m². She presented rental evidence of a comparable property situated within the same building as the appeal property of Part 1st Flr Front Kings Gate 1, Grenfell Road, Maidenhead, Berks SL6 1HN. This property had a rent review agreed in February 2017 at a rent of £53,256 where the analysed rent had been considered to be £317.49. The unadjusted rate per m² for this property had been set at £250, with an assessment of £41,750 RV. It was agreed in open market values, assumed on FRI. Miss Snelgar informed the panel that the rent had increased from its previous rent. The panel found that the lease renewal of this comparable property was far too removed from the AVD to be of assistance but placed weight on it as it saw fit.

30. Miss Snelgar emphasized the positive impact of the appeal property's location near Maidenhead's train station, which increased its value. Mr. Hair countered by pointing out that properties close to train stations often face noise pollution from passing trains, which can reduce their desirability. The panel found that there were both pros and cons to being situated close to a main train station. The ease for the staff at the appeal property, but the possible disruption from the noise of passing trains. It held that this argument could be considered as correct from both parties. Therefore, the panel placed less weight on the discussion about the proximity of the appeal property to Maidenhead's train station.

Disposal

31. In view of the above findings and conclusions, the Tribunal panel found that both parties had made strong arguments. However, the panel held that the valuation process was guided by legal principles, including the *Lotus and Delta v Culverwell (VO) & Leicester City Council* [1976] RA 141 case. The panel was aware that the rent for the appeal property should be prioritised as it was a new lease, agreed circa four to five months prior to the AVD of 1 April 2015 and was based on open market values, therefore, it reflected the current market conditions. The panel noted that there had been adjustments made to take into account the six month rent free period. However, the panel still held that the rent agreed supported the unadjusted rate applied to the appeal property of £233.29 with an RV of £54,500. Therefore, the appeal was dismissed.

Date issued to parties: 24 April 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.