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

Case No: CHG101078032

Sitting remotely using Microsoft Teams

Date: 20 November 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal (2017 List): Local Government Finance Act 1988; Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 [SI 2009 No 2268]; Offices and premises; Compiled List Entry; Price per square metre; Evidence/assessment of comparable properties; appeal allowed.

Before:
MR P BLYTHE-BARTRAM
MS B KNIGHT
MR S WOOD

Between:

MICROSOFT LTD — **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) — **Respondent**

Regarding:
MICROSOFT BUILDING, 21 STATION ROAD, CAMBRIDGE CB1 2FB
(the "subject hereditament")

Mr S Dowds-Jones from Colliers International Ltd for the Appellant
Ms P Nwosu for the Respondent

Hearing date: 13 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed.

2. The Tribunal panel determined the Rateable Value (RV) of Microsoft Building, 21 Station Road, Cambridge CB1 2FB, (hereafter, known as the subject hereditament) at £2,080,000 with effect from 1 April 2017.

Introduction

3. This was a 2017 compiled Rating List appeal. The assessment of the subject hereditament had been entered into the 2017 Rating List at £2,420,000 with effect from 1 April 2017. 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 proposal had been submitted on 26 June 2023. Following the Valuation Officer's consideration of the proposal, the Respondent decided to reduce the existing entry to reflect the concession of a reduced base rate. The Valuation Officer's decision notice dated 12 August 2024, confirmed that the base rate of £350 per m² had been reduced to £325 per m², which resulted in a revised assessment for the subject hereditament at £2,250,000 RV. An appeal was received by the Tribunal on 11 December 2024, made on the grounds that the valuation for the hereditament was not reasonable.

5. Both Mr Dowds-Jones for the Appellant and Ms Nwosu for the Respondent appeared in a dual capacity 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 Dowds-Jones stated that he was instructed on a conditional fee basis.

6. Mr Dowds-Jones 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.

7. 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).

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

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

Background

10. The subject hereditament was a standalone office building arranged over five floors, with a total floor area of 6,802.76 m². Constructed in 2012 to a high specification and was located approximately three miles walking distance, east of Cambridge train station. The property benefited from full heating and air conditioning, as well as designated underground parking. The subject hereditament had been placed into the Scheme 434940.

11. Mr Dowds-Jones sought a reduction on the assessment of the subject hereditament to £2,080,000 RV based on a price per m² of £300 per m².

12. Ms Nwosu maintained that the revised RV of £2,250,000 based on a price per m² of £325 was fair and reasonable.

Relevant Law

13. Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999 provided the statutory definition of rateable value which was as follows:

> 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.

14. 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 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.

15. The subject hereditament 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).

16. 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 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 paragraph 2(7) of Schedule 6 to the Act, in relation to both its physical nature and mode or category of use.

Case Law

17. Reference to the following case law was noted within the evidence pack:

    (a) *FW Woolworth and Co Ltd V Peack* (VO) [1967] LT RA 365; and
    (b) *Trevail (VO) V C and Modes Ltd* [1967] 13 RRC 124
    (c) *Barnard & Barnard v Walker (VO)* [1975] RA 383 LT

Discussion

18. The panel was advised that the subject hereditament had a passing rent of £2,759,786 per annum, effective from 1 January 2018 following a rent review. Ms Nwosu had analysed this rent in terms of rateable value to be £346.47 per m². Her analysed rent was in excess of the rate adopted by the Valuation Officer and also that proposed by the Appellant. Neither party, however, relied on the evidence of the actual rent. It was accepted that it was unreliable as the level of rent was set following a rent review undertaken approximately three years after the AVD of 1 April 2015.

19. To support the Appellant's case, Mr Dowds-Jones referred to a neighbouring property at 22 Station Road, which was valued by reference to the same Valuation Scheme as the subject hereditament. He highlighted that both properties had been valued using the same base rate in the 2010 Rating List. However, in the 2017 Rating List, the base rate applied to 22 Station Road was £300 per m², compared to £325 per m² for the subject hereditament. Mr Dowds-Jones stated that 22 Station Road was a near identical build and specification to the subject hereditament.

20. The panel noted that 22 Station Road was no longer valued as a single assessment as it was now in multiple rateable occupation. Its historic single entry had been subdivided into multiple units to reflect that it was occupied by different businesses. Despite this, Mr. Dowds-Jones argued that there was no reason to value the subject hereditament at a higher rate than the multiple assessments at 22 Station Road for the 2017 Rating List. He pointed out that, when 22 Station Road was subdivided for the 2010 Rating List, the values assigned to those units were the same as the value applied to the subject hereditament.

21. In contrast, Ms Nwosu argued that although 22 Station Road was originally comparable in build and specification to the subject hereditament, its current configuration as a multi-occupied office, with shared communal areas and services, distinguished it from the subject hereditament. She emphasised that the subject hereditament remained a high-quality, self-contained building in exclusive single occupation, which she considered a valid reason for applying a higher base rate than that used for 22 Station Road.

22. Mr Dowds-Jones responded by pointing out that the smaller units into which 22 Station Road had been subdivided were also assessed at the same valuation tone of £260 per m² as the subject hereditament in the 2010 Rating List. He further noted that in the 2023 Rating List, these units were again valued at the same tone of £400 per m². However, in the 2017 Rating List, they were assessed at a lower tone than the subject hereditament. In his view, this discrepancy highlighted an inconsistency in the Valuation Officer's approach, and he argued that the higher tone applied to the subject hereditament in the 2017 Rating List was unjustified.

23. Ms Nwosu stated that the Appellant did not occupy the subject hereditament until 2013. She expressed the view that the 2023 Rating List had not been examined in sufficient detail in trying to explain why 21 and 22 Station Road had been valued at the same rate, rather than showing a differential as was reflected in the respective 2017 Rating List entries. In trying to explain the inconsistency, Ms Nwosu had impugned the 2023 list entries by suggesting that the principle of quantum with regards to the subject hereditament had been applied, which may explain why the same rate had been applied. However, she could not provide the panel with an exact answer as to why both the subject hereditament and 22 Station Road had been valued at the same rate within the 2023 Rating List. Given that the current list was still live, it was erroneous on Ms Nwosu's part to impugn it. If the entry was possibly inaccurate, it was open to the Valuation Officer to do something about it, especially as the Respondent was aware, during the challenge stage, that the Appellant had relied upon 22 Station Road for comparative purposes.

24. The panel understood Ms Nwosu's position to be that the hypothetical tenant would pay more for the right to occupy the appeal property, in comparison with office premises in 22 Station Road for the benefit of exclusivity and not having to share common parts or communal facilities with other tenants. Ms Nwosu's argument appeared to be implausible because it was tantamount to arguing that if a tenant leased additional office floor space, he would expect to have to pay more *pro rata* for the benefit of having larger office space to himself. In the panel's experience, when tenants were looking to rent office space, they would not expect to pay more *pro rata* if they took on a larger suite or multiple floors, instead of a single floor. At the very least, they would expect the rent to be to the same per m², if the landlord was not prepared to concede an allowance for quantum. The hypothetical tenant would certainly not expect to pay more in terms of main space. As a corollary, Ms Nwosu's argument that market demand appeared to favour exclusive occupation of larger spaces, often commanding a premium rather than offering a discount for size was rejected. Moreover, no rental evidence was submitted to show that the office market worked in this manner. It was tantamount to her suggesting that quantum works in reverse when a tenant takes a lease on a whole building.

25. The panel was presented with evidence of comparable office properties situated on various floors at 50/60 Station Road, which had been valued at £325 per m². Mr Dowds-Jones submitted an aerial photograph of 50/60 Station Road and highlighted that the building was of modern design and a newer construction, completed in 2019. He therefore argued that this property was less comparable to 22 Station Road. Mr Dowds-Jones maintained that the subject property should be valued based on the assessment and settlement evidence relating to 22 Station Road. The panel held that 50/60 Station Road was not as comparable as 22 Station Road, given its later construction date and more modern design.

26. 22 Station Road, in the panel's opinion, provided the most compelling comparable evidence as it was the most reliable in terms of its age and character. All things being equal, since the quality of office space was the same as the appeal property, the panel determined that both properties should have been valued at the same base rate. Therefore, the Appellant's valuation was upheld and the grounds of the appeal were made out, since the Valuation Officer's valuation for the appeal hereditament was unreasonable.

Determination

27. In view of the above findings and conclusions, the panel found that there was insufficient evidence to show that rate applied to the subject hereditament was not unreasonable. Therefore, the appeal was allowed.

28. The valuation for the subject hereditament is as follows:

Floor	Description	Area m²	£ / m²	Value £
Lower Ground	Office	37.26	225.00	8,384
Second	Office	1,265.79	300.00	379,737
Fourth	Office	1,265.79	300.00	379,737
Fifth	Office	853.90	300.00	256,170
First	Office	1.224.33	300.00	367,299
Third	Office	1,265.79	300.00	379,737
Ground	Reception / Entrance	414.21	300.00	124,263
Ground	Office	475.69	300.00	142,707
Total Area		6,802.76		
Additional Features of the Property included in the Valuation				
Car Parking			33	49,500
Total Value				2,087,534
Adopted Rateable Value				£2,080,000

Order

29. Accordingly, the Tribunal order the Valuation Officer to reduce the 2017 Rating List entry for Microsoft Building, 21 Station Road, Cambridge CB1 2FB to £2,080,000 with effect from 1 April 2017 within two weeks of the date of this order.

Refund of appeal fee

30. The Appellant is also entitled to a full refund of the fee paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

Right of further appeal

31. 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.

32. 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 P Blythe-Bartram, Senior Member (Presiding)
Ms B Knight, Senior Member
Mr S Wood, Senior Member
20 November 2025

Ms R Muller
Clerk to the Tribunal
Date issued to the parties: 20 November 2025