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

Case No: CHG101092166

Sitting remotely using Microsoft Teams

Date: 9 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2017 rating list appeal; Local Government Finance Act 1988; air conditioning; price per square metre adopted in the valuation was disputed; comparable assessment evidence preferred from offices of a similar age, character and location; appeal dismissed.

Before:
MRS S SOHOTA
MS TM BLADES

Between:

TRAVEL REPUBLIC LTD — **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) — **Respondent**

Regarding:
CLARENDON HOUSE, 147 LONDON ROAD, KINGSTON UPON THAMES, KT2 6NH
(the "appeal property")

Ms L Rabbette (Rabbette Chartered Surveyors) for the Appellant
Mr J Short for the Respondent

Hearing date: 15 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was dismissed. No change was made to the rateable value of the property.

Introduction

2. The appeal property was entered in the 2017 rating list as “offices and premises”, initially at a rateable value (RV) of £355,000 from 24 June 2017. In the appellant’s proposal, a reduction to RV £270,000 was sought from the same date. The valuation officer (VO) decided that the existing RV was too high and reduced it to £352,500 from 24 June 2017, agreeing that the fifth floor should be discounted because it is not served by a lift.

3. The appeal to the Tribunal was then made on the grounds that the valuation for the appeal property was not reasonable. This was made in accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. It sought RV £290,000 from 24 June 2017.

4. Ms Rabbette, as appellant’s representative, appeared in a dual role of advocate and expert witness. She stated her role as advocate had been instructed on a conditional fee basis and her role of expert witness was on a retainer fee. The dual role is allowable in this Tribunal’s proceedings having regard to procedure regulations[1] and rules regarding admissibility of evidence[2]. 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.

5. Mr Short, employed by the Valuation Office Agency, also appeared in a dual role of advocate and expert witness.

6. Both parties were aware that in giving expert evidence their primary responsibility was to the Tribunal.

7. Ms Rabbette was agreeable to the inclusion of the photographs and plans provided by Mr Short on 10 March 2025 and this evidence was admitted into the proceedings.

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

Relevant Law

9. 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

[1] Regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.
[2] Regulation 17(2)(a) (Evidence and submissions) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

insurance. In respect of all entries in the 2017 rating list, the rental levels are to be taken on 1 April 2015, the antecedent valuation date (AVD).

10. The material day to consider the appeal property was 24 June 2017.

Discussion

11. The appeal property is an office building on six floors built in the 1960s and refurbished in 1991. It is located on the outskirts of Kingston town centre. It has good transport links to main roads and is within close proximity of a bus stop and within half a mile of two train stations.

12. The rear section of the building is only present on the first, second and third floors (the third floor being described by the appellant's representative as a poor-quality addition to the roof of the second floor). The area occupied by the footplate on the ground floor is used as car parking.

13. The 1960s architectural style of the appeal property was described by the appellant's representative as "brutalist".

14. The appellant's representative stated the appeal property offered basic quality office accommodation. It had solid floors, first-generation suspended ceilings, single glazed metal Crittal windows and recess strip lighting. Electricity was supplied through perimeter trunking, rather than via raised floors.

15. The matter to be determined by the panel concerned the base rate per square metre to be applied in the valuation. The appellant wanted a reduction in the existing unadjusted base rate of £114.60/m^2 to £97/m^2.

16. In addition, the appellant's representative disagreed the VO's uplift of 5% for air conditioning on the basis that it was, in her view, an inferior system and very basic. Reference was made to a 2010 rating list appeal, where it is stated in this Tribunal's decision[3] at paragraph 15 that the parties agreed a price of £120/m^2 which was inclusive of air conditioning. The Valuation Office Agency had input this into its computer system still showing a 5% uplift for air conditioning and had rounded it down to the agreed £120/m^2. The VO's unrounded price of £120.32/m^2 had carried over into the 2017 rating list valuation.

17. The panel noted the Lands Tribunal's judgment in *Barnard and Barnard v Walker (VO)* [1975] RA 383, that differentials and allowances should continue to a successor list, save for evidence capable of rebutting the presumption. The panel found that the VO should have recorded the base rate price inclusive of air conditioning as had been agreed prior to the hearing of the 2010 rating list appeal. However, the panel did not consider this to be a controversial point, as the parties in the 2010 rating list appeal had simply agreed a price of

[3] Travel Republic Ltd v The Valuation Officer [2019] VTE, 563033234172/285N10

£120/m^2 which was inclusive of air conditioning. What was important was that the appeal property had air conditioning and as such this had to be reflected in the valuation one way or another.

18. The air conditioning system at the appeal property has been described by the appellant's representative as very basic, but the panel found that there has been a lack of evidence provided to show how it compares with other properties in the locality and/or of the same age group. Consequently, the panel did not consider it appropriate to make a specific downward adjustment to the VO's valuation to take account of the quality of the air conditioning system at the appeal property.

19. The panel then considered the price per square metre adopted by the parties inclusive of air conditioning, namely £120.32/m^2 (in the case of the VO) and £97/m^2 (in the case of the appellant).

20. It was noted that there was a rent on the appeal property at £645,000 from 24 June 2017. This date was the start of a 10-year lease. There had been a one year rent free period. The 2017 lease combined five previous leases into one new demise. The five previous leases were all exclusive of sections 24-28 of the Landlord and Tenant Act 1954. The appellant's representative stated that the tenant had no right to a new tenancy and no right to a fair rent as part of that renewed lease. She stated that the tenant simply had the choice of either accepting the landlord's proposed level of rent or vacate the property, incurring significant dilapidations charges and relocation costs if they did so.

21. Neither party has placed any reliance on the rent and it bears no relationship with the existing rateable value or that which has been proposed. The panel therefore gave it very little weight and preferred to consider the appeal property's valuation having regard to the comparable assessments referred to by both parties.

22. None of the comparable assessment evidence included in this appeal had any outstanding 2017 rating list appeals. In line with *Jafton Properties v Prisk (VO)* [1997] RA 137 a stage had now been reached when enough assessments had been settled or were unchallenged to establish a pattern of established values, a "tone of the list".

23. A relatively large number of comparable assessments have been referred to by the parties. The panel considered all of them but had concerns over the degree of comparability for various reasons; in particular the age, character and location of those other properties as well as their mode or category of occupation.

24. The appellant's representative had sought to compare the appeal property with other offices of comparable age and style from up to 10 miles distance arguing there was a lack of similar offices in Kingston. The panel considered the search area to be too wide and found little benefit in comparing the appeal property to offices in Croydon (10 miles), Feltham (6 miles), Sutton (6+ miles) and Carhalton (7+ miles) when there were a number of comparable assessments situated far closer to the appeal property. Location was a

fundamental factor and the comparable assessments in the different towns would be based on entirely different pools of rental evidence.

25. Age was also an important factor and the panel preferred to give greater weight to evidence of a similar age group. However, the panel found little benefit in comparing the appeal property with other offices of the same age group, which had a higher value and which had undergone significant refurbishment, such as 171-178 Mill Bank House, Ewell Road, Surbiton, KT6 6AP (£159.50/m^2).

26. Similarly, the panel found those comparable properties of a different style or character to be less useful, for example, one was a listed building.

27. The comparable assessments which the panel found the most noteworthy and which required closer inspection were as follows:

<u>Racetech, 88a Bushey Road, London, SW20 0JH - £80/m^2</u>

28. This was a 1960s building in a relatively similar style to the appeal property so the panel could understand why it had been included. However, after discussing this comparable property at length, the panel had concerns over placing too much reliance on it for two reasons. Firstly, it was 3.6 miles away just off the Kingston bypass, but in a location which the appellant's representative accepted was inferior. Secondly, the whole of the ground floor was assessed as a workshop and therefore it fell into a mixed hereditament category.

<u>Burlington House, New Malden, KT3 4NR - £110/m^2</u>

29. The panel found that Burlington House was the comparable property which most supported the appellant's case.

30. This was another 1960s building in a relatively similar style to the appeal property. At 2.2 miles from the appeal property its location was more relevant. The appellant's representative argued it was a better location. Additionally, the property was subject to a refurbishment programme in approximately 2008 which included the replacement of all windows from single glazed units to, new, double-glazed units, so it had this additional benefit.

31. The panel gave this comparable assessment more weight than Racetech. However, the panel found that there was one key drawback which compromised its comparability. This was the fact that the majority of the property's floor space was either storage or production areas. Like Racetech, it fell into a different hereditament category.

<u>Various assessments at Apex Tower, 7 High Street, New Malden, KT3 4DQ - £164.58/m^2</u>

32. This was another 1960s building in a relatively similar style to the appeal property. Apex Tower was located only 1.8 miles away. The panel considered these assessments to be the

best comparable evidence presented. The values were significantly higher than at the appeal property and did not show the appeal property's rateable value was unreasonable.

Ground to 3rd Floors 40-44, Coombe Road, New Malden, KT3 4QF - £135.44/m^2
2nd Floor Hays House, St Georges Square, New Malden, KT3 4HG - £173.24/m^2
Lever House, St James Road, Kingston Upon Thames, KT1 2NN - £143/m^2
100, London Road, Kingston Upon Thames, KT2 6QJ - £143/m^2

33. These were some of the closest comparable assessments in terms of location. However, they were constructed in the 1970s and appeared to have been constructed in a more attractive style to the appeal property and which were better quality. One would expect the rate for these properties to be higher than the appeal property.

34. In the case of Hays House, however, it had a disadvantage of being located above a bar.

264 Burlington Road, New Malden, KT3 4NN - £110.24/m^2

35. This was a 1960s office located 2.5 miles from the appeal property. Although it was in a different style, the panel considered it had some merit as a comparable property.

6th and 7th Floors, Coombe International Tower, St Georges Square, New Malden KT3 4HG - £173.74/m^2

36. Another 1960s office building that was located 1.8 miles away. As a result, this property was a very useful comparable assessment. The panel also noted that it had an older refurbishment than the appeal property; back in 1980.

Conclusion and determination

37. After carefully considering all the evidence presented, the panel gave most weight to the comparable properties that were most similar in terms of age, location and character and which were occupied exclusively as offices. The panel also took account of the lack of any recent refurbishment at the appeal property. In examining the comparable evidence, the panel was most influenced by Apex Tower, 7 High Street, New Malden and Coombe International Tower, St Georges Square, New Malden which had been assessed at a significantly higher rate.

38. Overall, the panel was not persuaded that the evidence showed that the appeal property's assessment at £120.32/m^2 was unreasonable.

39. In view of the above, the panel dismissed the appeal.

Right of further appeal

40. 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.

41. 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/.

Mrs S Sohota, Senior Member (Presiding)

Ms TM Blades, Senior Member

9 June 2025

Mr D Mulgrew
Clerk to the Tribunal
Date issued to the parties: 9 June 2025