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

Case No: CHG101094023

Sitting remotely using Microsoft Teams

Date: 21 October 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; Local Government Finance Act 1988; Lotus and Delta v Culverwell (VO) [1976] RA 141; *Office and premises; corridor area in dispute; appeal allowed.*

Before:
MISS A GRIFFITHS
DR T WEBB

Between:

ONE ESSEX COURT LTD — **Appellant**

- and -

NICOLA JOHNSON (VALUATION OFFICER) — **Respondent**

Regarding:
FIRST FLOOR SOUTH, NEW COURT BUILDINGS, LONDON EC4Y 9BE
(the “subject property”)

Mr A Bacon from JMA Chartered Surveyors for the Appellant
Mr K Davidson for the Respondent

Hearing date: 29 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed.

2. The Tribunal determined that the corridor between rooms FF002 and FF004 should be excluded from the assessment of First Floor South, New Court Buildings, London EC4Y 9BE (hereafter referred to as the subject property). Consequently, the panel concluded that the Rateable Value (RV) of the subject property was £25,750, effective from 1 April 2017.

Introduction

3. This appeal had been brought in respect of the subject property, which had entered the 2017 Rating List as ‘offices and premises’ at an RV of £33,500 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 check had been submitted on 31 March 2023 and completed on 17 April 2023. A challenge was submitted on 20 July 2023 and completed on 13 January 2025 where the RV of the subject property was reduced to £31,750 with effect from 1 April 2017, as an allowance of 5% had been applied to the assessment due to lack of heating. An appeal was received by the Tribunal on 27 October 2020, made on the grounds that the valuation for the property was not reasonable.

5. Mr Bacon 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 Bacon stated that he was instructed under a conditional based fee.

6. Mr Bacon 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. Mr Davidson appeared on behalf of the Respondent as Advocate only.

8. 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).

9. The panel, therefore, considered the “expert” evidence and attached such weight to it as it saw fit.

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

<u>*Background*</u>

11. The subject property consisted of an office located on the first floor of a Georgian-era Grade I Listed building within the historic Inns of Court. Initially, the dispute concerned the appropriate base rate per m², which was subsequently agreed at £360 per m². The remaining

issue for the panel to determine was the valuation treatment of the corridor between rooms F002 and F004, specifically, whether it should be included or excluded from the assessment of the subject property. The Appellant contended that it should be excluded, while the Respondent argued for inclusion on the basis that it constituted usable space.

Relevant Law

12. The term "Rateable Value" is defined in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (the "1988 Act"):

13. 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 various assumptions.

14. Each appeal hereditament had to be valued, having regard to factual matters on the relevant material day, in accordance with paragraphs 2 (6) and (7) of Schedule 6 to the 1988 Act, as amended.

    (6) Where the "Rateable Value" is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force) the matters mentioned in sub-paragraph (7) below shall be taken to be as they are assumed to be on the material day.

    (7) The matters are –

    (a) matters affecting the physical state of the hereditament,
    (aa) matters affecting the physical enjoyment of the hereditament,
    (b) the mode or category of occupation of the hereditament,
    (c) the quantity of minerals or other substances in or extracted from the hereditament,
    (cc) the quantity of refuse or waste material which is brought onto and permanently deposited on the hereditament,
    (d) matters affecting the physical state of the locality in which the hereditament is situated,
    (da) matters which, though not affecting the physical state of the locality in which the hereditament is situated, are nonetheless physically manifest there, and
    (e) the use or occupation of other premises situated in the locality of the hereditament.

15. *Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141* was referred to within the evidence pack:

Discussion

16. The panel considered the dispute regarding the area in question, noting minor discrepancies in the measurements provided by each party and the disagreement over whether the corridor should be included in the subject property's assessment. Mr Bacon reported an area of 75.94 m², applying the agreed base rate of £360 per m², which produced a figure of £27,338. After applying a 5% deduction for lack of heating, the RV was £25,971, rounded down to £25,750. In contrast, Mr Davidson calculated an area of 83.80 m²; applying the same base rate resulted in £30,168. Following the 5% deduction, the RV was reduced to £28,659, rounded down to £28,500.

17. Mr Bacon argued that the corridor providing access to rooms F002 and F004 should be excluded from the assessment, as it does not constitute usable space. He maintained that the corridor functions as a permanent circulation space and therefore should not be included.

18. Mr Davidson referred to the RICS Code of Measuring Practice, noting that Net Internal Areas (NIA) of common spaces, such as corridors and circulation areas, are excluded when shared by multiple occupiers. However, he argued that this was not applicable in the present case, as the corridor in question was used solely by the appellant to access rooms F002 and F004 and therefore, classed as an entrance hall. No other occupier on the first floor required access to this part of the hallway. Mr Davidson contended that the Appellant had paramount control of the corridor area. He also contended that it passed the contiguous test as the area contributed to the circulation of the Appellant who used the two offices. On that basis, Mr Davidson considered the corridor not to be in common use and therefore included it within the assessment of the subject property.

19. The panel referred to the RICS Code of Measuring Practice concerning NIA details. In particular the following:

3.0 Net Internal Area (NIA)

Net Internal Area is the usable area within a building measured to the internal face of the perimeter walls at each floor level.

Including		Excluding	
3.2	Entrance halls (but see 3.11)	3.11	Those parts of entrance halls, atria, landings and balconies used in common (see 3.1 and 3.2)
		3.15(a)	Corridors and other circulation areas where used in common with other occupiers
		3.15(b)	Permanent circulation areas, corridors and thresholds / recesses associated with access, but not those parts that are usable areas.

20. When reviewing the layout plans for the subject property, the panel noted that the corridors identified by Mr. Davidson as being in common occupation had been excluded from the assessment. The panel observed that the corridor in question was neither blocked off nor reserved exclusively for the appellant's use. There was nothing on the door to indicate it was separate or private space. There was no indication it was for exclusive use or similar. The panel concluded that paragraph 3.15(b) was relevant to its decision. The area was a permanent circulation space, a corridor and was therefore not regarded as a usable area.

Determination

21. Based on the above findings and conclusions, the panel determined that the area constituted a corridor or circulation space accessible to other occupiers if required. Accordingly, the appeal was allowed.

Order

22. In accordance with Regulation 38 (4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to alter the list entry for the subject property to £25,750 RV with effect from 1 April 2017. The Valuation Officer must comply with this Order within 2 weeks of its making.

Refund of appeal fee

23. 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

24. 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.

25. 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/.

Miss A Griffiths, Senior Member (Presiding)

Dr T Webb, Senior Member

21 October 2025

Ms R Muller
Clerk to the Tribunal
Date issued to the parties: 21 October 2025