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

Case No: CHG101111449

Sitting remotely using Microsoft Teams

Date: 5 November 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2017 Rating List; Local Government Finance Act 1988; Office and Premises; Accuracy of compiled list entry; rental evidence; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal Allowed.

Before:
MR PJ WARD
MR A IQBAL

Between:

ICS MEDICAL LTD — **Appellant**

- and -

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

Regarding:
4TH FLR 9,APPOLD STREET,LONDON,EC2A 2AA
(the "subject property")

Mr S Berkley of Knight Frank LLP representing the Appellant
Mr C Robinson representing the Respondent

Hearing date: 28 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Tribunal finds a tone of value of £390.00 per m^2 for the subject hereditament was reasonable and confirmed the rateable value (RV) at £1,010,000 with effect from 28 May 2022.

Introduction

3. This was a 2017 Rating List appeal. The subject property had been entered in the 2017 rating list as 'Offices and Premises' at a RV of £1,140,000 with effect from 28 May 2022.

4. The challenge proposal was submitted by Knight Frank LLP on behalf of the appellant and was received by the Valuation Officer (VO) on 15 August 2023. A reduction in the rate applied from £440.00 per m^2 to £390.00 per m^2 was sought along with an allowance of 7.5% for office oversupply in London, resulting in a revised RV of £940,000 with effect from 28 May 2022.

5. The VO issued a challenge case decision notice on 11 February 2025, which stated that based upon the evidence and information available, the rating list entry of £1,140,500 was considered unreasonable and proposed a revised entry of £1,110,000 based on a rate of £425.00 per m^2. The VO disagreed with the appellant's contention that a 7.5% allowance was applicable.

6. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received by the Tribunal on 29 May 2025.

7. Mr Berkley appeared on behalf of the appellant in a dual role of advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), in his Statement of Truth he declared that he was instructed under a conditional fee arrangement. He also declared that he understood and 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 bodies regardless of whether or not the evidence supported the client's case.

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

9. Mr Robinson appeared for the respondent in a dual capacity as both advocate and expert witness. His statement of truth confirmed that he was not instructed under any conditional or other success-based fee arrangement.

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

Background

11. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included rental evidence and its analysis, the parties' skeleton arguments, expert witness statements and location maps and photographs of the subject premises and other comparable offices.

12. Additional evidence had been submitted by the appellant which consisted of a document outlining the agreed procedure for analysing additions for fit-out of offices in Central London. As the admission of this document was agreed by the respondent, the panel allowed its inclusion.

13. Mr Berkley confirmed in his appeal submission that he was no longer seeking a 7.5% allowance, and the sole matter in contention was the rate applied to the subject property. The appellant was now seeking a reduction to a RV of £1,010,000 based on a rate of £390.00 per m^2.

14. The subject property comprises 2,612.59m^2 of office space on the fourth floor of 9 Appold Street, an office building built in 2000 in a development containing a number of office buildings known as the Broadgate Quarter. The Broadgate Quarter is located on the fringe of the City, north of Liverpool Street Station and south-west of Shoreditch High Street station. It was originally entered in the 2017 Rating List with a rate of £390.00 per m^2 until the previous tenant vacated and the property underwent stripping out works. It was deleted from the Rating List with effect from 11 May 2020. Some refurbishment works then took place and the subject property was let as Cat A offices to the current tenant who carried out Cat B fit-out works.

15. On the completion of these works, the subject property was entered in the Rating List at a rate of £440.00 per m^2 with effect from 28 May 2022 as the respondent considered that the refurbishment works had increased the subject property's value. The appellant contended that the refurbishment works involved the replacement of existing Cat A fitout that has reached the end of its economic life, and was required to maintain its potential rental value. There had been no improvements or enhancements which would justify a £50 increase in the price per m^2.

Relevant Law

16. The term 'rateable value' is defined in paragraph 2(1), Schedule 6 to the Local Government Finance Act 1988 (as amended):

"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".

17. 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.

18. 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 28 May 2022.

19. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO)and Leicester City Council* 1976, as referred to by the Respondent. This case had established six propositions, which gave clear guidance to be followed when assessing rateable value, namely:

    1) 'Where the hereditament which is the subject of consideration is actually let, that rent should be taken as the starting point.

    2) The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of Gross Value in section 19(6) of the General Rate Act 1976 the more weight should be attached to it.

    3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.

    4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.

    5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attributed to the differing types of evidence depending on the one hand on the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.

    6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but in such circumstances it would be clearly more difficult to reject the evidence of the actual rent.'

Discussion

20. The subject hereditament was let on 30 November 2021, on a Cat A basis. The parties agreed that the subject rent provides little assistance in valuing the property as at the 1 April 2015.

21. The appellant had provided details of rents for Cat B offices in the locality ranging in size from 524m^2 to 1,214m^2 agreed between 7 January 2013 and 1 February 2016. These were all new lettings with rents analysing between £350.93 per m^2 and £409.50 per m^2 with an average of £393.50. He referred to the document supplied as late evidence, *'Central London*

fit-out application – 2017 Rating List' which considered that the best evidence was fitted out, Cat B lettings as expounded in the Upper Tribunal case of *Bunyan (VO) v Acenden Ltd* [2023] UKUT 17. The panel noted that this document suggested that reliable Cat B lettings were rare in Central London, and those that do exist must conform with the rating hypothesis. The Respondent had provided no comment on the appellant's rental evidence, and the panel was therefore satisfied that it should be given weight in determining the correct value for the subject property.

22. The appellant argued that the works carried out after the previous tenant had moved out were more of a refresh of the existing features of the shell unit and did not result in any enhancements to its specification. Whilst the subject property had been removed from the Rating List for just over two years, the refurbishment works had not taken two years to complete. Much of this period was spent waiting for a new tenant to agree the new letting and carry out fit out works from Cat A to Cat B. He referred to assessments of comparable offices in the locality which had been recently refurbished, and had been assessed at between £385.00 per m^2 and £440.00 per m^2. In particular, he referred to the 7th, 8th and 9th floors of the subject building, which had been refurbished between 2015 and 2017, but their values had remained at £390.00 per m^2.

23. The appellant had also referred to five assessments of offices which had been entered into the Rating List at higher rates following their refurbishment, but following challenges made by the appellants, they had been reduced to their pre-refurbishment rates. He had also referred to three assessments of offices in the locality which had been entered in the Rating List after their refurbishment at the same rate as pre-refurbishment. He considered that these offices had undergone similar refurbishments to the subject property and had provided before and after photographs to demonstrate this.

24. The respondent had referred to rents on two properties in the locality; 8th Floor, 1 Snowden Street was a new letting effective 8 April 2015 for 1,503m^2 of Cat A office space, the rent on which the Respondent had analysed at £436.36 per m^2 plus a £25 per m^2 uplift to Cat B. 1 Snowden Street was adjoining the subject building and the Respondent considered its rent, agreed very close to the AVD, supported a rate of £425 per m^2 for refurbished Cat B offices in the subject building. 3rd Floor North, 9 Appold Street was in the subject building, and had let as Cat B office space (1211.69m^2) with effect from 5 February 2015 with its rent analysed to £382.22 per m^2. The Respondent considered that this rent supported the rate of £390.00 per m^2 applied to unrefurbished Cat B offices in the subject building.

25. The Respondent stated that following their 2019 refurbishments, the 5th and 6th floors of the subject building had entered in the Rating List at £440.00 per m^2 in line with the subject property. Following a challenge in respect of the 6th Floor, the rate applied to the subject property and 5th and 6th Floor was reduced to £425.00 per m^2. He stated that the VO had made an error in not increasing the rate of the 7th, 8th and 9th floors of the subject building to reflect their refurbishments between 2015 and 2017 and this had been corrected in the current (2013) list. The Respondent had no record of any refurbishment being carried out on the remaining three floors and their rates had remained at £390.00 per m^2.

26. The panel noted that the Respondent had misidentified the property in respect of 3rd Floor North, 9 Appold Street and had initially used an incorrect area to analyse its rent to £423.00 per m^2 and it was on this basis that the challenge on the 6th Floor had been agreed at £425.00 per m^2. The panel was satisfied that the basic specification of the subject property did not change perceptibly as a result of the refurbishment works carried out in 2020. The refurbishment effectively created a 'refreshed' blank canvas as a Cat A letting to enable the

new tenant to fit out to Cat B specification. The panel understood that it was standard practice for landlords to carry out similar works between tenants and considered that an increase in RV was not automatically justified after such works had been carried out, as was demonstrated by the assessments submitted by the appellant where the rate had not increased, or had increased and subsequently reverted to the pre refurbishment rate.

27. The panel noted that 8th Floor, 1 Snowden Street had been refurbished in 2015, and according to the Respondent's submission, it was assessed at £400.00 per m^2. The appellant had contended that 1 Snowden Street has a slight premium over the subject building, and the respondent had not suggested otherwise. The panel considered it somewhat perverse that the subject property should be assessed at £25.00 per m^2 more than a recently refurbished office in 1 Snowden St.

28. Having considered the rental and assessment evidence submitted by the parties, the panel gave most weight to the rent for 3rd Floor North, 9 Appold Street, which was agreed two months prior to the AVD in the same building as the subject property. Whilst this property had not been recently refurbished, the panel considered that any increase in value attributable to the works carried out at the subject property would be minimal. On this basis, it concluded that the subject property, having been fitted out as a Cat B office, could reasonably have been expected to let for a similar amount to 3rd Floor North, 9 Appold Street. Having regard to this and the rents of other Cat B lettings which when analysed ranged between £351.00 and £409.50 per m^2, the panel determined that a tone of value of £390.00 per m^2 was applicable to the subject property, resulting in a valuation of £1,018,910 (Say £1,010,000).

Determination

29. In view of the above findings and conclusions, the Tribunal determined that the RV of the subject property should be altered to £1,010,000 with effect from 28 May 2022. The appeal is therefore allowed.

30. In accordance with regulations 38(4) and 38(9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to alter the rating list within two weeks of the date of this order to show the entry for the subject property to be £1,010,000 with effect from 28 May 2022.

31. The ratepayer is also entitled to a refund in full of the fees paid in accordance with regulation 13E (1)(a) of the Non-Domestic Rating (Alteration of Lists and Appeals)(England) Regulations 2009. The refund will take around six weeks to process.

Right of further appeal

32. 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.

33. 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 PJ Ward, Senior Member (Presiding)

Mr A Iqbal, Senior Member

5 November 2025

Mr J Massey IRRV (Dip)
Clerk to the Tribunal
Date issued to the parties: 5 November 2025