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

Case No: CHG101063864
CHG101063485
CHG101120560

Sitting remotely using
Microsoft Teams

Date: 7 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2017 Rating List Appeals: Local Government Finance Act 1988; Offices and premises; Correct main space rate to be applied; Appeals dismissed.

Before:
MR AMRAN HUSSAIN
MRS MJ COLE

Between:

JAMES ELLIS
MATT PROBERT **Appellant**
- and -

(VALUATION OFFICER) **Respondent**

Regarding:
2ND FLR SOUTH, 23 SAVILE ROW, LONDON, W1S 2ET.
3RD FLR, 23 SAVILE ROW, LONDON, W1S 2ET.

(the "subject properties")

Mr D Hill, from CBRE Surveyors representing the Appellant
Mr A Powell representing the Valuation Officer

Hearing date: Wednesday 9 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals are dismissed.

2. The Tribunal Panel decided that the existing assessments for the subject properties were not unreasonable.

Introduction

3. The appeals had been brought by and in respect of the following:
   - James Ellis: 2nd Floor South, 23 Savile Row which was entered in the 2017 Rating List as Offices and Premises at £685,000 Rateable Value (RV), with effect from 1 April 2017 and then £720,000 with effect from 21 December 2020.
   - Matt Probert: 3rd Floor, 23 Savile Row which was entered in the 2017 Rating List as Offices and Premises at £1,690,000 Rateable Value (RV), with effect from 1 April 2017.

4. The Appellants' challenges to the Valuation Officer (VO) were made in May 2023 and September 2023. The appeals to this Tribunal were made on 19 April 2024 and 20 December 2024, following the VO's decision notices of 21 December 2023 and 6 September 2024, respectively.

5. Mr Hill was appearing on behalf of the appellant as advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC). He confirmed that he was representing the appellant at the hearing on a contingency fee basis, also declaring 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 body regardless of whether or not the evidence supported his client's case.

6. The panel have accepted this on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and is 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.

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

Preliminary issue

8. The day before the hearing, the appellant submitted evidence regarding a comparable property, to support his case. The respondent raised no objections to this late evidence, which the clerk had forwarded to the panel. As neither party had been prejudiced by this information, the appeal was determined, inclusive of this additional evidence.

Background

9. Prior to the hearing, the clerk had contacted the representatives for both parties, with both parties agreeing that the appeals be heard together at the hearing. Both parties had submitted separate bundles in respect of each property.

10. The building in which both subject properties were situated, 23 Savile Row, was stated to be a prime office building with a size of 140,000ft^2 (approximately 13,000m^2) over six upper floors, located on a prestigious street in Mayfair, London, built in 2009. The offices and premises at 2nd Floor South, 23 Savile Row, at 1 April 2017 had an area of 626m^2, which increased to 656.5m^2 from 21 December 2020. The area of 3rd Floor South, 23 Savile Row was 1,542.39m^2.

11. The appellants sought a reduction in the RV of both subject properties, on the basis that the unadjusted rate (UAR) of £1,100.00/m^2, which was applicable to both, was excessive and that it should be reduced to £950.00/m^2 in respect of both subject properties. The appellants sought the RV of 2nd Floor South, 23 Savile Row to be reduced from £685,000 to £590,000 and from £720.000 to £620,000 for the respective periods of 1 April 2017 to 20 December 2020, and 21 December 2020 to 31 March 2023, With regard to 3rd Floor South, 23 Savile Row, a reduction in RV from £1,690,000 to £1,460,000 effective from 1 April 2017 was sought.

Relevant Law

12. When arriving at its decision, the panel is governed by rating legislation laid down by Parliament. Schedule 6 to the Local Government Finance Act 1988, as amended by section 1(2) of the Rating (Valuation) Act 1999, defines the Rateable Value of a non-domestic property as the amount equal to the rent at which it is estimated the property might reasonably be expected to let on a year to year basis 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 the 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

13. The appeal hereditaments must be valued for the purpose of non-domestic rating on the basis of the rent at which they 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). The date of the hypothetical rent was 1 April 2015, the Antecedent Valuation Date (AVD). Matters that affect the physical state or enjoyment of the property or the locality were to be taken as at 1 April 2017 for this appeal.

Discussion

14. The panel was aware that the Lands Tribunal judgment in Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. This case had established six propositions that gave clear guidance to be followed when assessing rateable value. Bearing these six

propositions in mind, the panel acknowledged that the rent on the subject property, where available, was considered to be the correct starting point and consideration to how that rent compared to the statutory definition of rateable value. The rents on similar properties were also considered and assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

15. In considering whether the main space rate was reasonable, the panel first turned to the rent passing on the subject properties. The evidence bundles included rental information about the property at 2nd Floor South, 23 Savile Row, effective from February 2014 and July 2020, with the former, a new letting and the latter, a lease renewal. The panel noted that varying values were provided at which the earlier rent analysed to, after taking into the adjustments for fit out costs. There was an absence of rental evidence in respect of 3rd Floor, 23 Savile Row.

16. Reference was made to rents of other offices and premises located at 23 Savile Row, at 1st Floor South, 1st Floor West, 4th Floor South, 4th Floor North, as well as one of the aforementioned subject properties, 2nd Floor South. With the exception of this particular subject property, the rents for the first floor properties were new leases with rents stated to be effective from June and November 2013, with the rents for the fourth floor properties being rent reviews, with rents effective from August 2014 and April 2016.

17. The appellant contended that these rents were too far removed from the AVD to be given significant weight, especially when taking into account all of the other settlement evidence. The respondent's view differed, maintaining that this evidence together with the basket of other evidence signified that the main space rates for the subject properties were not unreasonable. The panel noted the other assessments at 23 Savile Row were assessed with a main space rate of £1,100/m^2.

18. The basket of evidence also included rental information about three separate offices and premises at 24 Saville Row, said to be situated opposite the subject properties. These rents were all in respect of new leases, with effective dates of rent from July 2015, June 2016 and October 2016. The appellant stated that on the basis of this rental evidence, the Valuation Officer had agreed to reduce the main space rate on five floors at 24 Savile Row from £1050/m^2 to £1,007.50/m^2. He asserted the age and specification of the subject properties should result in their main space rate to be assessed at no more than £950/m^2.

19. In addition to offices and premises in Savile Row, the appellant presented evidence of comparable properties at 10 New Burlington Street and 1 New Burlington Place, both which were stated to be more modern buildings, built in 2014 and 2015, situated on roads directly adjacent to the subject property. Their respective main space rates of £950.00/m^2 and £1,000/m^2, based on their rents, in the view of the appellant, supported a £950/m^2 main space rate for the subject properties.

20. In arriving at its decision, the panel also had regard to photographs which had been provided by both parties, to assist the panel. These included external and internal images of the subject property as well as images of the comparable properties referred to.

21. The panel gave regard to and deliberated about the submissions and evidence presented by both parties. Whilst the rental evidence in respect of the properties at 23 Savile Row was not persuasive in its own right to carry significant weight, it would be useful to the panel alongside any other relevant evidence to which the panel would attach weight,

22. The panel deemed that the onus was on the appellant to evidentially demonstrate that the Rateable Value for the subject property was excessive, such that it necessitated a reduction in the main space rate. The panel was not convinced that the rental evidence with regard to the properties at 24 Savile Row, 10 New Burlington Street, or 1 New Burlington Place, showed this.

23. The respondent had articulated and demonstrated to the panel, that the quality of the subject properties was superior to these other properties. Whilst all the properties referred to were prime office locations of excellent quality, and in that respect could be considered comparable, there were differences between them. The respondent's presentation showed that the subject properties situated at 23 Savile Row benefitted from features which distinguished it from the other properties. Its intrinsic architecture and design which features modern all round frontage, glazing on three sides, a skylight atrium extending from ground to floor six level, as well as being virtually column free, being unique in that it was situated within its own island site, as well as comprising car parking facilities, elevated 23 Savile Row as the best of these elite buildings which housed all the aforementioned offices and premises.

24. The properties within the locality were all premium offices and premises, however this did not necessitate that a broad brush approach should be taken such that there could be the possibility of an adoption of standardised main space rates. The rent for each premium property that it might reasonably be expected to let from year to year from a prospective tenant would depend upon what each individual property could offer. This inevitably would vary and although, in this instance, the comparable properties were more recently built, the evidence did not show there to be a correlation between age and quality.

25. The appellant's request for a main space rate of £950/m^2 to be applied was less than the £1,007.50/m^2 agreed in respect of the three properties at 24 Savile Row. The panel believed that the subject properties in 23 Savile Row were superior to the comparable properties at 24 Savile Row, finding no justification within the evidence to reduce the main space rates to £1,007.50/m^2, let alone £950/m^2.

26. In finding that the subject properties were of better quality than the comparable properties, it was fair and acceptable that the subject property had the highest UAR. The panel was satisfied that the current main space rate of £1,100/m^2 was reasonable or not excessive.

Determination

27. In view of the above findings and conclusions, the panel was satisfied that the subject property's current assessments in the 2017 Rating List at Rateable Values of £685,000, £720,000, and £1,690,000, as referred to in paragraph 11 above were not unreasonable. Accordingly, the appeals were dismissed.

Right of further appeal

28. 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.

29. 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 Amran Hussain, Senior Member (Presiding)

Mrs MJ Cole, Senior Member

7 August 2025

Mr R Patel
Clerk to the Tribunal
Date issued to the parties: 7 August 2025