IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101122484

Sitting remotely using Microsoft Teams

Date: 2 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141- tone of the rating list – office and premises

Before:
MR P A JENNINGS
DR S PENNI

Between:

CRAYON LTD — **Appellant**

- and -

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

Regarding:
CRAYON HOUSE, MERCURY PARK, WYCOMBE LANE, WOOBURN GREEN, HIGH WYCOMBE, BUCKINGHAMSHIRE HP10 0HH
(the “subject property”)

Mr A Hair of Ryan Property Tax Services UK Ltd, for the Appellant
Mr R Allen, for the Respondent.

Hearing date: 11 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal finds the entry in the 2023 Rating List was unreasonable and should be reduced to £172,000 with effect from 1 April 2023.

Introduction

3. The appellant's representative made a proposal on 7 September 2023 to challenge the entry in the 2023 Rating List of £179,000 with effect from 1 April 2023. The proposal sought a reduction to £159,000. The Valuation Officer (VO) did not find the proposal to be well founded, and a Challenge decision was issued on 26 February 2025, upholding the existing entry in the list. The appeal against the decision notice was received by the Tribunal on 7 March 2025.

4. Mr Allen stated that he was appearing as both Advocate and Expert Witness for the respondent, having recently inspected the subject property.

5. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr Hair declared that he was also appearing for the appellant in a dual role as Advocate and Expert Witness. He confirmed that his firm was instructed under a conditional or other success-based fee arrangement, but he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

6. The panel accepted this expert witness evidence 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 Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 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). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

7. The hereditament is valued as an office and premises within the Manor Courtyard development. The property is a mid-terrace building and has office accommodation on the ground and first floors. There was no dispute on the survey data, with the hereditament recorded at 677.28m^2. The sole issue in dispute was the correct unit price per m^2 to be applied to the valuation. The existing valuation was based on £265/m^2, which was defended by Mr Allen, and the appellant's representative, Mr Hair, sought a reduction to £235/m^2.

8. The material day on which to consider the property and its locality was 1 April 2023, as this was a challenge to the compiled list entry. The property must be considered with regard to values on the antecedent valuation date (AVD) of 1 April 2021.

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

Relevant Law

10. The subject property must be valued by the statutory assumptions set out in Schedule 6 to the Local Government Finance Act 1988 as follows:

"(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."

11. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, mentioned in the parties' submissions, which provided guidance on the weight to be attached to different forms of evidence.

Discussion

12. In accordance with *Lotus & Delta*, the panel found that the starting point of any valuation must be the rent passing on the subject property. In this case, the subject property's rent was reviewed on 1 September 2020, seven months prior to the AVD. The rent was for a five-year term, with a three-month rent-free period, and was stepped over the term. The rent increased from £155,841 in year one to £185,525 in year five. The rent was originally agreed in 2015 and the lease allowed only upward reviews. The rent was not increased at review in 2020. Mr Allen submitted that the subject property's rent analysed to £259.92/m^2 and therefore supported the existing valuation, based on £265/m^2.

13. Mr Hair submitted that the subject property's rent was of limited use, being a rent review, rather than a new letting. He contended the best evidence would be lettings in a Category B state on comparable properties. He stated there were only two Category B lettings in the same locality.

14. 2nd Floor Glory Park Avenue is a comparably sized office, at 590.27m^2, which was let from 16 September 2019 on a ten-year term with an eight-month rent-free period. The rent agreed was £166,218 and the VO analysed this to £281.60/m^2, and Mr Hair analysed to £229.55/m^2.

15. On the same development as the subject property was Mariner House, The Mercury Centre, an office measuring 536.04m^2, which was let on a ten-year term and renewed from 4 December 2020 at a rent of £160,000, with a six-month rent-free period granted as incentive. There was a five-year review and tenant break option with the landlord responsible for external repairs and building insurance. This transaction was a lease renewal, rather than a new letting. Mr Hair analysed this rent to £241.18/m^2 and Mr Allen to £275.26/m^2. Both the Glory Park Avenue office and the office in Mariner House were valued in the 2023 list at £265/m^2, the same as the subject property.

16. The panel noted that the subject property's rent, according to the VO's analysis, seemed to support the existing valuation. However, it was not a new letting but a review of the rent

agreed in 2015, which was far removed from the AVD. It therefore considered the rent must be tested against other comparable offices in the locality.

17. The panel noted the map provided in evidence and questioned the distance of 2nd Floor Glory Park Avenue from the subject property. Mr Hair estimated it to be around 0.5 miles. The panel found the map was not scaled and the Glory Park Avenue property appeared to be a slightly different locality to the subject property. The table of rental evidence in the bundle showed the Glory Park Avenue office was in scheme 598997, whereas the two offices in Mercury Park were in scheme 598998. Although the rent on the Glory Park Avenue offices was a new letting, it was agreed in September 2019 and the panel considered this too far from the AVD to be of assistance. Given the date of the rent and the distance from the subject property, the panel found this example to be less persuasive as evidence to reduce the subject property's valuation.

18. Mariner House is located adjacent to the subject property and is comparable in age, quality, size, and location. Its rent from 4 December 2020 was close to the AVD and the panel found this to be a more useful example. At the hearing, it was established that the difference in the parties' analysis was due to the VO having analysed the rent over the full ten-year term and the appellant's representative analysing to the five-year review and tenant break option. Mr Allen submitted that he had not seen a break clause in the lease for this property and this was why he had analysed over the full term. Mr Hair provided an extract from the lease for Mariner House at the hearing confirming at clause 5.19 that the lease could be ended on the expiry of the fifth year by giving the landlord not less than six months written notice. No objection was raised to this submission by Mr Allen at the hearing. Considering this evidence, the panel found that Mr Hair was correct to analyse to the break clause, and it accepted his analysis at £241.18/m^2. It was satisfied that if Mr Allen were aware of the break clause, his analysis would have been lower, which he accepted at the hearing.

19. After considering the evidence available, the panel found most weight should be placed on the subject property's rent renewal from September 2020 and the rent renewal on nearby Mariner House in December 2020. Neither were new lettings but would reflect the local market for this size and style of office. Mr Hair had provided no analysis of the subject property's rent, indicating he placed little weight on it and submitting that the nil increase rent review suggested it was overvalued. Having established that the lease for nearby Mariner House included a five-year review and tenant break option, the panel noted that this property analysed significantly lower than the subject property.

20. The panel noted that the VO's analysis of the subject property's rent from September 2020 was £259.92/m^2. It accepted that value may be different on the AVD of 1 April 2021 and the rent could not be increased at review. This suggested the property's value was certainly no higher than the rent agreed five years earlier. The rent on Mariner House was also a review but analysed lower on a very comparable property, closer to the AVD. The panel was therefore persuaded that the existing valuation for the subject property was unreasonable and should be reduced. However, it was not convinced that the £235/m^2 sought by Mr Hair was right. His figure was some way from the VO's analysis of the subject property's rent and lower than that agreed on Mariner House. The panel decided the correct rate was £255/m^2.

Determination

21. In view of the above findings and conclusions, the Tribunal is satisfied that the subject property's valuation should be reduced to £172,000 with effect from 1 April 2023.

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 amend the entry for Crayon House, Mercury Park, Wycombe Lane, Wooburn Green, High Wycombe, Buckinghamshire HP10 0HH in the 2023 Rating List to £172,000 effective from 1 April 2023.

23. The Valuation Officer must comply with this Order within two weeks of its making.

Floor	Description	Area (m^2)	£/m^2	Value
Ground	Office	333.88	£255	£85,139.4
Ground	Staff Toilets	0	£0	£0.00
First	Office	343.4	£255	£87,567.0
First	Staff Toilets	0	£0	£0.00
	Total	677.28	Total	£172,706.4
			Total value	£172,706.4
			Say RV	£172,000

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/.

Mr P A Jennings, Senior Member (Presiding)

Dr S Penni, Senior Member

2 September 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 2 September 2025