IN THE VALUATION TRIBUNAL FOR ENGLAND
2017 RATING LIST APPEALS

Case Numbers: As below

Sitting remotely using Microsoft Teams

Date: 10 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2017 non-domestic rating list appeals; Offices and premises; Proposal seeking a lower £ per m^2 for all appeals; Increased allowance for quantum sought for one appeal; Appeals allowed in part.

Before:
MR W READ (PRESIDING SENIOR MEMBER)
MR A HUSSAIN (SENIOR MEMBER)

Between:

BRITISH TELECOMMUNICATIONS PLC **Appellant**

- and -

THE VALUATION OFFICER **Respondent**

Regarding:
7th to 17th Floors, Three Snowhill, Birmingham B4 6GA (CHG101129595)
7th to 14th Floors, Three Snowhill, Birmingham B4 6GA (CHG101090936)
12th to 14th Floors, Three Snowhill, Birmingham B4 6GA (CHG101110934)
7th to 9th Floors, Three Snowhill, Birmingham B4 6GA (CHG101109641)
16th to 17th Floors, Three Snowhill, Birmingham B4 6GA (CHG101129581)

Representatives:
Mr G Richardson of Colliers LLP, representing the Appellant
Mr J Green, representing the Respondent

Hearing date: 3 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. All five appeals were allowed in part. The panel made the following alterations to the 2017 rating list:

 7th to 17th Floors, Three Snowhill, Birmingham B4 6GA
 RV of £3,750,000 with effect from 24 January 2022

 7th to 14th Floors, Three Snowhill, Birmingham B4 6GA
 RV of £3,080,000 with effect from 4 January 2022

 12th to 14th Floors, Three Snowhill, Birmingham B4 6GA
 RV of £1,300,000 with effect from 19 July 2021

 7th to 9th Floors, Three Snowhill, Birmingham B4 6GA
 RV of £1,220,000 with effect from 16 August 2021

 16th to 17th Floors, Three Snowhill, Birmingham B4 6GA
 RV of £740,000 with effect from 16 August 2021

Introduction and background

2. This decision and statement of reasons is not a contemporaneous or verbatim record of the proceedings.

3. The subject properties consist of office accommodation spread over various floors within Three Snowhill, Birmingham B4 6GA totalling some 58,763m^2. The assessment at 7th to 17th Floors had initially been measured at 24,209.53m^2 but this had been agreed at the Challenge stage to be 23,827.43m^2 (once adjustments had been made to remove balconies and the plant room situated upon the 16th floor). Three Snowhill (along with One Snowhill and Two Snowhill) is located along Queensway in Birmingham, a short distance from Snowhill train station. All three office blocks provided grade A office accommodation.

4. The five appeals concerned different assessments within Three Snowhill and, as they principally raised a common argument, they were consolidated into a single hearing in accordance with regulation 6 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009. The panel was satisfied that all the evidence before it was admissible in accordance with regulation 17A(1)(b) of these Regulations.

5. Challenges were submitted to the Valuation Officer in accordance with the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. At the Challenge stage the Valuation Officer considered it reasonable to revise the unadjusted rate to £215 per m^2 for all five of the assessments and to make allowances for quantum. This resulted in the following RV's:

7th to 17th Floors:	£3,970,000 inclusive of a 22.5% quantum allowance (23,827.43m^2)
7th to 14th Floors:	£3,160,000 inclusive of 17.5% quantum allowance (17,823.4m^2)
12th to 14th Floors:	£1,330,000 inclusive of a 10% quantum allowance (6,9146.61m^2)
7th to 9th Floors:	£1,250,000 inclusive of a 10% quantum allowance (6,479.97m^2)
16th to 17th Floors:	£755,000 inclusive of a 5% quantum allowance (3,716.15m^2)

6. It was the Appellant's opinion that the unadjusted rate should be £190 per m^2 for each of the five assessments and so appeals were submitted to the tribunal. Whilst the quantum allowance had been agreed in respect of four of the assessments, a disagreement remained regarding the allowance of 22.5% for 7^{th} to 17^{th} Floors as the Appellant considered 25% to be appropriate.

7. The representatives appeared in the dual roles of advocate and expert witness, with Mr Richardson declaring that he/Colliers LLP was representing the Appellant on a contingency fee basis. Both representatives acknowledged and accepted that when presenting evidence as expert witnesses, that their duty was to the tribunal irrespective of whether their evidence supported their respective argument. Mindful of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT (LC), the panel accepted the expert witness evidence on this basis as the appeal was not considered to be complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations. Furthermore, it was allowable due to the Tribunal's rules concerning 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 to consider the expert evidence and assess what weight, if any, to give it in the context of the issues before it.

Discussion

8. The five appeals were against entries in the 2017 rating list and so the rental levels are taken as those passing at the antecedent valuation date (AVD) of 1 April 2015 in accordance with the Rating Lists (Valuation Date) (England) Order 2014. The material day (the date by which physical factors must be taken into account) is provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992. The material day for each of the assessments was the effective date of their entries into the valuation list (as stated in paragraphs one and nineteen).

9. Paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 provides that the RV 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 based upon three assumptions. These assumptions are well known to the parties and so the panel did not consider it necessary to set them out in this decision notice.

10. The starting point for consideration is the actual passing rent. Neither party had analysed the rent as both found that it was too remote from the AVD to be reliable. The panel agreed with the parties on this point.

<u>*Unadopted rate*</u>

11. The panel found that the best evidence was provided by One and Two Snowhill. Number One had been completed in 2008, Number Two in 2013 and the subject building itself in 2019. The unadjusted rate for One and Two Snowhill had been agreed at £210 per m^2 and Mr Richardson argued that the subject assessments in Number Three were not superior to One and Two which immediately brought into doubt the reasonableness of £215 per m^2 as the unadjusted rate for them could not be more than £210 per m^2.

12. Mr Green argued that Three Snowhill benefited from its 'newness', having been the final build in the development and from additional features (which included a WiredScore of 100/100

thereby showcasing its digital connectivity, EV chargers for electric vehicles/bicycles and a gym with treatment rooms). Mr Green added that, in his opinion, the additional features warranted an uplift from £210 to £215 per m^2 when compared with Numbers One and Two Snowhill.

13. The panel was not persuaded by the ‘newness’ argument. One Snowhill had been completed in 2008, whilst Two Snowhill had been completed much closer to the AVD in 2013 yet they both had the same unadopted rate of £210 per m^2. If newness was a compelling factor then one might well expect the office accommodation within Two Snowhill to be more valuable given that, at the AVD, it was only two years old whist the office accommodation in One Snowhill would have been seven years old. Furthermore, the panel was not persuaded that the additional features warranted an uplift from £210 per m^2. The reported scores for connectivity were confusing and inconsistent given that Three Snowhill had scored a perfect 100/100 and held a ‘silver’ certificate, yet One and Two Snowhill held ‘platinum’ certificates. In any event, this was not found to be particularly relevant as it was clear that all three buildings benefited from excellent digital connectivity. Similarly, the panel placed no significant weight upon the presence of EV chargers or a gym as adding rateable value. The EV chargers were understood to be shared between the three buildings, whilst the gym was understood to be one of several in the locality and there was no evidence before the panel to show that its presence in Three Snowhill provided any significant value to its occupiers through, for example, concessionary rates or reduced membership fees which were not available to the occupiers of One and Two Snowhill.

14. Given the panel had found the best evidence to determine these appeals were One and Two Snowhill which were in the same development, it placed less weight upon the evidence relating to other office accommodation in the locality (the Colmore Building, Colmore Square, Cornerblock, Colmore Row and Chamberlain Square).

15. In summary, the panel found no compelling evidence to show that the office accommodation in Three Snowhill should be valued any differently to the office accommodation in One and Two Snowhill. Accordingly, an unadopted rate of £210 per m^2 was found to be reasonable.

Quantum allowance for 7th to 17th Floors

16. Mr Green submitted that an allowance for quantum should be made on a case by case basis, based upon the facts and evidence in relation to the assessment in question and the panel noted his further submission that because the assessment was the single largest office take in Birmingham it was difficult to find suitable comparisons. He argued that 22.5% was reasonable.

17. Mr Richardson drew the panel’s attention to 125 Colmore Row (12,857m^2 in size) which had an allowance of 15%, 120 Edmund Street (12,659m^2 in size) which had an allowance of 15%, 5 Brindley Place (12,775m^2 in size) which had an allowance of 25% and 7 Brindley Place (9,160m^2 in size) which had an allowance of 17.5%.

18. Ultimately, the panel was persuaded by the pattern of allowances which had been agreed in respect of the four other assessments which were under appeal in Three Snowhill. This demonstrated that an allowance of 25% was reasonable.

Determination

19. For the reasons set out above, the panel found that the RV's of the assessments in these appeals to be as follows:

    7th to 17th Floors, Three Snowhill, Birmingham B4 6GA
    RV £3,750,000 with effect from 24 January 2022

    7th to 14th Floors, Three Snowhill, Birmingham B4 6GA
    RV £3,080,000 with effect from 4 January 2022

    12th to 14th Floors, Three Snowhill, Birmingham B4 6GA
    RV £1,300,000 with effect from 19 July 2021

    7th to 9th Floors, Three Snowhill, Birmingham B4 6GA
    RV £1,220,000 with effect from 16 August 2021

    16th to 17th Floors, Three Snowhill, Birmingham B4 6GA
    RV £740,000 with effect from 16 August 2021

    The calculation of each RV can be found below.

20. These appeals were therefore allowed in part.

Order

21. 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 properties as set out above.

Refund of appeal fee

22. The appellant is entitled to a refund of the appeal fees in accordance with regulation 13E of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. These will be refunded as soon as possible.

Right of further appeal

23. 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.

24. 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/.

Date issued to the parties: 10 June 2025

CHG101129595 - 7th to 17th Floors			
	M/2	**£**	**Value**
Seventh floor office	2,192.51	210	460,427
Eighth floor office	2,141.41	210	449,696
Ninth floor office	2,146.05	210	450,671
Tenth floor office	2,266.83	210	476,034
Eleventh floor office	2,159.99	210	453,598
Twelfth floor office	2,303.99	210	483,838
Thirteenth floor office	2,303.00	210	483,630
Fourteenth floor office	2,308.63	210	484,812
Fifteenth floor office	2,289.20	210	480,732
Sixteenth floor office	1,961.22	210	411,856
Seventeenth floor office	1,754.60	210	368,466
	23,827.43		5,003,760
Quantum allowance - 25%			1,250,940
			3,752,820
		RV SAY:	**3,750,000**

CHG101090936 - 7th to 14th Floors			
	M/2	**£**	**Value**
Seventh floor office	2,192.51	210	460,427
Eighth floor office	2,141.41	210	449,696
Ninth floor office	2,146.05	210	450,671
Tenth floor office	2,266.83	210	476,034
Eleventh floor office	2,159.99	210	453,598
Twelfth floor office	2,303.99	210	483,838
Thirteenth floor office	2,303.99	210	483,838
Fourteenth floor office	2,308.63	210	484,812
	17,823.40		3,742,914
Quantum allowance - 17.5%			655,010
			3,087,904
		RV SAY:	**3,080,000**

CHG101110934 - 12th to 14th Floors			
	M/2	**£**	**Value**
Twelfth floor office	2,303.99	210	483,838
Thirteenth floor	2,303.99	210	483,838
Fourteenth floor	2,308.63	210	484,812
	6,916.61		1,452,488
Quantum allowance - 10%			145,249
			1,307,239
		RV SAY:	**1,300,000**

CHG101109641 - 7th to 9th Floors			
	M/2	**£**	**Value**
Seventh floor office	2,192.51	210	460,427
Eighth floor office	2,141.41	210	449,696
Ninth floor office	2,146.05	210	450,671
	6,479.97		1,360,794
Quantum allowance - 10%			136,079
			1,224,714
		RV SAY:	**1,220,000**

CHG101129581 - 16th to 17th Floors			
	M/2	**£**	**Value**
Sixteenth floor	1,961.55	210	411,926
Seventeenth floor	1,754.60	210	368,466
	3,716.15		780,392
Quantum allowance - 5%			39,020
			741,372
		RV SAY:	**740,000**