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

Case No: CHG101130723

Sitting remotely using Microsoft Teams

Date: 11 March 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 — Office and premises — main space price — appeal dismissed

Before:
MR A IQBAL
MR SM HOOBERMAN

Between:

GORDIAN KNOT LIMITED **Appellant**

- and -

Andrew Ricketts
(VALUATION OFFICER) **Respondent**

Regarding:
FIFTH FLOOR, LANSDOWNE HOUSE, LONDON W1J 6ER
(the "subject property")

Mr Khalid Abbaas for the **Respondent**

Hearing date: 19 February 2026

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal finds that the rateable value for the period 1 April 2023 to 3 July 2023 was not unreasonable.

STATEMENT OF REASONS

Introduction

3. The appellant company had made a challenge against the accuracy of the compiled list assessment in the 2023 Rating List, by way of a proposal that was served on the Valuation Officer (VO) on 19 September 2023. After considering the proposal and evidence submitted during the challenge period, the VO decided that the proposal was not well founded. A decision notice to this effect was served on the appellant company on 1 March 2024. The appellant company then appealed the VO's decision to the Tribunal on 17 April 2024, on the grounds that the current valuation for the hereditament was not reasonable, under regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

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

Background

5. The subject property was a Grade B office and premises occupied within a nine storey building, built in 1988. It has an agreed total area of 731m².

6. Mr Curd on behalf of the appellant company had requested that the appeal be heard in his absence with the Tribunal having regard to the correspondence submitted in support of the appeal.

7. Mr Abbaas confirmed that he was representing the VO as advocate and expert witness.

8. The issue in dispute before the panel was the correct tone of value to be applied to the appeal property. The appellant sought a reduced entry of £65,000 RV from 1 April 2023 based on an unadjusted value of £88.90/m².

9. However, Mr Abbaas defended the VO's assessment of £555,000 RV based on a tone of value of £760/m².

10. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included the parties' written submission, a location map, an external photograph of the appeal property and the VO's comparable properties.

Relevant Law

11. The term 'rateable value' is defined in 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; and

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".

Discussion

12. In the case under consideration, the panel had analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141. The rent on the subject property is considered to be the correct starting point but, where available, rents on similar properties are also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence can then be weighted.

13. In terms of rental evidence, the passing rent for the subject property was £64,911 effective from 16 June 2021. It also included a service charge and utilities. However, the panel could not apply any significant weight to the rent for the subject property as the lease was outside of the Landlord and Tenant Act 1954[1]. Furthermore, the rent was a lease renewal rather than a new tenant coming fresh to the scene and it required adjustment to reflect the service charges. The more the passing rent requires adjustment to fulfil the rating hypothesis, the less reliable it becomes[2].

14. The panel also noted within the VO's evidence that the Form of Return stated that "Gordian Knot may have entered into a CVA had the landlord not agreed to a lower rent". The subject property was subsequently removed from the 2023 rating list and therefore, it would have suited the landlord to let a property for a couple of years, albeit at a lower rent and deriving an income from it, rather than having it left empty and potentially having to pay business rates on an empty property.

15. As the panel concluded that the rent for the subject property was potentially unreliable for a number of reasons as set out above, the panel tested the passing rent for the subject property against the VO's comparable properties. Although most of the VO's comparable properties were smaller and therefore not comparable to the subject property, the panel noted that 4th Floor, 65 Curzon Street was only slightly smaller than the subject property and had been analysed at £695/m² and First Floor, 65 Curzon Street had been analysed at

[1] Saintta Global Lawyers (UK) Limited v Rickets [2021] UKUT 0242 (LC) dated 8 September 2021
[2] Garton v Hunter (VO) 1969 QB 27

£817.57/m². These two rents were seven months before and five months after the Antecedent Valuation Date (AVD) and supported the existing main space of the subject property and demonstrated to the panel that the rent for the subject property was unreliable.

16. The Appeal of Reeds (VO) RA/57/2007 dated 12 November 2008, the Lands Tribunal allowed an appeal where the VO provided evidence that the rent for the subject property was below the market value. Paragraph 35 of that judgment states:

> *"There is a substantial difference between the rent which was agreed on the open market for the appeal hereditament one year after the AVD and the level of value suggested by Mr Reeds. In a careful and detailed report Mr Reeds has produced a formidable case to show that the agreed rent was indeed well below the then market value. In the absence of any evidence to the contrary I accept his valuation".*

17. The appellant had not provided any evidence to demonstrate that the passing rent for the subject property was a market rent, such as rents for other comparable properties within the locality. The panel found that the VO's evidence, albeit rather limited in terms of comparability, demonstrated to its satisfaction that the rent for the subject property was below the market value.

18. The appellant company was relying on the passing rent for the subject property. The passing rent of £432,740 was agreed in 2018 and was therefore too far from the AVD to be reliable. But, it did prove to the panel that the passing rent agreed in 2021 was unreliable, not only for the reasons set out above, but, also, because the panel found it inconceivable that rental values would drop to the extent that a passing rent of £64,911 per year would be an open market rent.

19. Turning to the appellant company's other argument that the rent should be less due to the deterioration in the condition of the subject property, the appellant did not provide any evidence to show its condition. But, the assumptions as set out above state:

> "*immediately before the tenancy begins the hereditament is in a state of reasonable repair"* and "*that the tenant has to bear the cost of the repairs … necessary to maintain the hereditament in a state to command the rent mentioned above*".

20. In accordance with the above assumption, the panel cannot take into account the deterioration of the subject property as the rating hypothesis has to assume that a tenant would maintain the subject property.

21. During questioning, the clerk raised the judgment of *Dawkins (VO) v Ash Brothers & Heaton Ltd* [1969] 2 All E.R. where it was held that a lower main space price should apply to a property that was doomed to demolition as a result of a Compulsory Purchase Order. However, the panel accepted the VO's reason for differentiating the two circumstances. With *Dawkins (VO) v Ash Brothers & Heaton Ltd* the property in that judgment had been the subject to a Compulsory Purchase Order which Mr Abbaas contended was different from the subject property which was being refurbished.

Conclusion

22. In view of the above findings and conclusions, the Tribunal is satisfied that that the unadjusted main space price of £760/m^2 and the resultant RV was reasonable as the subject property was valued in line with other similar units in the locality. The appeal is therefore dismissed.

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) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was 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/.

Mr A Iqbal, Senior Member
Mr SM Hooberman, Member
11 March 2026

Mr Richard Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 11 March 2026