



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

Case No: CHG101152198

Sitting remotely using
Microsoft Teams

Date: 19 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

*RATING — Local Government Finance Act 1988 — Material change in circumstances —
Redevelopment — Appeal dismissed.*

**Before:
MRS NC YANG
MR AMRAN HUSSAIN**

Between:

**CLEARY GOTTlieb STEEN & HAMILTON LLP
(REPRESENTED BY KNIGHT FRANK LLP)**

Appellant

- and -

**NICOLA JOHNSON
(VALUATION OFFICER)**

Respondent

**Regarding:
13TH-16TH FLRS, 2 LONDON WALL PLACE, LONDON, EC2Y 5AU
(the “subject property”)**

**MR S BERKLEY FOR THE APPELLANT
MR A MCKILLOP FOR THE RESPONDENT**

Hearing date: 19 August 2025

DECISION AND STATEMENT OF REASONS

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Decision

1. The appeal is dismissed.
2. The Tribunal Panel found that the current rateable value (RV) was reasonable and no allowance was warranted for the nearby building works.

Introduction

3. This was a 2017 rating list appeal made in respect of 13th-16th Flrs, 2 London Wall Place, London, EC2Y 5AU. The challenge proposal was submitted by Knight Frank LLP on behalf of the appellant, Cleary Gottlieb Steen & Hamilton LLP, on 6 November 2023. It had been made on the grounds of a material change in circumstances (MCC) and requested a 2.5% temporary allowance in respect of the building works at City Place House, 55 Basinghall Street, London.
4. The Valuation Officer (VO) issued a challenge case decision notice on 1 October 2024 which disagreed with the proposed alteration of the list.
5. Prior to the hearing, and separate to this appeal, the unadjusted base rate of the subject property was reduced from £575 per square metre (psm) to £550 psm. The current RV of the subject property was now £2,450,000 and Mr Berkley was seeking a reduction to £2,380,000.
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 6 November 2024.
7. Mr Berkley appeared on behalf of the appellant as both advocate and expert witness. 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 instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that he would comply with this as well as the requirements of his professional body, regardless of whether or not the evidence supported the client's case.
8. Mr McKillop appeared as advocate and expert witness for the respondent and was not acting on a conditional fee arrangement.
9. 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).
10. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

Background

11. The subject property was office premises located on the top four floors of a 16 storey, purpose built, office building. The building was part of a development completed in 2018 that comprised two commercial buildings that were separated by an acre of landscaped gardens. There was a bridge that linked the two buildings at the mezzanine level.

12. The basis for the appeal was the impact of the demolition and redevelopment of City Place House located at 55 Basinghall Street, London, EC2V 5DX, on the subject property.

Relevant Law

The Local Government Finance Act 1988

13. Schedule 6 of the Act provides that:

2(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.

14. 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.

15. 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 24 November 2022.

Discussion

16. The panel heard from Mr Berkley that the works at City Place House began on 11 February 2022 at which point the link bridge from the northern side of London Wall to City Place House was closed, and the building partially demolished. He stated the building works were ongoing at the material day and the subject property suffered disturbance from the scale and intensity of the works by way of noise, dust and vibrations, the loss of pedestrian access from the northern side of London Wall, and the impact on the outside amenity space.
17. Mr Berkley referred to an allowance that was granted to City Place House for 2.5% in September 2013 due to the development of 1 and 2 London Wall Place. It was his contention that as the situation was now reversed, the same allowance should be applied to the subject property. He stated 1 London Wall Place was across the street from City Place House.
18. Mr Berkley had provided fourteen assessments with allowances granted between 6% and 13.5% for nearby works. It was his view that this demonstrated 2.5% for the subject property

was not unreasonable. Mr McKillop countered that the comparable assessments were all older buildings and did not meet the modern soundproofing standards.

19. Mr McKillop argued that the subject property was newly built in 2017 and was a fully sealed, purpose-built office block. It was his contention that the allowance on City Place House was based on a larger development scheme and there was more disturbance due to the proximity to 1 London Wall Place. He stated that when 1 London Wall Place was redeveloped, City Place House was twenty metres away, and at times the hoardings were within thirteen metres. He compared this to the subject property which was over forty metres away from the works at City Place House.
20. The panel heard from Mr McKillop that there was no evidence of allowances in London for works that were forty metres away. It was his opinion that within London many properties were within forty metres of building works due to the nature of the city. Mr McKillop contended that the subject building was taller than City Place House and not in an enclosed space, whilst the link bridge was temporarily closed there were still alternative ways to cross the road, and the gardens between 1 and 2 London Wall Place were not part of the subject property itself.
21. The panel considered all of the evidence before it. It acknowledged that when the subject property was being built, City Place House was granted a 2.5% allowance for the disturbance. However, each case had to be decided on its own merits. It was the panel's opinion that whilst the works at City Place House were ongoing at the material day, the effects on the subject property were limited.
22. The panel found that the subject property was a modern building and heard from both parties that it was fully sealed. Based on the maps and descriptions from the parties, the panel noted that the subject property did not directly face the construction works and was over forty metres from the construction. In relation to the garden area between the subject property and 1 London Wall Place, the panel heard that this was a communal area and was open to the public, and the loss of the link bridge from the northern side of London Wall to Basinghall Street was incidental as there were other routes available. The panel was of the opinion that the loss of these amenities would not materially affect the rental value of the subject property.
23. It was the panel's view that the comparable assessments were not comparable to the situation at the subject property as the works were a maximum of twenty metres away from the respective properties.
24. The panel determined that an end allowance of 2.5% was not warranted for the subject property on the basis of the works at City Place House.

Determination

25. In view of the above findings and conclusions, the Tribunal Panel is satisfied that no end allowance was applicable at the material day. Therefore, the appeal is dismissed.

Right of further appeal

26. 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.

27. 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/.

Mrs NC Yang, Senior Member (Presiding)

Mr Amran Hussain, Senior Member

19 September 2025

Mrs S Hodgson
Clerk to the Tribunal

Date issued to the parties: 19 September 2025