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

Case No: CHG101154432
CHG101154405
CHG101154413
CHG101154420
Sitting remotely using
Microsoft Teams

Date: 22 December 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Hotels and Premises; Subject Rent; Comparable Valuation Method; Shortened Receipts and Expenditure; Overtrading; Appeals dismissed

Before:
MR WJ READ
MRS V LLOYD

Between:

QUARTER **Appellant**
- and -

LUCY FORMELA-OSBOURNE
(VALUATION OFFICER) **Respondent**

Regarding:
THE WASHINGTON HOTEL, 9-15 ST PAULS ROAD,BRISTOL,BS8 1LX
THE BERKELEY SQUARE HOTEL, 14/15 BERKELEY SQUARE, BRISTOL, BS8 1HB
HOTEL CLIFTON, ST PAULS ROAD, BRISTOL, BS8 1LX
4 RODNEY PLACE, BRISTOL, BS8 4HY
(the “subject properties”)

Mr K Rabbette, of Paul Rabbette Ltd representing the Appellant
Mr M Pearson, representing the Respondent

Hearing date: **1 DECEMBER 2025**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeals are dismissed.

2. The Tribunal Panel was satisfied from the evidence and submissions that the amended RVs set out in the challenge decision notices in respect of the subject properties were not excessive.

STATEMENT OF REASONS

Introduction

3. These were 2017 rating list appeals. Challenges were made by the Appellant on 13 November 2023, seeking reduction in the RVs of the subject properties as follows;

The Washington Hotel	from £74,250 to £58,000 effective 1 April 2017
The Berkeley Square Hotel	from £160,000 to £80,000 effective 1 April 2017
Hotel Clifton	from £150,000 to £97,000 effective 1 April 2017
4 Rodney Place	from £91,500 to £38,000 effective 1 April 2017

4. Following the Appellant's challenges, the VO accepted that the current assessments were unreasonable and the following revised assessments were notified to the appellant in Challenge decision notices issued on 28 March 2025;

The Washington Hotel	£67,500 effective 1 April 2017
The Berkeley Square Hotel	£139,000 effective 1 April 2017
Hotel Clifton	£134,000 effective 1 April 2017
4 Rodney Place	£77,000 effective 1 April 2017

5. These are compiled list appeals and the material day was 1 April 2017. The appeals were made on 2 July 2025 following the VO's Decision Notices.

6. Mr Rabbette 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), Mr Rabbette declared that he was instructed under a conditional fee arrangement as Advocate but a fixed fee as expert witness. He declared 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 the client's case.

7. The panel accepted this expert witness evidence on the above basis as the appeals were 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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

8. As the arguments and evidence for the four appeals were very similar, with the agreement of the parties it was decided to consolidate the hearing of the appeals. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

The appeal properties

9. ***The Washington Hotel*** is located on St Pauls Road in Clifton, an attractive, affluent area of Bristol. It is in close proximity to Whiteladies Road, a major thoroughfare and popular retail, business and student area.

10. The property consists of a terrace of four Georgian terraced townhouses (9-15 St Pauls Road) which have been converted and merged into one hotel. The hotel is set over four storeys (basement to second floor). In addition to 41 bedrooms, it comprises a kitchen and dining area, entrance and reception area, and office. The bedrooms include single, double, twin and family (ensuite and non-ensuite) rooms and equate to 36.4 DBUs (Double Bed Units). To the rear of the property there is a car park for approximately 15 cars and a two storey store which are both included in the hereditament and reflected in the valuation.

11. ***The Berkeley Square Hotel*** is located towards the lower end of Clifton in Berkeley Square. It is close to The Triangle, a major intersection between Jacob's Wells Road, Queens Road & Whiteladies Road, Park Row and Park Street providing easy access to the University of Bristol, College Green and the City Centre.

12. The property consists of two Georgian terraced townhouses (14-15 Berkeley Square) which have been converted and merged into one hotel. The hotel is set over five storeys (basement to third floor). In addition to 41 bedrooms, it comprises a bar, kitchen, restaurant, entrance and reception area, lounge and office. The bedrooms include single, double, twin and family (ensuite and non-ensuite) rooms and equate to 36.3 DBUs. The property has a passenger lift and car parking is available at another separately assessed site.

13. ***The Hotel Clifton*** is located on St Paul's Road in Clifton, in close proximity to Whiteladies Road, a major thoroughfare and popular retail, business and student area.

14. The property consists of four, early Victorian, terraced townhouses, converted and merged into one hotel. Set over five storeys (lower ground to third floor), the lower ground floor contains Racks, a popular bar and restaurant. The remaining floors contain the entrance and reception area, lounge, and 59 bedrooms, which are a mix of single, double, twin and family (ensuite and non-ensuite) equating to 55.4 DBUs. The property has a passenger lift. The accommodation provision is basic quality and commensurate with the age and style of the premises and location.

15. ***4 Rodney Place*** is situated off Clifton Down Rd, a main thoroughfare within Clifton Village, a popular shopping area.

16. The property consists of terraced, Georgian townhouses converted and merged into one hotel at Rodney Place. The hotel is set over five storeys (basement to third floors) and it contains a kitchen, store, entrance and reception area, and a restaurant/bar. It has 31 bedrooms across a range of accommodation types including single, double, twin and family (ensuite and non-ensuite) equating to 23.4 DBUs. There is no passenger lift and there is limited car parking to the front of the property.

17. The Appellant considered that the four hotels should be valued using the comparison method, based wholly on the rent passing on part of one of the subject hotels. The rent in question was that for 11-13 St Paul's Road, which comprised the middle two terraced townhouses making up the hereditament known as the Washington Hotel. The two houses

either side (9 & 15) were owned freehold by the appellant and have been converted and merged with 11-13 St Paul's Road to comprise the Washington Hotel.

18. 11-13 St Paul's Road was let on a 25 year lease from 24 March 2005, and further to a five yearly review, its rent was agreed at £27,000 per annum (pa) from 24 March 2015. Based on the proportion of total turnover from accommodation at the Washington Hotel, Mr Rabbette concluded that 82% of that rent (£22,140 pa) was attributable to the accommodation. From the plans of the Washington Hotel, he had determined that 11-13 St Paul's Road contained 21 bedrooms, equivalent to 19.7 DBUs, which resulted in a rate of £1,123.86 per DBU.

19. Mr Rabbette argued that there was no other rental evidence for hotels within Clifton, and the only other settled appeal for a hotel in Clifton was for The Victoria Square Hotel. This had been withdrawn based on a RV of £55,000, which Mr Rabbette had calculated to give £1,367.49 per DBU. He contended that the Victoria Square Hotel was located in a highly prominent position in a prestigious location and had a very high proportion of its turnover attributable to accommodation and would expect the rate to be lower at the Washington Hotel. He also placed nominal weight on the assessments of the Avon Gorge Hotel and the 'OYO' Hotel, 40-44 St Paul's Road as neither had been subject to a challenge.

20. Mr Rabbette therefore considered the rent on 11-13 St Paul's Road provided the best evidence in respect of The Washington Hotel as a whole and the other appeal properties. Adopting a rate of £1,123.86 per DBU, and multiplying this by the DBUs in the Washington Hotel, he calculated the rental value of the accommodation as £40,998. As he had calculated that the value of the accommodation made up 82% of the value of the whole hereditament, he concluded that this equated to a rent of £49,998.06 for the whole hereditament, resulting in an RV of £49,000.

21. Mr Rabbette considered that the rate of £1,123.86 per DBU was applicable to the other three hotels. Adopting this rate and using the same method of calculation as for The Washington Hotel, he calculated their RVs as follows:

    The Berkeley Square Hotel (50% applicable to accommodation) – RV £82,000
    The Hotel Clifton (60% applicable to accommodation) – RV £103,000
    4 Rodney Place (56% applicable to accommodation) – RV £46,000

22. Mr Rabbette contended in all four appeals that the correct method of valuation was the comparison method, but in order to 'test' his proposed RVs, he had carried out their valuations using the Shortened Receipts & Expenditure (R&E) method of valuation. In carrying out this method, the first step is to determine the Fair Maintainable Turnover (FMT) at the AVD. Mr Rabbette considered that the turnover for each of the three years up to 31 May 2014 were relevant, as the accounts to 31 May 2015 would not have been known by the hypothetical parties at the AVD.

23. Mr Rabbette contended that the actual turnover of each hotel exceeded the Fair Maintainable Turnover (FMT) which would be achieved by a reasonably efficient operator (REO) at each of the properties. He based his contention on the following;

    - In 2017, the ratepayer won Bristol Post's Leisure and Tourism Business of the Year award, was a finalist for Bristol Life's Awards in the Leisure and Tourism categories and was shortlisted for Bristol Lifestyle's Awards in "Bristol's Best Hotel" category.

- As part of a small group of five hotels and other businesses, each hotel pays a cost to access Head Office services, including a dedicated 'sales and revenues' team, enabling each to sustain a higher turnover than a hypothetical tenant or REO.
- The appellant has purchased an additional property on Berkely Square which provides additional, secure parking for guests of all of the appeal properties.

24. Mr Rabbette therefore asserted that, at the AVD of 1 April 2015, each of the subject properties was overtrading to the extent that a 15% reduction should be made to their actual trade at that date to reflect that of a REO. The next stage of the Shortened R & E Method involves multiplying the FMT for the hereditament by a relevant percentage to obtain the RV. Mr Rabbette had determined a range of percentages for each property using a table of ranges for 'A) HOTELS - Lower Service Provision budget/lodge (with bar/restaurant facilities) or equivalent quality' set out in the VOA's Rating Manual. The applicable range of percentages was determined for each property by looking up on the table the accommodation receipts per DBU against the proportion of turnover receipts attributable to accommodation and interpolating for intermediate values.

25. Once a range of percentages has been determined, a judgement as to the position in that range applicable to a property is made based on various factors affecting the profitability. Mr Rabbette had taken into consideration the high maintenance costs of the subject properties, and their poor layout, as well as the effect of the level of competition in the locality on the profitability of the hotels' restaurants. Based on these factors he concluded that a hypothetical tenant would bid toward the lower end of the scales in respect of each of the subject properties. Having determined a suitable percentage for each of the subject properties, Mr Rabbette calculated their RVs as follows;

The Washington Hotel:

£670,000 less 15% gives FMT of £560,000, of which £459,200 (82%) is attributable to accommodation; receipts per DBU of £12,587.72
Relevant percentage (range in table): 8.75% (7.25% to 10.75%)
Rateable Value = 8.75% x £560,000 = £49,000

The Berkeley Square Hotel:

£1,435,000 less 15% gives FMT of £1,220,000, of which £610,000 (50%) is attributable to accommodation; receipts per DBU of £16,712.33
Relevant percentage (range in table): 6.75% (7.5% to 10.75%)
Rateable Value = 6.75% x £1,220,000 = £82,350

The Hotel Clifton:

£1,520,000 less 15% gives FMT of £1,290,000, of which £645,000 (50%) is attributable to accommodation; receipts per DBU of £11,632.10
Relevant percentage (range in table): 8.0% (7.0% to 10.0%)
Rateable Value = 8.00% x £1,290,000 = £103,200

4 Rodney Place:
£724,000 less 15% gives FMT of £610,000, of which £341,600 (56%) is attributable to accommodation; receipts per DBU of £14,598.29
Relevant percentage (range in table): 7.6% (7.25% to 10.5%)

Rateable Value = 7.6% x £610,000 = £46,360

26. Mr Rabbette concluded that for each of the subject properties, the fact that both methods of valuation produced the same RV confirmed the accuracy of the valuations. He considered that most weight should be given to the Comparison Method in accordance with the judgements in *Arma Hotels v Corkish (VO)* [2020] UKUT 0103 (LC) and *Arma Hotels Ltd v Bunyan (VO)* [2023] UKUT 3 (LC).

27. The Respondent considered that low weight should be attributed to the rent for 'part of' The Washington Hotel relied upon by the appellant. It was considered that this rent was a result of a rent review, which held less weight than a new letting or a lease renewal, and there was no information as to the investigations made by the parties when agreeing the rent, such as, for instance, comparable rents in the locality. He also argued that any improvements made by the tenant were excluded from the rent, which had been agreed fifteen years earlier. Mr Pearson also stated that the analysis of the rent of only part of the hereditament was complicated and could not be tested against other rents in the locality.

28. Mr Pearson did not consider there was any reason to deviate from the agreed valuation scheme for hotels. He confirmed this scheme had been developed with the co-operation of the professional representatives acting for the majority of the major hotel operators by carrying out a detailed review and analysis of a cross-section of trading accounts and is supplemented by data from a significant number of independent hoteliers. The scheme applies a percentage to the total FMT to arrive at the RV and is outlined in the VOA Rating Manual (Section 5a: Hotels) which had been included in his submission.

29. The Respondent did not consider there was any evidence that the subject properties were overtrading at the AVD to warrant a 15% reduction in actual turnover to obtain FMT. He considered that out of the seven hotels in the area; it was unlikely that four were overtrading. He did not consider there was anything exceptional with regard to the subject properties' offerings, and the turnover per DBU for the subject hotels compared with other hotels in Clifton did not indicate they were overtrading.

30. It was also considered that the actual turnover could have been more accurately determined if the appellant had provided turnover figures for the fiscal period to 31 May 2015, or at least an apportionment up to 31 March 2015. In the absence of this information, he had based FMT on the actual turnover figures provided by the appellant for the previous three years.

Total Turnover: *(Accom Turnover)*	2011-12	2012-13	2013-14	FMT Adopted by VO
The Washington Hotel	£679,851 *(£562,489)*	£651,801 *(£544,245)*	£691,653 *(£568,509)*	£685,000 *(£565,000)*
The Berkeley Square Hotel	£1,320,291 *(£703,196)*	£1,359,611 *(£693,543)*	£1,516,688 *(£759,603)*	£1,550,000 *(£775,000)*
The Hotel Clifton	£1,872,676 *(£701,323)*	£1,960,210 *(£721,324)*	£1,990,253 *(£762,325)*	£2,025,000 *(£775,000)*
4 Rodney Place	£619,323 *(£414,866)*	£645,070 *(£412,339)*	£803,997 *(£457,984)*	£850,000 *(£480,000)*

31. Whilst the appellant had referred to the valuation scale for Category A in his challenge, the respondent stated that the parties agreed that the subject properties should be valued within valuation scale 'Category B: Hotels - Standard Service Provision at 3 & 4 star or equivalent quality'. For each of the subject properties, he had extracted the applicable range from the

appropriate table of ranges by interpolating between values for accommodation receipts per DBU and percentage of FMT for accommodation. He determined the position within each of those ranges based on the characteristics of each property to obtain a rental percentage for each. This resulted in the Respondent's proposed RVs for each of the subject properties as set out below:

	Accom receipts per DBU	% FMT from accom	Applicable range	Position in range	Resulting RV (Rounded)
The Washington Hotel	£15,522	82%	7.995% to 10.495%	0.75	£685,000@ 9.87%= £67,610 **(£67,500)**
(The Berkeley Square Hotel	£21,350	50%	7.204% to 10.150%	0.60	£1,550,000@ 8.97%= £139,035 **(£139,000)**
The Hotel Clifton	£13,989	38%	5.482% to 7.982%	0.45	£2,025,000@ 6.61%= £133,853 **(£134,000)**
4 Rodney Place	£20,601	56%	7.289% to 10.173%	0.60	£850,000@ 9.02% = £76,670 **(£77,000)**

32. The Respondent considered that his proposed RVs set out in the challenge decisions were fair and reasonable and sought dismissal of the appeals.

Discussion

33. In considering the appeals the panel was conscious of the fact that they were seeking to establish the rent at which the hereditaments might reasonably be expected to let from year to year in accord with the statutory basis. Thus, the panel were aware of the significance of rental evidence and the matters to be reflected when considering such evidence.

34. The parties had adopted different methodologies in valuing the appeal properties with the Appellant advocating the rental/comparative method, arguing that this was correct for hotels of this size and nature in accordance with the provisions of the rating manual. The Respondent's representative had adopted a shortened profits method adopting the turnover submitted by the appellants. He argued that such an approach was widely used in valuing such hotels for rating purposes and, given what he submitted was the lack of reliable rental evidence, was the most reliable method to adopt to establish a fair and reasonable rateable value.

35. The appellant considered that the comparative method had been confirmed in the two *Arma Hotels* Upper Tribunal (UT) decisions as being the primary method of valuation for hotels such as the appeal properties. The panel noted that the first case related to the 2010 Rating List, and the UT determined in this case that there was no reliable rental evidence in the locality, but there was sufficient settlement evidence on which to determine the RV of the property in question. In the second case, relating to the entry in the 2017 Rating List, the UT again determined there was not sufficient reliable comparable rental evidence in the locality, and also determined that there was insufficient settlement evidence to conclude that a tone of the list had been established. It agreed with the Appellant in this second appeal that the only remaining methodology is one based on shortened R&E and FMT.

36. The panel noted that the rent in question for 11-13 St. Paul's Road had been agreed at £27,000 per annum (pa) with effect from 24 March 2015, just over a week before the AVD for the subject appeals. It was common ground that this was the only rental evidence for hotels in Clifton. The panel considered that a rent review attracts less weight than a new letting or a

lease renewal, and is less likely to be reflective of open market rents prevailing at the time. It was also concerned that the rent reflected only two of the four buildings which made up the hereditament being valued. It found the analysis used to 'extrapolate' this rent to reflect the whole of the hereditament to be difficult given the difference in the concentration of DBU accommodation in the two buildings owned freehold by the appellant. Mr Rabbette stated that the appellant had not carried out any tenant's improvements which would enhance the rental value of 11-13 St. Paul's Road since the commencement of the initial lease. The panel was aware that such improvements are disregarded in determining the rent reviews on this property, but must be taken into account when determining rateable value. The lack of information in this respect made it impossible to determine what, if any, improvements must be included in the value.

37. Mr Rabbette had stated that there was no evidence that due diligence had not been carried out by both the landlord and tenant in agreeing the 2015 rent, and as a public body, the landlord Bristol City Council had a duty to obtain best value from its assets.

38. Overall, the panel recognised that generally hotels are not let and thus a valuation based on this method will inevitably be reliant on a relatively small volume of properties. However, in the present appeals, the panel found the evidence provided by the Appellant to be of very limited assistance. The panel considered that there was sufficient uncertainty surrounding the applicability of the rent on 11-13 St. Paul's Road to the whole of the hereditament to render it unreliable in determining the correct RV for The Washington Hotel or the other three appeal properties. The panel thus found that the Respondent's representative was adopting a reasonable approach in considering the receipts and expenditure method of valuation.

39. The turnover figures provided by the Appellant had not been challenged by the VO and having regard to the three years' figures provided, the panel found that the levels of turnover at the AVD adopted by the Respondent in his valuations were reasonable. The Appellant's 2015 turnover figures for three of the hotels were slightly lower than the Respondent's for three of the hotels, but for the Hotel Clifton, the Appellant had adopted a figure of £1,520,000 compared with £2,025,000 adopted by the Respondent. Mr Rabbette had stripped out the income from 'Racks Bar' by considering that the turnover of £760,000 from accommodation represented 50% of the total turnover in line with two of the other appeal hotels.

40. The panel did not agree with this approach, as income from non-accommodation sources had not been stripped out in relation to any of the other hotels. Whilst it recognised that this income stream was higher than at the other hotels, it considered that this factor is taken into account when deriving a percentage range as part of the R & E valuation.

41. The panel went on to consider the Appellant's contention that the total turnover for the subject properties should be adjusted down by 15% in order to represent the FMT achievable by an REO at the AVD. The appellant had not quantified how he had determined that a REO would only achieve 85% of the turnover achieved by the Appellant at each of the subject hotels, but had relied on valuer judgement. He had not provided any comparisons with turnover at comparable hotels in the locality to indicate that this was the case. Given that the appeal properties represent four out of seven hotels in Clifton, the panel would have expected to have seen a marked difference in the income per DBU as the turnover for the other three hotels would likely have been reduced as a result of overtrading at all four appeal hotels.

42. The panel noted that the Appellant had referred to the hotel group winning a number of awards, including, Bristol Post's Leisure and Tourism Business of the Year award in 2017.

The panel placed little weight on this evidence as the earliest of these awards was two years after the AVD and three years after the latest turnover figures submitted by the Appellant. It also noted that the 'Trip Advisor' ratings for the appeal hotels were between 3.5 and 4, which it did not consider demonstrated that the appellant operates at a level that is above and beyond the average occupier.

43. Having considered this matter, the panel was satisfied that the FMT for each property was fairly represented by the actual turnover achieved. On this basis, the panel considered that the range of percentages interpolated from the relevant table of ranges by the Respondent was reasonable. It was aware that the position within the range determined for each property was based on the individual characteristics of that property which have a bearing on its potential profitability.

44. The panel considered that all of the appeal properties provided standard accommodation, which it understood was more profitable and would place them at the higher end of the scale. With a high proportion (82%) of its turnover from accommodation, the Washington Hotel had been placed at 0.75 of the scale to reflect this with adjustments made to reflect repair and staffing requirements. The panel considered this reasonable based on the hotel opposite, OYO 40-44 St Pauls Road which has a range point of 0.75. The Victoria Square Hotel, with a range point of 0.86 had a higher proportion (91%) of its turnover from accommodation.

45. The percentage of turnover from accommodation for both the Rodney Hotel and the Berkley Square Hotel was around 50%, with the remaining turnover being from less profitable income streams. The panel considered that this factor resulted in them being less profitable, and therefore the adopted range point of 0.60 was reasonable.

46. Finally, given the large proportion of its income resulting from its restaurant, 'Racks' restaurant and bar, only 38% of the turnover for The Hotel Clifton was from accommodation. The Respondent had adopted a range point of 0.45 to reflect the trade from the property, including increased staffing to Racks bar/restaurant, and the basic level of accommodation service provision. The panel noted that the Avon Gorge Hotel had a range point of 0.50, with 42% of its turnover being from accommodation and considered that the range point of 0.45 adopted by the Respondent for The Hotel Clifton was reasonable.

Conclusion

47. In view of the above findings and conclusions, the Tribunal is satisfied that the Respondent's amended valuations set out in the challenge decisions in respect of all four appeal properties were reasonable. The appeals are therefore dismissed.

Right of further appeal

48. 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.

49. 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 WJ Read, Senior Member (Chair)
Mrs V Lloyd, Member
22 December 2025

Mr J Massey
Clerk to the Tribunal
Date issued to the parties: 22 December 2025