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

Case No: CHG101193059

Sitting remotely using Microsoft Teams on 2 June 2026

Date: 19 June 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — self-catering holiday unit — location and quality factors — appeal dismissed

Before:

MR W HUSSAIN
MS B KNIGHT

Between:

HUMAYUN REZA — Appellant

- and -

NICOLA JOHNSON (VALUATION OFFICER) — Respondent

Regarding:

18 COSWAY STREET, LONDON NW1 5NR
(the "appeal property")

Mr A Bacon of JMA Chartered Surveyors for the appellant

Mr N Green for the respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed. The panel was not satisfied, on the evidence before it, that the existing rateable value was excessive.

STATEMENT OF REASONS

Introduction

2. The appeal property was entered in the 2017 rating list as “self-catering holiday unit and premises” with a rateable value of £63,000 with effect from 1 April 2017. The appellant originally proposed that the rateable value should be reduced to £30,600 from the same date. The proposal was made in response to a valuation officer (VO) notice of alteration to the list, effective from 1 April 2017, which removed the ground floor from the assessment.

3. On 10 September 2025, the VO decided to make no alteration to the rating list. The appeal to the VTE was brought on the ground that the valuation of the appeal property was not reasonable. It was made in accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. The appeal sought a reduction in rateable value to £24,000 from 1 April 2017 (if based on 8 single bed spaces) or to £30,000 (if based on 10 single bed spaces).

4. Mr Bacon and Mr Green each appeared in the dual capacity of advocate and expert witness for the appellant and the respondent respectively. Mr Bacon stated that he was instructed on a conditional fee basis.

5. Such a dual role is permissible in this tribunal’s proceedings, having regard to the relevant procedural regulations[1] and the rules governing the admissibility of evidence[2]. However, it remained necessary for the panel to consider the expert evidence with care and to assess what weight, if any, should properly be attached to it in the context of the issues in dispute.

6. This statement of reasons is not, and is not intended to be, a full verbatim record of the proceedings.

Relevant law

7. The term “rateable value” was defined by Schedule 6 to the Local Government Finance Act 1988. It is intended to reflect the annual rent at which the property might reasonably be expected to let from year to year, on the assumptions that the tenancy begins on the relevant valuation date and that the tenant bears the cost of rates, taxes, repairs and insurance.

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[1] Regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

[2] Regulation 17(2)(a) (Evidence and submissions) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

8. For all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires rental levels to be considered as at 1 April 2015, being the antecedent valuation date.

9. Under the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992, the material day for considering the physical state of the appeal property and the locality was 1 April 2017.

Discussion

10. The appeal property comprises a self-catering holiday unit and premises. There are five self-catering apartments within the building, situated at basement, first, second, third and fourth floor levels. It is a mid-terraced property forming part of a Georgian terrace. Each apartment contains a living and dining area, kitchen, bathroom and one bedroom, save for the basement apartment, which has two bedrooms.

11. There was considerable discussion at the hearing about the location of the appeal property. The panel noted the following matters:

- It was situated in the Lisson Grove conservation area of Central London opposite a Grade 2 listed church.
- It was located near to Marylebone, Edgware Road, Regents Park and Paddington stations.
- Within easy walking distance were a range of attractions: Lords Cricket Ground, London Zoo, Regents Park, Madame Tussauds and the Sherlock Holmes Museum.
- There were three hostels within a short walking distance.
- It was near to the Marylebone flyover, but this was not visible from the appeal property.
- There were several well-known hospitals and clinics within easy walking distance.

12. Having regard to those matters, the panel concluded that the appeal property was in a good location.

13. Two aspects of the valuation were in dispute. First, the number of single bed spaces (SBS): the appellant’s representative calculated 8.01 SBS, whereas the VO adopted 12. Secondly, the rate to be applied per SBS: the VO used £6,200, whereas the appellant’s representative adopted £3,000.

Number of single bed spaces

14. The panel accepted that the appellant's representative had exercised valuation judgment in calculating 8.01 SBS by reference to bedroom sizes. His calculation produced 9.42 SBS, to which he then applied a 15% reduction to reflect the absence of a lift, resulting in 8.01 SBS.

15. The panel accepted that some of the bedrooms were relatively small, but found that each was nevertheless of sufficient size to accommodate a double bed. The apartments also benefited from living room space which could potentially be used for sofa-bed sleeping. The panel was therefore not persuaded that any reduction in SBS should be made and adopted the VO's figure of 12 SBS.

16. The VO had also made a 15% adjustment to reflect the absence of a lift, but that adjustment had been applied to the SBS rate of £6,200, reducing it to £5,270. The panel was therefore satisfied that this factor had already been taken into account.

Single bed space rate – £6,200 v £3,000

17. The parties were agreed that the SBS rate was influenced by two principal factors, namely location and quality.

18. The appellant's representative adopted an SBS rate of £3,000 by reference to the following settled appeals:

- 6 Knaresborough Place where a revised SBS of £3,550 was determined.
- 120 Maida Vale where a revised SBS of £2,700 was determined.

19. It was understood from the parties that both settlements had been reached on the basis of turnover information being provided.

20. The panel did not regard 120 Maida Vale as a good comparable. It was substantially larger, with 46 SBS, and the VO's evidence was that, at the material day, the accommodation was of poor quality and was not being operated to full capacity pending refurbishment.

21. The panel also found that 6 Knaresborough Place differed materially from the appeal property, comprising single-room studios aimed at the lower end of the tourist market.

22. The VO relied on four agreed comparables with SBS rates ranging from £4,450 to £6,200, contending that the appeal property was most comparable to 51 Kensington Court, agreed at £6,200 per SBS. The VO's case was that this was the closest comparison because it too was a period property offering accommodation of a comparable standard in an affluent part of London close to amenities and visitor attractions.

23. The panel also concluded that the appeal property occupies a good location. As already noted, it benefits from a central and well-connected setting, with good access to transport links, local amenities and visitor attractions, all of which would enhance its attractiveness in the self-catering market.

24. The panel noted that The Lexham, 32–38 Lexham Gardens, had not in fact been agreed at an SBS rate of £6,200, as the VO initially stated. The appellant's representative demonstrated, and the VO accepted during the hearing, that it had been agreed at £4,666. Even so, the panel did not regard it as a good comparable because that assessment covered 90 self-catering units, making it materially different in scale from the appeal property.

25. A number of other comparables were discussed by the parties including:

- 36-37 Kensington Square Gardens – agreed at £4,450 per SBS.
- 8 Collingham Road – agreed at £4,500 per SBS.
- 32 Coptic Street – agreed at £4,500 per SBS. The VO argued it was a back street location, but Mr Bacon contended it was a good location and provided a photograph to show the property's situation in relation to the British Museum.

26. While recognising that both expert witnesses were highly experienced, and noting that Mr Bacon had appeared in litigation before the Upper Tribunal, the panel had reservations about the expert evidence for two principal reasons.

27. First, Mr Bacon acknowledged that he had not inspected every floor of the appeal property, while Mr Green said that he had sought to inspect the premises but had not been granted access. The panel was therefore not assisted by full inspection evidence from either expert. Photographs from the sales brochure were provided showing some rooms, and Mr Bacon described the standard of the accommodation as basic.

28. Second, although Mr Bacon considered the appeal property to be no better in quality than 6 Knaresborough Place and inferior to Lexham Gardens, the panel had already identified material limitations in those properties as comparables. Even so, the panel considered whether they nevertheless pointed towards a lower SBS rate. The panel was unable to reach that conclusion with confidence because there was insufficient evidence about the quality of those comparable properties to test Mr Bacon's assertions. External photographs and location plans had been provided for some comparables, but there was very little evidence enabling the panel to assess their internal standard or to make reliable quality adjustments between them. In the self-catering market, publicly available material will often permit such comparisons, but on the material available the panel could not make the necessary quality comparisons with confidence. The panel therefore could not determine with confidence whether the properties agreed at lower SBS rates were of similar quality to, or inferior to, the appeal property.

29. This point was particularly significant in relation to 51 Kensington Court, with its agreed SBS rate of £6,200, because any material difference in quality might readily have been demonstrated by photographs or other supporting material. Equally, the panel was not shown, to its satisfaction, that this was a materially better location for the self-catering market than the appeal property.

30. The parties understood that turnover at the appeal property in 2016 was approximately £230,000. However, the appellant did not advance a turnover-based valuation. Mr Bacon explained that he had wished to analyse turnover over a five-year period, but that would have taken the exercise too far from the antecedent valuation date, and the figures would in any event have required adjustment to exclude the domestic accommodation within the building. The panel considered that, if turnover materially supported the appellant's case, clearer and more focused turnover evidence might reasonably have been expected. In those circumstances, the turnover evidence did not provide a sufficient evidential basis for reducing the assessment. The VO also suggested that, because the appeal property was relatively new to the market, the 2016 figures might have reflected a "honeymoon period", which further limited the weight the panel could place on them.

Conclusion

31. Drawing those matters together, the panel carefully considered the submissions advanced by Mr Bacon on the appellant's behalf, including his criticisms of the respondent's comparables. The panel accepted that Mr Bacon had identified some legitimate points for consideration, in particular the position regarding The Lexham. However, for the reasons already given, the panel was not satisfied that the appellant had shown that the existing assessment was excessive. The panel accepted the VO's adoption of 12 SBS, was not persuaded by the appellant's proposed lower SBS rate and found that the comparable and turnover evidence was insufficient to justify reducing the valuation. The appeal is therefore dismissed and the entry in the 2017 rating list remains unaltered.

Right of further appeal

32. 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.

33. 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 W Hussain, Senior Member (Chair)
Ms B Knight, Senior Member
19 June 2026

Mr D Mulgrew, Clerk to the Tribunal
Date issued to the parties: 19 June 2026