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

Case No: CHG101198772

Sitting remotely using Microsoft Teams on 24 June 2026

Date: 14 July 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2017 rating list — stud farm (pr) and premises (part) — Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141 — tone of value for office — appeal dismissed.

Before:

MR D WINTERS
MISS R DARLINGTON

Between:

JUDDMONTE FARMS LTD **Appellant**

- and -

KAREN GILES (VALUATION OFFICER) **Respondent**

Regarding:

EAGLE LANE FARM, EAGLE LANE, DULLINGHAM CB8 9UZ
(the “subject hereditament”)

Mr S Devine of Colliers International, Advocate and Expert Witness, for the **Appellant**
Mr J Lamburne of Colliers International, Expert Witness, for the **Appellant**
Ms M Tamlyn of the Valuation Office, HMRC, Advocate for the **Respondent**
Mr T Barraclough of the Valuation Office, HMRC, Expert Witness for the **Respondent**

DECISION AND STATEMENT OF REASONS

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DECISION

1. The appeal is dismissed. The panel confirmed the rateable value (RV) of the subject hereditament at £28,500 with effect from 12 February 2018.

STATEMENT OF REASONS

Introduction

2. The appeal process began with a proposal made by the Appellant on 25 March 2024 for the subject hereditament in respect of the Respondent's 2017 rating list entry of £30,750 RV with effect from 12 February 2018. The Appellant proposed a revised assessment of £13,250 RV with effect from that date, based on survey amendments and revised tones of value, primarily for the office seeking £35 per m^2.

3. The Respondent issued a challenge case decision notice on 24 September 2025 which stated that the proposal was not well-founded, however it was considered that the rating list entry was unreasonable. The Respondent reduced the assessment to £28,500 RV based on amended survey details, however maintained a tone of value of £120 per m² for the main office accommodation, reduced to £97.20 per m² to account for its inferior quality. The Appellant appealed that decision to this Tribunal on 28 January 2026, on the grounds that the valuation for the subject hereditament remained unreasonable.

4. On submission of the appeal, the Appellant provided a revised valuation of £14,750 RV for the subject hereditament based on agreed survey alterations with the Respondent and an altered tone of value for the office of £25 per m^2. Prior to the hearing, the Respondent provided a revised valuation of £30,000 RV contending that an allowance for stud relief was not applicable.

5. The subject hereditament was a stud farm and premises located three and a half miles from Newmarket. It comprised fifty-three acres, of which fifteen were paddocks. It also comprised two American Barns consisting of fifteen Loddon boxes, a bespoke foaling unit, office accommodation and various ancillary areas such as tack rooms, staff rooms, changing rooms, vet facilities and stores. The office accommodation was 189.20 m^2.

6. Mr Devine and Mr Lamburne both appeared on behalf of the Appellant as expert witnesses. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), the representatives confirmed that they were instructed under conditional fee arrangements. They declared that they understood and accepted that their duty was to the Tribunal in giving their evidence and they would comply with this as well as the requirements of their 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 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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

8. The panel was required to determine the correct RV to be attributed to the subject hereditament in the 2017 rating list. The remaining issue in dispute concerned the tone of value for the office.

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

Relevant Law

10. The subject hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to be let from year to year on a number of assumptions. Those assumptions are listed in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988.

11. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841), the date of the hypothetical rent was 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

12. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject hereditament, the material day was 12 February 2018.

13. The following caselaw is referred to in this decision:

*Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [*1976] RA 141
Kodak Ltd v Triptree (VO) [1980] (LVC/700/1978)
AKD Engineering v Valuation Officer (VTE: 353519774926/539N10, 11 March 2014)
Godolphin Management Company v VO (VTE: 3501016885141/538N10, 25 July 2012)
The Company Shoe Group v VO (VTE: CHG100172182, 5 November 2021)
Robert Dyas Holdings Ltd v Moore (VO) [2025] UKUT 163 (LC)

Analysis

14. It is a well-established rating principle, and in line with *Lotus & Delta*, that the starting point in the determination of a property's RV should be the rent passing on the subject hereditament itself. In this instance, the subject hereditament was freehold. Therefore, no such rent was available. This appeal concerned the tone of value of the offices described as ancillary to the subject hereditament. As such, and pursuant to propositions three and four of *Lotus & Delta*, the parties referred to rental evidence and comparable assessments of other offices in support of their respective considered tones of value for the offices at the subject hereditament.

15. Mr Devine, on behalf of the Appellant submitted that the Respondent's adopted tone of £120 per m², reduced by the application of a factor of 0.81 to £97.20 per m² to reflect the quality and location of the offices within a stud farm, was excessive and unsupported by the available evidence.

16. He referred to the Respondent's initial disclosure of rental and assessment evidence. It was submitted that the rental evidence comprised two hereditaments assessed as "offices and premises", namely Newmarket House and Units 1 and 2, 23 High Street, situated between

approximately seven and nineteen miles from the subject hereditament. Whilst the analysed rents broadly supported the Respondent's adopted office tone, the Appellant contended that both properties comprised purpose-built commercial offices and bore little resemblance to ancillary office accommodation forming part of a working stud farm.

17. Similarly, Mr Devine submitted that the Respondent's assessment evidence, comprising Unex House and 101 Fordham Road, both assessed with a tone of value of £120 per m², related to purpose-built office hereditaments and was therefore not comparable to the offices at the subject hereditament. The Appellant contended that the mere fact that such assessments had not been challenged did not establish them as reliable evidence of tone. In this regard, he referred to the Upper Tribunal decision in *Robert Dyas Holdings*, submitting that the introduction of the check, challenge, appeal process had reduced the evidential weight that should be attached to unchallenged assessments where the underlying rental evidence had not been fully explored.

18. Mr Devine contended that the Respondent’s comparable rental and assessment evidence was distinct from the offices at the subject hereditament, as photographic evidence showed that the comparables consisted almost exclusively of modern, purpose-built office buildings, with significant differences in construction, specification, setting and use between those hereditaments and the subject office accommodation, which was an ancillary element of a fifty-three acre stud farm.

19. Mr Devine further submitted that the Respondent's comparable office assessments demonstrated little evidence of a distinct "local rural office tone". It was noted that the hereditaments relied upon by the Respondent were assessed only marginally below the established Newmarket town centre office tone of £130 per m². Mr Devine had produced further assessment evidence of several high-quality office developments, including Craven Court and offices situated on Fordham Road, which similarly demonstrated assessments close to the town centre tone. It was argued that, if a separate rural office tone existed, it represented only a modest discount to the principal town centre level and did not support the substantial reduction applied by the Respondent to arrive at £97.20 per m².

20. Mr Devine submitted that the subject hereditament should instead be valued as what it was, namely a stud farm containing ancillary office accommodation. It was argued that the office accommodation did not exist independently of the principal use of the hereditament and should therefore be valued in accordance with its ancillary function rather than by reference to stand-alone office buildings. In support of that submission, the Appellant referred to the valuation approach adopted for warehouse hereditaments, whereby ancillary offices typically attracted only a modest uplift over the warehouse tone. Reference was made to a warehouse hereditament on Fordham Road where warehouse accommodation was assessed at £40 per m² and ancillary offices at £48 per m², representing a relativity factor of approximately 1.20, rather than the adoption of a full office tone.

21. Mr Devine also referred to the assessment of Godolphin Stables and Highfield Stables, Snailwell Road, Newmarket. Whilst accepting that the hereditament was assessed as racing stables and premises rather than a stud farm, it was submitted that it was materially more comparable to the subject hereditament than the office assessments relied upon by the Respondent. The Appellant noted that the office accommodation at that hereditament extended to approximately 973.70 m², was of superior quality and specification, yet following challenge the office tone had been reduced from £100 per m² to £50 per m². After application of the end allowance for quantum, the effective tone equated to approximately £37.50 per m².

22. Mr Devine further relied upon a number of comparable assessments of local stud farms and racing yards where ancillary office accommodation had generally been assessed at approximately £25 per m². It was submitted that these hereditaments demonstrated the established approach adopted for specialist equestrian hereditaments rather than applying local commercial office tones.

23. Mr Devine addressed the Respondent's reliance upon the decision in *Godolphin Management Company* and submitted that the Tribunal in that appeal had not determined that ancillary office accommodation within racing yards should invariably derive its tone from general office rental evidence. Rather, the decision recognised the offices as an ancillary component of the overall racing yard hereditament. The Appellant further observed that, for the same hereditament in the 2017 Rating List, the office tone had subsequently been reduced following challenge, demonstrating that no binding valuation precedent had been established.

24. Mr Devine also addressed the Respondent's reference to Dalham Hall Stud Farm, where it was suggested that the adopted office tone had been agreed and carried forward without challenge. The Appellant stated that it had not acted in relation to that hereditament for the 2017 Rating List and, in any event, considered Dalham Hall materially different from the subject. It was described as comprising approximately 2,694 m² of modern headquarters-style office accommodation serving as the global operational headquarters of Godolphin Management Ltd. The Appellant submitted that the absence of any challenge to that assessment could not properly be regarded as determinative, having regard to the observations of the Upper Tribunal in *Robert Dyas Holdings.*

25. In his capacity as expert witness, Mr Lamburne outlined that out of 232 assessments, 208 reflected office accommodation valued with a tone of £25 per m^2 and with only the remaining assessments being valued at a higher tone. He contended that the most common approach was to apply £25 per m^2, and that the Respondent had provided insufficient evidence to depart from that approach. Similarly, he referred to the Respondent's application of a factor of 0.81 to derive £97.20 per m², for the subject hereditament office, and contended that there was no evidence explaining how the Respondent had derived that factor.

26. Mr Devine invited the Tribunal to adopt a "stand back and look" approach referring to a similar approach utilised in *The Company Shoe Group*, submitting that the Respondent's revised RV implied a hypothetical annual rent whereby approximately £18,400, representing around sixty-five per cent of the total rental value, was attributed to only 189.20 m² of ancillary office accommodation. He contended that the remaining thirty-five per cent of the rental value was thereby attributed to the balance of the hereditament comprising the American barns, foaling facilities, boxes, stores, paddocks and associated stud farm infrastructure. It was submitted that such an outcome was plainly unrealistic and inconsistent with market behaviour, as no hypothetical tenant would attribute a greater rental value to ancillary offices than to the core operational facilities of the stud farm.

27. The Respondent submitted that the adopted valuation methodology was consistent with established rating principles and reflected the approach previously accepted by the Tribunal in *Godolphin Management Company*. It was contended that, in that appeal concerning the 2010 Rating List, the Tribunal determined that the office accommodation within a racing yard should derive its value from the analysis of office rents in the locality, rather than by reference to values adopted for ancillary accommodation elsewhere within the hereditament.

28. The Respondent stated that the same valuation approach had subsequently been agreed with Altus Group in respect of Dalham Hall Stud for the 2010 Rating List and had been carried forward into the 2017 Rating List without challenge. It was submitted that this demonstrated a consistent and accepted valuation methodology whereby purpose-built office accommodation forming part of a stud farm should be valued from local office evidence, subject to appropriate adjustment for quality and circumstance.

29. The Respondent submitted that, in accordance with the principles established in *Lotus & Delta*, the adopted tone should be derived from rental evidence where available. Six rental transactions were relied upon, all of which the Respondent considered to be relevant to the subject hereditament. Those were 1st Flr Office Coach House, Hill Farm, 4A & 4B Church Street, Suite 3 The Old Blacksmiths Yard, Newmarket House, and Units 1 & 2 at 23 High Street. It was submitted that these properties were situated in rural or farm-based locations and comprised modest, functional office accommodation rather than high specification town centre offices. The Respondent contended that the analysed rents, which ranged from £98.78 to £190.48, supported the adopted tone of value of £120 per m² for the offices at the subject hereditament.

30. In addition to the rental evidence, the Respondent relied upon nine comparable assessments also contended to be situated within rural locations, including hereditaments associated with agricultural and equestrian uses and offices situated within stud farms. It was submitted that these assessments provided further support for the adopted office tone and demonstrated consistency of valuation practice across similar hereditaments.

31. The Respondent contended that the adopted tone of value of £120 per m² represented the starting point for stand-alone office accommodation and submitted that appropriate allowances had been made to reflect the circumstances of the subject hereditament. The office accommodation had been reduced by approximately nineteen per cent to £97.20 per m² to reflect both its inferior quality and the fact that it formed part of a stud farm rather than a stand-alone commercial office hereditament.

32. The Respondent argued that the Appellant's proposed tone of £25 per m², later revised to £35 per m², was unsupported by any rental evidence. Ms Tamlyn contended that the absence of direct market evidence significantly undermined the Appellant's proposed valuation. Whilst it was accepted that such a tone might appropriately apply to small ancillary offices converted from loose boxes, stables or domestic accommodation, it did not reflect the nature of the office accommodation at the subject hereditament. The Respondent described those offices as purpose-built accommodation of a significantly higher standard than that typically encountered within traditional racing yards or stud farms.

33. Mr Barraclough, in his capacity as expert, further submitted that the valuation scheme historically adopted for office accommodation at £25 per m² had been developed at a time when ancillary office accommodation within stud farms generally comprised converted buildings. As more modern purpose-built office facilities had subsequently been identified, the Respondent considered that the historic scheme no longer reflected the range and quality of office accommodation now present within such hereditaments. Accordingly, Mr Barraclough stated that the Respondent's approach was to derive values from local office rental evidence and then make an appropriate allowance to recognise the ancillary nature of the accommodation.

34. Ms Tamlyn referred to the decision in *Kodak Ltd* submitting that it demonstrated that a hybrid valuation approach, whereby specialist accommodation was valued using evidence from

different classes of property, was permissible where it produced a reasonable result. She also referred to the decision in *AKD Engineering v Valuation Officer*, stating that the Tribunal had rejected the proposition that ancillary office accommodation should invariably be valued at only a modest uplift above industrial accommodation, irrespective of its size or quality.

35. Mr Barraclough addressed the Appellant's reference to Godolphin Stables and Highfield Stables, and acknowledged that the office element of that hereditament had been reduced from £100 per m² to £50 per m² by way of a decision notice. However, he submitted that the reduction had been made in error and could no longer be corrected because the rating list had closed. The Respondent contended that an erroneous assessment could not establish the correct tone of value and should therefore carry little or no evidential weight.

36. Mr Barraclough also referred to Dalham Hall Stud, which he described as a high-quality stud farm containing extensive purpose-built office accommodation. It was submitted that the office valuation for that hereditament had been agreed by reference to the local office tone, subject to an allowance recognising its occupation with the wider stud farm. Although the subsequent 2017 challenge had been withdrawn, Mr Barraclough contended that the assessment nevertheless illustrated the continued application of the same valuation methodology.

37. Mr Barraclough expressed the opinion that office accommodation of the nature found at the subject hereditament should properly derive its value from office rental evidence rather than from assessments of ancillary accommodation elsewhere within specialist hereditaments. Whilst acknowledging that there was limited rental evidence relating specifically to large purpose-built offices situated within stud farms, he considered that the available office rental evidence established a reasonable starting point of £120 per m², with subsequent reasonable adjustments to reflect the quality and location of the subject accommodation.

38. He submitted that the office accommodation had been purpose-built to support the successful operation of a commercial stud farm and fulfilled a function materially different from converted ancillary offices. He considered that it was implausible that a hypothetical landlord would accept a rent equating to approximately £25 per m², which was broadly equivalent to the value adopted for loose boxes and contended that the adopted tone of £120 per m², adjusted to £97.20 per m² to reflect the quality and ancillary nature of the accommodation, produced a fair and reasonable valuation consistent with the available evidence and established valuation practice.

39. The panel received submissions from both parties concerning the Respondent's revised valuation advanced following commencement of the appeal, whereby the previously adopted stud relief was removed. The panel has not set out those submissions in this decision because that issue did not form part of the proposal, the challenge decision notice or the grounds of appeal. The appeal before the Tribunal was therefore confined to the issues determined through the check, challenge and appeal process.

40. The panel further considered that it was not appropriate for the Respondent to seek to advance a materially different valuation basis from that contained within its challenge decision notice. To permit such an approach would circumvent the statutory check, challenge and appeal process by allowing the Respondent effectively to substitute a new decision at the appeal stage. Accordingly, the panel made no determination in respect of the proposed removal of the stud relief and that aspect of the valuation remained unaltered.

41. The panel accepted that the subject hereditament was a specialist hereditament comprising a stud farm with ancillary office accommodation. It further accepted that the office accommodation does not exist independently of the principal use of the hereditament. However, that was not deemed to be determinative of the appropriate valuation methodology. The Appellant submitted that the office accommodation should be valued by reference to comparable stud farms and racing yards, resulting in an proposed tone of £35 per m². The Respondent contended that the appropriate starting point was local office rental evidence, with adjustments made to reflect the quality of the accommodation and its location within a stud farm.

42. The panel found that neither party had identified directly comparable rental evidence for purpose-built office accommodation situated within a stud farm. Accordingly, the appeal turned upon which valuation methodology most reliably reflected the hypothetical rental value of the subject offices having regard to the available market evidence.

43. The panel considered that the Respondent's approach more closely accorded with the established valuation principles set out in *Lotus & Delta*. In the absence of a rent passing on the subject hereditament, the panel considered that the appropriate starting point was the best available rental evidence from comparable hereditaments. Whilst recognising that no comparable property was identical to the subject hereditament, the panel was satisfied that the Respondent's rental evidence provided the most reliable basis from which to establish an appropriate tone of value.

44. Whilst the panel accepted the Appellant's submission that the rental comparables comprised stand-alone office hereditaments and were not directly comparable with office accommodation forming part of a working stud farm, valuation for rating purposes does not require precise identity between hereditaments. The panel considered that the proper approach was first to identify the most reliable market evidence before making such adjustments as were necessary to reflect differences in quality, character and circumstances. The panel found that this approach was consistent with the principles applied in *Kodak Ltd v Triptree (VO)*, where evidence from different classes of property was utilised to arrive at a fair valuation.

45. The panel noted that the Respondent did not simply adopt the local office tone without adjustment. The adopted base price of £120 per m² was reduced to £97.20 per m² to reflect both the inferior quality of the office accommodation and the fact that it forms part of a stud farm rather than a stand-alone office hereditament. The panel considered that this represents a reasoned adjustment which appropriately recognises the differences between the subject hereditament and the rental comparable provided by the Respondent.

46. The Appellant relied heavily upon comparable assessments of stud farms and racing yards where office accommodation had been assessed at approximately £25 per m². The panel had accepted that the subject offices are ancillary to the stud farm. However, it found they were purpose-built office accommodation of a size and specification materially different from many of the comparable office assessments relied upon by the Appellant. The panel placed particular weight on the fact that the hereditaments assessed at approximately £25 per m² generally comprised significantly smaller office areas and were, for the most part, converted stable or domestic accommodation rather than purpose-built offices. In the panel's view, those hereditaments were of a different character and provided limited assistance in determining the value of the subject accommodation. The panel also considered that this approach was consistent with the reasoning in *AKD Engineering v Valuation Officer*, in that the value of ancillary office accommodation must reflect its own size, quality and utility rather

than be determined solely by reference to the value adopted for other ancillary accommodation within the hereditament.

47. The panel also considered the comparable assessment of Godolphin Stables and Highfield Stables. It found that the office accommodation at that hereditament was of a more comparable specification to the subject than the majority of the Appellant's evidence, albeit substantially larger in size. The panel accepted that this assessment demonstrated that purpose-built office accommodation within an equestrian hereditament may attract a lower tone than stand-alone commercial offices. However, the adopted tone of £50 per m² was materially below the wider body of rental and assessment evidence relating to comparable purpose-built office accommodation. Accordingly, whilst the panel attached greater weight to this assessment than to the smaller converted office comparables relied upon by the Appellant, it did not consider that it established the appropriate tone for the subject hereditament.

48. The panel also considered the Appellant's submission that the Respondent's valuation attributed approximately sixty-five per cent of the overall rental value to the office accommodation and therefore failed a "stand back and look" assessment. The panel undertook that exercise but was not persuaded that the resulting valuation was unreasonable. Whilst the office accommodation represented a significant proportion of the overall assessment, the panel considered that this reflected the nature, size and quality of the purpose-built offices rather than demonstrating that the assessment as a whole was excessive.

49. Standing back and considering the valuation as a whole, the panel was not persuaded that the Appellant's proposed tone of £35 per m² reflected the hypothetical rental value of purpose-built office accommodation of the size and specification found at the subject hereditament as at the antecedent valuation date. The panel was satisfied that the Respondent's methodology, namely deriving the tone from the best available rental evidence and making an allowance to reflect the quality of the offices and their location within a stud farm, provided the most reliable indication of the hypothetical rental value. The panel therefore concluded that the revised assessment of £28,500 rateable value was reasonable.

Conclusion

50. In view of the foregoing, the appeal was dismissed.

Right of further appeal

51. 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 Valuation Tribunal for England (Council Tax Rating and Appeals) (Procedure) Regulations 2009. 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.

52. 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 D Winters, Senior Member (Chair)
Miss R Darlington, Member
14 July 2026

Mr S Fletcher
Clerk to the Tribunal
Date issued to the parties: 14 July 2026