VALUATION TRIBUNAL FOR ENGLAND

2023 Rating List appeal: Local Government Finance Act 1988; Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141; offices and premises; rental evidence; tone of the rating list, comparable properties; appeal dismissed.

APPEAL NUMBER:	CHG101210534	
RE:	30 John Street, London WC1N 2AT (the "subject property")	
BETWEEN:	Clipfine Limited	Appellant
	and	
	Andrew Ricketts (Valuation Officer)	Respondent
SITTING:	*remotely using Microsoft Teams*	
ON:	24 February 2025	
BEFORE:	Mrs N Carman, Presiding Senior Member Ms T M Blades, Senior Member	
CLERK:	Mrs A Sloan	
APPEARANCES:	Mr T Bosley (of Ryan Property Tax Services Ltd, representing the appellant) Mr J Bean (representing the Valuation Officer)	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel made no alteration to the entry in the rating list and confirmed the rateable value (RV) at £146,000 with effect from 1 April 2023.

Introduction

3. The appellant made a proposal on 23 April 2024 to challenge the entry in the 2023 Rating List of £146,000 with effect from 1 April 2023. The proposal sought a reduction to £115,000

as the appellant considered the valuation unreasonable. The Valuation Officer (VO) did not agree, and a Challenge decision was issued on 24 July 2024 maintaining the existing entry in the rating list. An appeal against that decision was received by the Tribunal on 26 September 2024.

4. Mr Bean stated that he was appearing before the Tribunal as both Advocate for the VO and Expert Witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr Bosley declared that he was appearing for the appellant in a dual role as both Advocate and Expert Witness, and he was instructed under a conditional or other success-based fee arrangement. He confirmed that he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

5. The panel accepted Mr Bosley's expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and is 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). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

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

Preliminary issue

7. The Tribunal's Consolidated Practice Statement requires any objection from the VO to the content of the appeal submission be raised within four weeks of the appeal being received. The appellant then has two weeks to respond to the VO. Generally, if there is no response, the Tribunal will assume the material is not disputed and forms part of the appeal documentation.

8. In this case, no objection was raised within four weeks of the appeal being received, when the appeal documents were sent to the VO. However, Mr Bean highlighted on 19 December 2024 (shortly after the parties were notified of the hearing date) that there was a discrepancy on the description of two properties referred to by Mr Bosley in Rugby Street and that the appeal submission omitted a property in Emerald Street that was part of the Challenge discussions. No response was received from Mr Bosley to this email from December 2024.

9. At the hearing, the panel confirmed that Mr Bosley did not intend to raise any objection to the points raised by Mr Bean. The panel noted that Mr Bean's objection was not raised at the correct time and no reason had been supplied for this failure. However, it found that the breach in directions was minor, and the appellant accepted the information had been omitted. The panel therefore found it was in the interests of justice to admit the missing information.

Issue and Relevant Law

10. The subject hereditament is a period terraced building in the Camden area of London. It is described in the rating list as offices and premises. The survey details were not in dispute.

11. The issue to be determined by the panel was whether the existing valuation, based on an unadjusted rate of £380/m^2, was unreasonable. Mr Bean defended the existing valuation and

submitted it was supported by the rental evidence. Mr Bosley stated that the subject property had been valued on a scheme for "*offices typically purpose built before 1939 without a manned reception or of a similar nature which have not been considered as appropriate for a building specific valuation scheme, situated in the London Borough of Camden within the postcode area WC1N south of Guildford Street*." (scheme 601855). He submitted that it would sit comfortably within the scheme 609691 for period offices with the 'Museum District', the locality immediately to the west of the subject property on the opposite side of Southampton Row. He drew comparisons between the two schemes and contended that to maintain the existing valuation based on £380/m^2 in the 2023 rating list would imply that the subject property's location had become more valuable since 2017 than the 'Museum District'. Mr Bosley asked the Tribunal to reduce the unit price to £300/m^2 and sought a revised valuation at £115,000.

12. The material date on which to consider the physical state of the hereditament and its locality was 1 April 2023, when the entry was made in the rating list. The valuation date for the 2023 rating list is 1 April 2021, the antecedent valuation date (AVD). The rateable value (RV) must represent the statutory definition of the annual rent the property might reasonably achieve from year to year, assuming the tenant is responsible for repairs and insurance, with effect from 1 April 2021.

13. Both parties referred to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, which provided guidance on the weight to be applied to different forms of evidence.

Discussion

14. While noting Mr Bosley's comments comparing the valuations in the 2017 list in the Museum district, the panel found there was little merit in comparison between different rating lists. The lists have a different AVD, and the rental evidence considered should reflect the market at that date. The market may vary over time and the panel considered each valuation must be scrutinised against rental evidence available around the relevant AVD.

15. The panel found that, in accordance with *Lotus & Delta*, the starting point of any valuation must be the rent passing on the subject property. The VO stated the rent was agreed in April 2006 at £130,000 per annum. The VO analysed this to £118,950 and arrived at £307.95/m^2. Mr Bosley submitted that there had been no increase in the rent since 2012 and the rent analysed below the tone applied to the property at £380/m^2. Mr Bean submitted that the VO had reason to believe there were connected parties involved in this lease and therefore did not consider it to be an open market transaction. As this rent was agreed many years before the AVD, the panel found this was of little assistance in establishing a value on 1 April 2021 and, if the parties are connected, may be unreliable evidence. It therefore turned to the comparable properties presented.

16. The panel noted that all the comparable assessments presented were on part of a building or a particular floor within a property, whereas the subject hereditament represents the entire building in one occupation. The panel found therefore that none of the examples presented were directly comparable. The subject property measures 447.35m^2 and the assessments presented by the parties ranged in size from 16.54m^2 to 171.12m^2. The panel decided to disregard the hereditaments measuring less than 50m^2, as these had been valued at a higher unit price than others to reflect their smaller size.

17. In his appeal to the Tribunal, Mr Bosley presented four examples of offices in the same scheme that measured over $50m^2$, in Brownlow Mews, Old Gloucester Street, and Rugby Chambers. Rents on these properties were agreed between November 2021 and April 2022 for terms lasting from three to ten years. All had been valued at £380/m^2, the same as the subject property, but Mr Bosley submitted his analysis producing values from £235/m^2 to £288/m^2. On this basis he contended that the current valuation for the subject property is unreasonable and £300/m^2 would be more accurate.

18. The panel noted Mr Bean's objection to missing evidence from the appellant's appeal submission. He stated that the Challenge submission had referred to the valuation of 1st Floor 17-21 Emerald Street, London WC1N 3QL, which had a new five-year lease agreed from September 2021 and analysed to £455/m^2. His opinion was that this rent demonstrated the subject property's valuation was not excessive. The panel had no detail on the size of this hereditament to establish if it was comparable to the subject property, so found it had limited value.

19. In support of maintaining the existing valuation, Mr Bean provided four examples of offices measuring over $50m^2$ in Queen Square, Northington Street, and Emerald Street. He accepted that the rents on 2nd Floor, 6 Queen Street, London WC1N 3AR and 3rd and 4th Floors, 4-6 Northington Street, London WC1N 2JG were originally agreed in April 2016 and June 2018 respectively but the rents were reviewed in June 2021. These rents were analysed to £383.02/m^2 and £388.07/m^2 and Mr Bean considered they supported the tone of £380/m^2.

20. Mr Bean placed most weight on the examples of 3rd Floor South 17-21 Emerald Street, London WC1N 3QL and 2nd Floor (9 Northington Street) Rear of 9 John Street, London WC1N 2ES. The former was a new five-year lease agreed in June 2021 (although Mr Bean accepted there were some typographical errors in his pack showing June 2023) at £43,512 per annum, analysed to £506.24/m^2. The latter was a four-year lease from August 2021 at £27,625, which analysed to £438.82/m^2. The panel found that these rents carried more weight than the rent reviews and they demonstrated leases agreed on the open market shortly after the AVD.

21. After considering the available evidence, the panel concluded that the VO's rental evidence was closer to the AVD than those presented by the appellant. The closest to the AVD of Mr Bosley's examples was November 2021. Mr Bean's examples of new lettings dated from June 2021 (Emerald Street) and August 2021 (rear of 9 John Street). The latter was also geographically close to the subject property. The rent renewals on Queen Square and 4-6 Northington Street were slightly less persuasive but the panel was willing to accept that the renewals in June 2021 would be subject to market conditions at the time.

22. It appeared to the panel that there was a mixture of values in the locality and Mr Bosley's examples did show some rents analysed below the rate of £380/m^2 applied to the valuations. However, Mr Bean's examples (particularly the two new lettings) were closer to the AVD and analysed to a unit price well in excess of the £380/m^2 applied to the subject property. On balance, the panel was not persuaded that there was sufficient evidence to show that the existing valuation was unreasonable. The rental evidence presented that was closest to the AVD, and therefore most reflective of the market, supported the existing valuation.

Disposal

23. In view of the above findings and conclusions, the panel confirmed the entry in the 2023 Rating List at £146,000 and dismissed the appeal.

Date issued to parties: 19 March 2025

Right of further appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.