IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101220013

Sitting remotely using Microsoft Teams on 15 June 2026

Date: 18 August 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: challenge against compiled list entry; office and premises; accuracy of rateable value; Lotus & Delta v Culverwell (VO) and Leicester City Council [1976] RA 141; *appeal allowed in part*

Before:

MR SW CHAPPELL
MR AN BACKWAY & MRS V LLOYD

Between:

PULSAR EUROPE LIMITED **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) **Respondent**

Regarding:

3RD FLR EAST 1, BEDFORD AVENUE, LONDON WC1B 3AU
(the "subject property")

Mr M Morrison from Ryan Property Tax Services UK Limited (on behalf of the appellant as advocate and expert witness)
Miss R Begum (on behalf of the respondent as advocate and expert witness)

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The Tribunal confirms the rateable value (RV) of £312,300 with effect from 5 October 2023.

STATEMENT OF REASONS

Introduction

3. This appeal had been brought in respect of 3rd Floor East, 1 Bedford Avenue, London WC1B 3AU (the subject property), which was entered in the 2023 Rating List as 'office and premises' at an RV of £370,000 effective from 5 October 2023.

4. The appellant's Challenge was submitted by the appellant's representative on 16 May 2024 and sought a reduction in the RV to £285,000 with effect from 5 October 2023. The appeal to this Tribunal was made on 3 January 2026, following the Valuation Officer's (VO) Decision Notice of 4 October 2025 in respect of the subject property.

5. 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.

6. The subject property is the 3rd floor of a modern seven floor purpose built property which was built in 2018. The building has office and commercial areas on the ground floor and then office accommodation on the upper floors. It is located on a corner site on the east of Tottenham Court Road and is visible from Tottenham Court Road station approximately a two minute walk away. It has an area of 494.60m^2.

7. Mr Morrison appeared on behalf of the appellant as both advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC). Mr Morrison confirmed that he was instructed under a contingency fee and 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 his client's case.

8. 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.

9. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

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

Issue

11. The issue for the panel to make a finding on is the unadjusted rate for the subject property which is presently £750/m^2 with a RV of £370,000. The appellant submits that the rate is too high and that an unadjusted rate of £580/m^2 is reasonable giving an RV of £285,000.

Relevant Law

12. In arriving at a decision, the panel is governed by rating legislation laid down by Parliament where Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, 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.

13. In respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

14. 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 date is 5 October 2023 the date the subject property came into the rating list.

Discussion

15. 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 let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2021.

16. The panel turned to the six propositions set down in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 which was binding on this panel. The first two propositions are:

    (1)Where the hereditament which is the subject of consideration is actually let, that rent should be taken as the starting basis.

    (2)The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in section 19(6) of the General Rate Act 1967 the more weight should be attached to it. (These statutory requirements now contained in Schedule 6, Para 2 (1) Local Government Finance Act 1988 (as amended by the Rating (Valuation) Act 1999)).

17. The panel noted that the rent on the subject property was based on a lease dated 5 October 2023 for a period of three years and eight months and the rent when adjusted to take account of the date of the lease and the fit out gave an analysed rent of £821.64/m^2. The panel found that this was too remote from the AVD to be of any assistance.

18. The panel therefore looked to the comparable properties provided by both parties. The third and fourth propositions set out in *Lotus and Delta* were considered by the panel in regard to the comparable properties put into evidence by both parties:

(3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.
(4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the valuation officer. In subsequent proceedings on that list therefore they can be properly be referred to as giving an indication of that opinion.

19. The panel turned to the main comparable property relied on by the appellant which was 5th Floor, 1 Bedford Avenue with an area of 781.21m^2 which was in the same building as the subject property. It was a new lease dated 1 May 2021 which was within a month of the AVD and was an open market agreement. Mr Morrison submitted that it was for a period of 12 years with a headline rent of £460,196 per annum and an initial rent free period of five months. He had analysed the rent to £583/m^2.

20. Miss Begum explained that the lease on 5th Floor was not a new lease but was a rent review and this meant that it should carry less weight. The panel noted that once the two floors 5th and 6th Floors were a single hereditament this property was almost double the size of the subject property at 1,562.20m^2. She explained that the tenant already occupied the 6th floor and rented the 5th floor on the rent review dated 1 May 2021. The tenant rented the property for a period of twelve years with two years and eight months rent free and was assumed to be on FRI terms. The rent Miss Begum submitted analysed to £451/m^2 and it had a UAR of £750/m^2. The panel placed some weight on this evidence.

21. The panel then took into consideration the rental evidence of 7th Floor, 1 Bedford Avenue which had been a new lease dated 1 February 2017 which was too remote from the AVD to be carry any weight but there was then an assignment of a lease dated 1 May 2021. The parties had few details about new assignment it but it had a five months rent free period with two months assumed as fit out and the remainder treated as an incentive. It was assumed to have been on FRI terms. The rent was £213,370 per annum which analysed to £549.93/m^2

22. Miss Begum explained that as it was a new letting even if it was not on the open market and it should therefore still carry weight. The assignment had a five month's rent free period and she had assumed a two months period for fit out and the remainder was included as an incentive. She had assumed that it was on FRI terms. The panel was aware that the new tenant would be paying towards the lease but was not necessarily paying the full amount of the rent as stated on the original lease. The original tenant would then have to pay the

remainder under the terms of their lease. There were many adjustments required to the rent and little detail was known about the assignment for the panel to place much weight on it. The panel placed little weight on this evidence as the terms of the lease were not clear.

23. The panel then turned to the respondent's comparable properties:

(1) 1st Floor, 1 Bedford Avenue had a lease dated 13 July 2017 which was assigned on 1 July 2022. It was for a term of 10 years and eleven months and it was 1,058m^2. It had no rent free period, five yearly rent reviews and was assumed to be on FRI terms. The rent was then adjusted to take it back to the AVD. Miss Begum stated that this led to an analysed rent of £783.92/m^2 and it had a UAR of £750/m^2.

(2) 3rd Floor West & 4th 1 Bedford Avenue was 1,596.50m^2. This was based on an upwards only rent review dated 1 May 2021. The lease had a twelve year term from 2017 with yearly rent reviews and a two month rent free period and was assumed to be on FRI terms. The rent analysed to £907.91/m^2 with a UAR of £750/m^2. The tenant of this comparable property was the same as the tenant for the 4th-6th Floors. The VO added all the floors together and analysed the rent to £658/m^2 which after applying fit out it produced a figure of £708/m^2. The VO submitted that as the tenant was the same for floors 3rd floor west and 4th-6th floors he would have considerably more bargaining power when it came to the agreeing the rent.

24. The panel placed little weight on 1st floor, 1 Bedford Avenue as the assignment was fifteen months post AVD and required a number of adjustments in order to be of assistance in assessing the RV for the subject property. The panel was aware that the rent review on 3rd Floor was an upward only one and the tenant also occupied the 4th -6th Floor and so the landlord would have agreed a favourable rent.

25. The panel then considered the tonal evidence presented by the VO which were three further offices in nearby locations to the subject property:

(1) 5th and 6th at 1 Rathbone Square which had an actual area of 4,236.50m^2 and had an adopted value of £800/m^2 which had not been challenged. It entered the list with effect from 1 May 2025 and was 0.3 miles from the subject property.

(2) 2nd Floor 1 Dean Street which was 1,063.18m^2 was built in 2018 with an adopted value of £975/m^2 and this tone had not been challenged. It was 0.2 miles from the subject property.

(3) 4th Floor 55 Wells Street which was 484m^2 was built in 2018 and had an adopted value of £775/m^2 which had not been challenged and was 0.5 miles from the subject property.

26. The panel placed little weight on these tonal comparable properties as they were in different locations to the subject property and varied in size. The panel noted that the UAR's were between £775/m^2 and £975/m^2 when the UAR applied to the subject property was £750/m^2.

27. The panel now turned to the fifth and sixth propositions from *Lotus and Delta*, namely:

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attached to the differing types of evidence depending on the one hand the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.
(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in each circumstance, it would be difficult to reject the evidence of the actual rent.

28. The panel then considered the appellant's submissions in relation to the level of increase in the UAR between the 2017 rating list and the 2023 rating list. The panel noted that 15 Adeline Place UAR increased between the 2017 rating list from £500/m^2 to £550/m^2 in the 2023 rating list an increase of 10%. The panel then considered the submission by the appellant that the percentage increase on the subject property between the two rating lists was 29% which was significantly higher than that of 15 Adeline Place. Other comparables put into evidence by the appellant were in Bedford Square and they had increased by 5%. Mr Morrison therefore submitted that the increase on the subject property of 29% was excessive and was not supported by the market. The panel put weight on this evidence.

29. On that basis, the panel found that the current UAR of £750/m^2 was excessive. The panel also found that the appellant's proposed UAR of £451/m^2 was too low. In determining the appropriate level of assessment, the panel had regard to the analysed rents of comparable properties within the same building that were of a similar size to the subject property and close to the AVD. In particular, the rents analysed for the 5th floor (£538/m^2) and 7th floor (£549.93/m^2) were considered. The panel concluded that those rents were lower than would otherwise be expected because the leases had not been agreed on the open market. The panel further noted that the subject property had been assessed at £580/m^2 in the 2017 rating list and considered that a 10% uplift, reflecting the increase observed at Adeline Place, a property regarded as a good comparator, was appropriate. Applying that uplift produced a UAR of approximately £638/m^2, and the panel therefore determined that a UAR of £635/m^2 was fair and reasonable for the subject property.

30. The panel found that using a UAR of £635/m^2 an RV of £312,300 with effect from 5 October 2023 was appropriate as follows:

Ref	Floor	Description	Area m^2/unit	Price m^2/unit	Value (£)
1	Third	Office	494.60	635.00	314,071
				Subtotal	314.071
				RV	312,300

31. In appeals of this nature the burden of proof was on the appellant to provide evidence to demonstrate that the RV of the subject property was unreasonable. The panel found that the appellant in this case had discharged that burden. The panel was therefore satisfied that the basket of evidence supported that the current assessment for the subject property was unreasonable.

Conclusion

32. Having considered both parties' submissions and evidence, the panel concluded that a UAR of £635/m^2 was fair and reasonable resulting in an RV of £312,300. In view of the above findings and conclusions, the Tribunal Panel allowed the appeal in part.

Order

33. As a consequence of the above decision, the VO is ordered to amend the 2023 Rating List entry to an RV of £312,300 with effect from 5 October 2023 within two weeks of the date of this Order.

Refund of fees

34. A refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision.

Right of further appeal

35. 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.

36. 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 SW Chappell, Senior Member (Chair)
Mr AN Backway, Senior Member
Mrs V Lloyd, Member
18 August 2026

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 18 August 2026 (reissued 18 August 2026)

Amended decision in accordance with Regulation 39 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 due to a clerical error. Paragraphs 2 and 33 is amended to substitute "£312,300" for "£314,000". Paragraph 30 also is amended from 314,000 to 312,300.