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

Case No: CHG101225131

Sitting remotely using Microsoft Teams on 24 August 2026

Date: 18 September 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: Local Government Finance Act 1988; accuracy of the rateable value in the list as at 1 April 2023; offices and premises; rental evidence; comparable assessments; appeal allowed.

Before:

MS A KALU
MS TM BLADES

Between:

PAYNE HICKS BEACH LLP — **Appellant**

- and -

NICOLA JOHNSON (VALUATION OFFICER) — **Respondent**

Regarding:

(INCL 2ND & 3RD FS STH 11) 10 NEW SQUARE, LONDON, WC2A 3QD
(the "subject property")

Mr M Morrison of Ryan Group, for the **Appellant**
Mr G Singh, for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The panel determined the rateable value (RV) of the subject hereditament to be £465,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This appeal has been brought in respect of (INCL 2ND & 3RD FS STH 11) 10 New Square, London, WC2A 3QD (the "subject property"), which was entered in the 2023 rating list as 'offices and premises' at RV £555,000, effective from 1 April 2023.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal was made to the Valuation Tribunal for England (VTE) on behalf of the Payne Hicks Beach LLP. The appeal was made because the appellant did not agree with the Valuation Officer's decision not to alter the 2023 rating list following the challenge. The appellant originally sought a reduction to RV £427,500 with effect from 1 April 2023, prior to the hearing he amended his valuation to £465,000.

5. The appellant's representative, Mr Morrison, when appearing as expert witness, stated that he was on a conditional fee arrangement. However, he also stated that he understood and accepted that his first duty was to the VTE in giving his evidence, whether or not the evidence supported his client's case.

6. The panel accepted this 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).

7. It was therefore appropriate for the panel to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

8. Mr Singh stated that he was appearing as advocate.

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

Background

10. The subject property is office space which occupies the basement, 3rd floor of a four storey pre 1900s building, as well as part of the 2nd and 3rd floors of the neighbouring building, within New Square, Lincoln's Inn Fields, central London. The subject property is situated to the north of Fleet Street and the nearest tube station in Chancery Lane, approximately 0.3 miles further northward. It has an area of 1150m^2.

11. The appeal to the VTE was made on the grounds that the valuation for the subject property was not reasonable.

12. The base level of value adopted for the subject property was not agreed. The valuation officer had adopted £550.00/m^2. In making the proposal the appellant's representative had sought a base rate of £425/m^2 resulting in an RV of £427,500. However, having reconsidered the valuation just prior to the hearing Mr Morrison sought a reduction to £465.00/m^2 in his revised analysis which resulted in a rateable value of £465,000.

Preliminary issue

13. Mr Singh raised a preliminary issue; he was aggrieved by Mr Morrison having altered his valuation of the subject property just prior to the hearing. On questioning he stated that he did not require more time to consider the alteration and was happy to proceed with the hearing. As there was no new evidence the hearing continued.

Relevant Law

14. The term 'rateable value' is defined in Schedule 6 to the Local Government Finance Act 1988 (as amended):

"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".

Discussion

15. The panel had to determine the rateable value for the subject property, which represented a rent that a hypothetical landlord and tenant would agree, as at the AVD, 1 April 2021. This common date was used to ensure that every property was treated in a consistent way.

16. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property was considered to be the correct starting point but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

17. The panel noted that in this appeal the subject property rent is comprised of a number of separate leases spread out for each floor, dated originally between 2009-2014, with the current rents effective from around 2019. The rent recorded on the proposal document was

£90,950 with effect from 30 July 2020. The panel noted Mr Morrison's comments regarding this rent (he had attached very little weight to it). Mr Singh did not agree that the rent should be disregarded, he argued that it should be the starting point for the valuation as per *Lotus and Delta* he had analysed the rent on the subject property to £696.01/m^2 which he stated supported £550/m^2. The panel noted that this was based on a rent declared at challenge of £703,202 per annum, however, there was no evidence of this in the Valuation Officer's submission. It was aware that there were several separate leases and there was no new agreement at the AVD. The panel attached only moderate weight to this evidence.

18. In making his submission Mr Morrison argued that the best evidence is that of 3rd Floor Queens House 55-56, Lincolns Inn Fields, London, WC2A 3LJ, this property is held on a new lease effective from 20 July 2021, for a term of 10 years at a headline rent of £278,476 per annum with an initial rent-free period of 9 months agreed. With limited fit-out, taking 7 months of the rent-free as incentive, this gives a net effective rent of £241,500 per annum which he had analysed to a rate of £400.00/m^2. The panel noted that this property, which had an area of 548m^2, had entered the 2023 list at £550/m^2 but had since been reduced to £465/m^2 by this Tribunal and again by agreement to £450/m^2, it found this to be useful rental evidence due to its location within Lincolns Inn Fields, and the rent being agreed close to the AVD. It attached weight to it accordingly.

19. Mr Morrison also referred to four other properties in Lincolns Inn Fields which he considered to be comparable, and which ranged from £376/m^2 to £425/m^2. The panel noted that these properties were in close proximity to the subject property but, with the exception of one, were larger ranging from 600m^2 to 3,000m^2.

20. Mr Singh argued that 3rd Floor Queens House 55-56, Lincolns Inn Fields, was not a like for like comparison with the subject property he stated that it is a more modern, mixed use office space catering to a broader range of industries. He submitted that it is located in a busy public square housing a mix of institutional and commercial buildings, whilst the subject property is situated in a quiet, enclosed courtyard surrounded by gardens and historic chambers, enhancing its prestige and architectural character. The panel was aware that Lincolns Inn Fields was an equally prestigious area and noted the photographs and map provided by Mr Morrison which evidenced this.

21. Mr Singh referred to rental evidence for six properties which he contended supported £550/m^2 for the subject property; five of the properties were situated in Stone Buildings, London WC2A 3** and ranged in size from 36.31m^2 to 59.50m^2; the panel noted that these offices were significantly smaller than the subject property which had an area of 1,150m^2 and as such it would have expected them to have a higher rate per metre square than the subject property. The sixth property was situated in 7 New Square, the panel noted that this property was also significantly smaller than the subject property at 224.20m^2.

22. Having considered the full basket of evidence before it the panel found the Mr Morrisons evidence and arguments to be the more persuasive in that the tone of £550.00/m^2 was unreasonable as no allowance had been made for quantum. It determined that an RV of £465,000 based on £465.00/m^2 was fair and reasonable as follows:

Line	Floor	Description	Area m^2	Relativity	Revised £/m^2	Revised Value
1	Ground	Office	164.22	1	£465.00	£76,362
2	Third	Office	199.58	0.9	£418.50	£83,524
3	Basement	Office	26.23	0.5	£232.50	£6,098

4	Second	Office	23.44	0.903	£419.90	£9,842
5	Basement	Office	71.06	0.551	£256.22	£18,207
6	Second	Office	153.49	0.95	£441.75	£67,804
7	First	Office	58.33	1	£465.00	£27,123
8	Fourth	Office	59.5	0.893	£415.25	£24,707
9	Basement	Internal Storage	62.01	0.25	£116.25	£7,209
10	Second	Office	78.2	0.95	£441.75	£34,545
11	Basement	Office	10.49	0.525	£244.13	£2,561
12	Second	Internal Storage	5.06	0.475	£220.88	£1,118
13	Ground	Office	26.84	1.05	£488.25	£13,105
14	Third	Internal Storage	5.1	0.45	£209.25	£1,067
15	First	Office	144.59	1.05	£488.25	£70,596
16	Third	Office	62	0.9	£418.50	£25,947
TOTAL			**1,150.14**			**£469,816**
					RV Rounded	**£465,000**

Conclusion

23. In view of the above findings and conclusions, the appeal was allowed.

Order

24. Under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to amend the entry in the rating list to show a revised assessment of £465,000 RV for the subject property, with effect from 1 April 2023.

25. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Refund of a fee

26. The appellant is also entitled to a full refund of the fee paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process.

Right of further appeal

27. 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.

28. 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/.

Ms A Kalu, Senior Member (Chair)
Ms TM Blades, Senior Member
18 September 2026

Mrs H Beresford
Clerk to the Tribunal
Date issued to the parties: 18 September 2026