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

Case No: CHG101249319

Sitting remotely using Microsoft Teams

Date: 22 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — offices and premises; price per m^2 and uplift for fit out in dispute; rental evidence; Dawn Bunyan (VO) v Acenden Limited [2023] UKUT 17 (LC); Amanda Hitchings (Valuation Officer) v Shoosmiths LLP and Mando Group Ltd [2025] UKUT 224 (LC); appeal allowed in part.

Before:
MR A HUSSAIN
MRS U NASEEM

Between:

STANN MARINE LTD — **Appellant**

- and -

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

Regarding:
1ST FLOOR, 35 GREAT ST HELEN'S, LONDON, EC3A 6AP
(the "subject property")

Mr H Doyle from BGL Partners, representing the Appellant
Mr P Emmerton for the Respondent

Hearing date: 6 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed in part.

2. The panel found that the current rateable value (RV) of 1st Floor, 35 Great St Helens, London EC3A 6AP (the ‘subject property’) was unreasonable, and determined a revised RV of £116,000, based upon £475 per m^2 with effect from 19 July 2023.

Introduction

3. A challenge proposal was submitted by BGL Partners on behalf of Stann Marine Ltd, and was received by the Valuation Officer on 22 July 2024. It had been made in response to a Valuation Officer’s notice which had increased the RV to £128,000 with effect from 19 July 2023, based on £525 per m^2. A revised RV of £110,000 was proposed, based on an adopted price of £450 per m^2.

4. The Valuation Officer issued a challenge case decision notice on 17 February 2025, which disagreed with the proposed alteration of the list, and stated that the current rating list entry was reasonable based on the evidence and information available.

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. The appeal was received by the Tribunal on 19 March 2025.

6. Mr Doyle appeared on behalf of the appellant as both Advocate and expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), he declared that he was instructed on a contingency based fee, and 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 the client’s case.

7. The expert witness evidence was accepted 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).

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

Preliminary issue

9. On 22 July 2025, the Valuation Officer submitted a request to include new evidence, which comprised:
   - An Upper Tribunal decision dated 9 July 2025: *Amanda Hitchings (Valuation Officer) v Shoosmiths LLP and Mando Group Ltd* [2025] UKUT 224 (LC) (the *Shoosmiths* case);
   - Jones Lang LaSalle Fit Out Cost Guide 2025, published July 2025 (JLL guide).

10. In response, Mr Doyle requested that the panel reject the Valuation Officer’s new evidence, as there was insufficient time for it to be reviewed before the hearing.

11. The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 as amended details at Regulation 17a the circumstances when new evidence may be included in Non-Domestic Rating appeals.

"17A. Admission of new evidence on NDR appeal

(1) On a NDR appeal, the VTE may only admit evidence that was not included in the notice of appeal or any document accompanying the notice of appeal ("new evidence") if—

(a) that evidence—
(i) is provided by a party to the appeal;
(ii) relates to the ground on which the proposal was made; and
(iii) was not known to the party and could not reasonably have been acquired by the party before the proposal was determined under Part 2 of the NDR Regulations; or

(b) all the parties to the appeal agree in writing to the party providing the new evidence."

12. The panel was of the opinion that relevant case law was not new evidence, and was satisfied that there had been sufficient time for the Upper Tribunal decision to be considered ahead of the hearing.

13. In consideration of the regulations, together with the application of the *Denton* test, the panel determined that the JLL guide should be included in the proceedings. The panel noted that the fit out guide had only been issued in July, and therefore could not have been provided during the challenge period.

14. Mr Doyle was granted an opportunity for a brief adjournment to review the documents, however, he confirmed that he was happy to proceed.

Relevant Law

15. Rateable value is to be determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

(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.

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).

16. 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 day is 19 July 2023.

Discussion

17. The subject property comprises the first floor of a seven storey building, providing 1,703m^2 office accommodation. It was built in 1990 and is located in Bishopsgate. The total area of the subject property is 245m^2.

18. The issues in dispute concerned the price per m^2 to be adopted in the valuation, and whether an additional £50 per m^2 should be applied to reflect an uplift from CAT A to CAT B. Briefly, a CAT A property is not ready for immediate occupation for a specific tenant; CAT B is fully fitted out according to the specific needs of a named tenant.

19. The appellant's representative disputed the Valuation Officer's increase from £400 per m^2 to £525 per m^2, and sought a revised RV of £110,000, based upon £450 per m^2 with no uplift for fit out.

20. The Valuation Officer defended the present RV of £128,000, based upon £525 per m^2. This reflected an uplift from CAT A to CAT B fit out of £50 per m^2 to the main space price.

21. In support of their respective cases, both parties referred to rental analysis from within the subject building.

22. Mr Doyle submitted that low weight should be attached to the subject rent, as it had been agreed two years post AVD in July 2023. He highlighted that the subject property had been let in a CAT A+ condition, and as no fit out works had been undertaken, there should be no uplift applied. He submitted that the following key rental evidence supports £450 per m^2 for the subject property:

    5th Floor, 35 Great St Helens

    A new five year lease agreed in June 2021 at a headline rent of £110,385 per annum. The lease contained two break clauses, one at the end of the second anniversary and another at the end of the third. An initial period of twelve months at half rent was granted, which amounted to a total of ten months' rent free over the term. Adopting the Valuation Officer's approach, the rent analysed at £483 per m^2.

    Mr Doyle stated that the rent was reflective of a property let in a CAT A+ condition, and therefore no uplift had been applied.

    2nd Floor, 35 Great St Helens

A new five lease agreed in August 2021 at a headline rent of £137,696 per annum. An initial three months rent free was granted, followed by 12 months half rent. Adopting the Valuation Officer's approach, the rent analysed at £428 per m^2.

As the 2nd Floor was let on a CAT A basis, Mr Doyle applied an uplift of £25 per m^2. This resulted in an analysed rent of £453 per m^2.

23. On behalf of the Valuation Officer, Mr Emmerton referred to the Upper Tribunal decisions of *Dawn Bunyan (VO) v Acenden Limited* [2023] UKUT 17 (LC), and the more recent *Shoosmiths* case, in which the Valuation Officer's approach of applying an uplift for tenant's fit out was upheld. Following *Bunyan v Acenden*, there had been an agreement between the Inner London G7 Agents and the Valuation Office Agency to apply an uplift of £25 per m^2 for office fit out in central London for the 2017 rating list. For the 2023 rating list, the Valuation Officer had increased the uplift to £50 per m^2.

24. Mr Emmerton provided rental analysis in respect of the subject property and comparable properties within the subject building in support of his adopted price of £525 per m^2:

1st Floor, 35 Great St Helens (the subject property)

A new five year lease agreed in July 2023, analysed at £642.78 per m^2. Toned to the AVD, the rent analysed at £491.84 per m^2, to which a £50 per m^2 uplift was applied to arrive at a main space price of £541.81 per m^2. Mr Emmerton disputed Mr Doyle's assertion that CAT A+ was a complete fit out.

2nd Floor, 35 Great St Helens

A rent effective from 2 August 2021 analysed at £432.57 per m^2. Toned to the AVD, the rent analysed at £413.91 per m^2, to which a £50 per m^2 uplift was applied to arrive at a main space price of £463.91 per m^2.

3rd Floor, 35 Great St Helens

Analysed to the break clause, the rent effective from 5 November 2021 analysed at £500.82 per m^2. Toned to the AVD, the rent analysed at £463.75 per m^2, to which a £50 per m^2 uplift was applied to arrive at a main space price of £513.75 per m^2.

When analysed over the whole term, and toned to the AVD, this resulted in a price of £449.26 per m^2, to which a £50 per m^2 was applied to arrive at a main space price of £499.26 per m^2.

5th Floor, 35 Great St Helens

Analysed to the first break, the rent effective from 9 June 2021 analysed at £440.24 per m^2. Toned to the AVD, the rent analysed at £429.37 per m^2, to which a £50 per m^2 uplift was applied to arrive at a main space price of £479.37 per m^2.

Analysed to the second break, and toned to the AVD, this resulted in a price of £444.47 per m^2, to which a £50 per uplift was applied to arrive at a main space price of £494.47 per m^2.

When analysed over the whole term, and toned to the AVD, this resulted in a price of £474.49 per m^2, to which a £50 per m^2 was applied to arrive at a main space price of £524.49 per m^2.

25. The first issue determined by the panel was the main space price per m^2 to be adopted prior to any uplift for fit out. The Valuation Officer had adopted a main space price of £475 per m^2, whereas the appellant's representative adopted £450 per m^2. Taking into account the rental evidence closest to the AVD from within the subject building, the panel considered that £475 per m^2 was unsupported and excessive. The panel decided to adopt Mr Doyle's proposed £450 per m^2 as it more fairly reflected the analysis of the 2nd (£413.91 per m^2), 3rd (£463.75 per m^2 to the break clause) and 5th floors (£429.37 per m^2 to the first break clause).

26. The panel then considered whether an uplift should be applied for fit out. The panel acknowledged that the subject property had been let in a CAT A+ state, and had heard from Mr Doyle that the tenant had not undertaken any fit out works. A copy of the subject lease confirmed the state of the property as follows:

> *"The subject demise is circa 2,637 of newly fitted CAT A+ office space located on the first floor of 35 Great St Helens, London.*
>
> *The office is fitted out in new CAT A+ condition and is provided with metal pan suspended tiled ceilings incorporating plasterboard margins and LED flat panel light fittings. The demise is mostly open plan, with 2Nr glazed partitioned meeting rooms. Floor coverings comprise a combination of timber effect flooring and carpet tiles.*
>
> *Heating and cooling is provided via centralised plant with ceilings incorporating accompanying diffusers. Meeting rooms are not provided with separate heating/colling control, but lighting to these areas is separately switched.*
>
> *Small power is provided throughout, generally via floor boxes installed to suit the current layout and furniture configuration. Isolated perimeter wall sockets are also provided.*
>
> *A large kitchen area is provided complete with a fitted central island unit. Off the kitchen there is a small comms room, which contains a server cabinet."*

27. Mr Emmerton had referred to the *Shoosmiths* case as authority for the position that tenant's fit out costs are the best evidence of the annual value to the tenant. However, in the subject appeal, there was no evidence presented of any fit out costs incurred by the tenant. The analysis of the subject rent at £491.84 per m^2, toned to the AVD was higher than the other assessments within the subject building, which led the panel to assume that the rent already reflected an element of fit out. As such, the panel was not persuaded that the Valuation Officer's £50 per m^2 uplift should be applied.

28. The panel was mindful that CAT A+ is not a complete fit out specific to the tenant, as outlined in *Bunyan v Acenden*. The panel considered that an addition of £25 per m^2 to the main space price of £450 per m^2 fairly reflected an uplift from CAT A+ to CAT B for the subject property. A revised RV of £116,000 was determined as follows:

Floor	Description	Area (m^2)	£/m^2	Value
First	Office	245.00	£475.00	£116,375
Total Value				£116,375
Rateable Value				£116,000

Determination

29. In view of the above findings and conclusions, the Tribunal panel is satisfied that the present assessment of the subject property is unreasonable. A revised RV of £116,000 is determined with effect from 19 July 2023.

30. 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 alter the entry in the rating list to rateable value £116,000 with effect from 19 July 2023.

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

32. A refund of the paid fee will now be arranged provided there is no review of the Tribunal's decision. The refund will take around six weeks to process.

Right of further appeal

33. 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) within **four weeks** of the date this decision and statement of reasons is issued.

34. 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 Amran Hussain, Senior Member

Mrs U Naseem, Member

22 August 2025

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 22 August 2025