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

Case No: (1) CHG101266659
(2) CHG101274855

Sitting remotely using
Microsoft Teams on
22 April 2026

Date: 20 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2023 rating list — warehouses and premises — Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141 — tone of value for main space — appeals dismissed.

Before:

MRS M CHAGGAR
MRS V HOLLENDER
MR C PARK

Between:

(1) BANSAL LIMITED
(2) C.BREWER & SONS LIMITED — **Appellants**

- and -

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

Regarding:

(1) UNITS 21 & 22 CHILTONIAN ESTATE, MANOR LANE, LONDON SE12 0TX
(2) 14B CHILTONIAN ESTATE, MANOR LANE, LONDON SE12 0TX
(the “subject hereditaments”)

Mr J Fitzsimmons of Ryan Property Tax Services UK Limited for the **Appellants**
Mrs C Wolff of the Valuation Office, HMRC for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeals were dismissed. The panel confirmed the rateable value (RV) of subject hereditament (1) at £100,000 with effect from 1 April 2023 and subject hereditament (2) at £92,250 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

2. The appeal process began with proposals made by the Appellants on 9 September 2024 for subject hereditament (1) and 7 May 2024 for subject hereditament (2) in respect of the Respondent’s 2023 compiled rating list entries of £100,000 RV and £92,250 RV respectively, with effect from 1 April 2023. The Appellants proposed revised assessments of £73,000 RV and £67,500 RV with effect from that date, based on a reduced tone of value for main space from £140 per m^2 to £101 per m^2.

3. The Respondent issued challenge case decision notices on 5 September 2025 which stated that the proposals were not well-founded. The Appellants appealed those decisions to this Tribunal on 6 November 2025, on the grounds that the valuation for the subject hereditaments was unreasonable.

4. Prior to the hearing, Mr Fitzsimmons submitted revised valuations of £84,500 RV for subject hereditament (1), and £78,500 RV for subject hereditament (2), both with effect from 1 April 2023, based on an altered tone of value for main space of £118 per m^2.

5. The subject hereditaments were warehouses and premises located on Chiltonian Industrial Estate in Lewisham, South London. Subject hereditament (1) was a semi-detached warehouse of $907.23m^2$, built in the 1980s and refurbished in 2001. Subject hereditament (2) was a semi-detached warehouse of $774.59m^2$, built in the 1980s and refurbished in 2017.

6. Mr Fitzsimmons appeared on behalf of the Appellants as both advocate and expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), the representative confirmed that he was instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and 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 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 RVs to be attributed to the subject hereditaments in the 2023 rating list. The issue in dispute concerned the tone of value for main space.

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

Relevant Law

10. The subject hereditaments must be valued for the purpose of non-domestic rating on the basis of the rent at which they 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 2021, 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 hereditaments, the material day was 1 April 2023.

13. The Lands Tribunal decision of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 is referred to in this decision.

Analysis

14. It is a well-established rating principle that the starting point in the determination of a property's RV should be the rent passing on the subject hereditament itself. Both rents at subject hereditament (1) and (2) had rents rising from reviews effective from October and September 2022 respectively, from leases agreed in 2019. Both parties contended that low weight should be attached to the subject rents.

15. Mr Fitzsimmons argued that greater reliance should be placed upon comparable lettings proximate to the AVD. In his written submissions, he sought to rely on Unit 7, Chiltonian Industrial Estate which was located on the same estate as the subject hereditaments. He had analysed that rent to £104.57 per m^2. However, at the hearing he resiled from that analysis and instead agreed with that of the Respondent of £172.31 per m^2, citing the property being materially different from other comparable assessments referred to in the appeal as it was the most modern building on the estate and the rent required significant adjustment. As such, he contended that low weight should be attached to that assessment. The Respondent however, contended that this assessment was a strong comparable and supported its tone of value for main space at the subject hereditaments, as the Respondent's Valuation Scheme did not differentiate for age on the estate as other units, including the subject hereditaments, had been refurbished to a high standard.

16. Alternatively, he submitted that the most reliable assessment was Unit 18, Chiltonian Estate, also located on the same estate as the subject hereditaments. That property had a lease renewal agreed at £77,700 per annum with effect from 1 June 2021. The Respondent's records showed that property was 493.03m^2 and the Respondent had analysed its rent to £194.52 per m^2. The Respondent stated that tenant improvements had been disregarded from the assessment as there was a clause in the lease stating such and the property had

been occupied since 2011, which was less than 25 years in accordance with the Landlord and Tenant Act 1954.

17. Mr Fitzsimmons argued that the Respondent's approach was inconsistent with its valuation for subject hereditament (2), which had included tenant improvements. The Respondent contended it included such improvements for that assessment as the property had been occupied since 1985. Mr Fitzsimmons argued that Unit 18, Chiltonian Estate had been occupied since 2000, and therefore tenant improvements should be reflected in the assessment, which would significantly increase the size of the property ITMS, accounting for a higher floor area. He had analysed the rent, including the presence of air conditioning and a size of the property of 636.29m^2 to £118.61 per m^2, of which he argued supported the same for the subject hereditaments.

18. The Respondent referred to two further comparable assessments with rental evidence on the same estate as the subject hereditaments. Units 29B & 30 Chiltonian Industrial Estate, which was stated to be 929.73m^2, had a new letting for 8 years and six months agreed at £65,556 per annum effective from 1 November 2020. The Respondent had analysed that rent to £143.85 per m^2. Unit 23, Chiltonian Industrial Estate, of 455.44m^2, had a rent review agreed at £46,230 per annum effective from 18 May 2021, from a lease agreed in May 2016. The Respondent had analysed that rent to £132.96 per m^2. The Respondent's adopted tone of value for main space at Unit 7, Unit 18, Unit 23 and Units 29B and 30 were all £145 per m^2.

19. In accordance with *Lotus and Delta*, the panel considered that the established principle was that the starting point for valuation should ordinarily be the rent passing on the subject hereditament itself. However, in the present appeal, both parties agreed that the passing rents should be attributed low weight. The panel found likewise as they were rent renewals and were remote from the AVD. The panel therefore considered the wider body of comparable rental evidence in order to determine whether the Respondent's adopted tone of value at the subject hereditaments of £140.00 per m^2 was excessive.

20. The panel noted that the Appellants' case altered materially during the course of proceedings. In particular, at appeal stage Mr Fitzsimmons initially relied heavily upon the letting of Unit 7, Chiltonian Industrial Estate as the primary comparable supporting a reduced tone of value of approximately £101 per m^2. However, at the hearing, he accepted the Respondent's analysis of that rent at approximately £172.31 per m^2 and withdrew reliance upon his earlier analysis.

21. The panel considered this concession to be significant. Unit 7, Chiltonian Industrial Estate was a new open market letting occurring only a short period prior to the AVD and was located on the same industrial estate as the subject hereditaments. As such, the panel considered that this transaction constituted strong and persuasive evidence of rental tone on the estate.

22. Whilst the panel acknowledged that Unit 7 was a newer building, being built in 2020, the subject hereditaments had themselves undergone refurbishment. The Respondent's Valuation Scheme was stated not to materially distinguish between the age of units on the estate due to the generally high standard of refurbishment throughout, and the panel was satisfied that the subject hereditaments would be of a similar, albeit slightly lesser standard in terms of quality to Unit 7 given they had been refurbished. It found this was fairly reflected by the lower comparative tone of value the Respondent had adopted at the subject hereditaments.

23. The panel considered that the tone of value for the subject hereditaments was supported by a broader basket of evidence on the same estate, including Units 23 and Units 29B & 30, both of which the Respondent had analysed at levels broadly consistent with the adopted tone of £140 to £145 per m². Although the panel recognised that some of the Respondent's comparables arose from rent reviews rather than entirely new lettings, it was satisfied that, taken collectively, the evidence demonstrated a consistent rental tone across the estate materially above the level contended for by the Appellants. Units 29B & 30 was a new letting in close proximity to the AVD and was similar in size to subject hereditament (1).

24. The panel noted there was significant disparity between the parties' analysis of Unit 18, Chiltonian Industrial Estate. Given there was uncertainty as to the date from which the property had been occupied, which materially and significantly affected their opposing valuations, and there was no tangible evidence of this provided by either side, the panel attached little weight to the assessment in light of the comparable assessments it had deemed reliable for reasons set out above. The panel found that Unit 18, even when accounting for Mr Fitzsimmons' considered increased size, was still smaller than the subject hereditaments, and therefore not as reliable for the purposes of comparison.

25. Having considered all of the evidence and submissions, the panel concluded that the Respondent's adopted tone of value for main space of £140 per m² for the subject hereditaments remained fair, reasonable, and was properly supported by rental evidence available on the estate in close proximity to the AVD.

Conclusion

26. In view of the foregoing, the appeals were dismissed.

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 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.

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/.

Mrs M Chaggar, Senior Member (Chair)
Mrs V Hollender, Member
Mr C Park, Member
20 May 2026

Mr S Fletcher
Clerk to the Tribunal
Date issued to the parties: 20 May 2026