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

Case No: CHG101285131

Sitting remotely using Microsoft Teams

Date: 4 March 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — office and premises – comparable properties – tone of the rating list – rental analysis.

Before:
MS T M BLADES
DR S PENNI

Between:

NLYTE SOFTWARE LIMITED **Appellant**

- and -

NICOLA JOHNSON (VALUATION OFFICER) **Respondent**

Regarding:
PART 1ST FL, 26 OSIERS ROAD, LONDON SW18 1NL
(the "subject property")

Mr A Hair of Ryan Property Tax Services UK Limited, for the Appellant.
Ms L Roberts, for the Respondent.

Hearing date: 9 February 2026

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal finds that the current entry in the 2023 Rating List is reasonable and confirms the Rateable Value (RV) at £154,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. The appellant's representative made a proposal on 31 October 2024 to challenge the entry in the 2023 Rating List at £154,000 with effect from 1 April 2023. The valuation was based on £280/m^2. The appellant's representative sought a reduction to £162.50/m^2, resulting in a revised valuation of £92,500. The Valuation Officer (VO) did not find the proposal to be well founded, and a Challenge decision to that effect was issued on 22 July 2025. The appeal against the decision notice was received by the Tribunal on 4 September 2025. In making his appeal to the Tribunal, Mr Hair revised his proposed valuation to £112,000, based on £200/m^2.

4. In light of the judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr Hair stated that he was appearing before the Tribunal in a dual role as both advocate and expert witness. He confirmed that he was instructed on a contingency fee basis. In giving expert evidence, 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 his client's case.

5. 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). 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. Miss Roberts declared she was also appearing as both advocate and expert witness, presenting evidence from the decision notice prepared by a colleague.

7. The hereditament is valued as a first-floor office and premises within a building constructed in 2003 with full air-conditioning, raised flooring, and lifts. There was no dispute around the survey data, 524.92m^2, and the only issue to be decided was the correct price per unit to be applied to the valuation.

8. The material day on which to consider the property and its locality was 1 April 2023, as this was a challenge to the compiled list entry. The property must be considered with regard to values on the antecedent valuation date (AVD) of 1 April 2021.

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

Issue and Relevant Law

10. The subject property must be valued by the statutory assumptions set out in Schedule 6 to the Local Government Finance Act 1988 as follows:

“(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.”

11. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, mentioned by both parties in their evidence, which provided guidance on the weight to be attached to different forms of evidence.

Discussion

12. In accordance with *Lotus & Delta*, the panel found that the starting point of any valuation must be the rent passing on the subject property. In this case, the parties agreed that the rent on the subject property from March 2015 was not useful as it was too far from the AVD for the 2023 list.

13. Mr Hair submitted that the subject property is situated in a mainly residential area near a recycling centre. He considered this to be a less desirable location for office space and felt the best comparison to evidence value was offices at Third Floor Centre, Hutchison House, 5 Hester Road, Battersea, London SW11 4AN. This office measured 198.49m^2 and was let from June 2020 for a fourteen-year term at £44,170 per annum. Mr Hair analysed this to £222/m^2 and contended that this supports a reduction to £200/m^2 for the subject property. He submitted that Hester Road is a superior location to the subject property, with its proximity to the river and not being close to a recycling plant. It was also highlighted that the Hester Road offices had been reduced in value from the 2017 list (£260/m^2) to the 2023 list (£220/m^2).

14. Also, in support of his case for a reduction, Mr Hair provided a table of offices in the SW18 postcode area to demonstrate the increase in values between the 2017 and 2023 rating lists. He submitted that most of the offices in Point Pleasant and Putney Bridge Road had increased between 0-20%. In comparison, offices in Osiers Road had increased by around 40% between lists.

15. While the panel noted Mr Hair’s comments regarding the percentage increases between the 2017 and 2023 lists for the subject property and others, it was mindful that the starting point for any 2023 rating list entry must be evidence which relates to the AVD, 1 April 2021, rather than from the previous rating list, as this was sourced from an entirely different pool of rental

information. The rents passing were considered afresh at a revaluation when the VO sought to establish a tone of values. The whole point of a revaluation was to re-assess the demands of the hypothetical tenant and movements in the market leading to changes in rents. The panel attached no weight to the comparisons between lists but acknowledged Mr Hair's point that there appeared to be a valuation difference between the offices at Osiers Road and others in the same SW18 1** postcode area.

16. Mr Hair submitted that the office market was poor around the AVD because of the pandemic. On this basis he contended that the subject property's valuation should reflect a reduction or at best a nil increase from its 2017 list valuation.

17. The panel noted that the offices in Hester Road sat within a different postcode area to the subject property, SW11 rather than SW18. According to the VO, Hester Road is over two miles from Osiers Road. The panel was aware that values can vary between streets in London and found that Hester Road is a different locality. As the rent for the Hester Road office was also agreed in June 2020, it considered it was neither geographically close to the subject property or a rent agreed particularly close to the AVD. As such, the panel found this example to carry limited weight as evidence.

18. The VO's evidence included eight examples of offices which were considered comparable. The closest in size to the subject property was 10 Point Pleasant, SW18 1GG, at 436m^2. This property had a new letting from 1 November 2020, which analysed to £338.55/m^2 and was valued at £300/m^2. However, the panel noted that this hereditament was valued as a health and fitness spa, rather than an office, and Mr Hair submitted that it is currently operated as a day nursery. The panel therefore considered this to be a different mode and category of use and not comparable to an office.

19. The closest rent to the AVD was that of Unit 2 at 1 Eastfields Avenue SW18 1FQ. The rent was agreed from 1 April 2021 at £45,000 per annum, which analysed to £394.04/m^2 and was valued at £350/m^2. The panel noted this transaction was a lease renewal, which is generally considered less persuasive evidence than a new letting. Mr Hair submitted that the transactions in 1 Eastfields are on licence agreements with flexible terms. He contended they were not open market leases year by year and should carry less weight. The panel noted there was no evidence to support this statement and Miss Roberts submitted that the Form of Return (FOR) shows open market leases. Without evidence from either party on this matter, the panel treated this rent with caution.

20. Mr Hair contended that the closest comparisons to the subject office, like for like, would be the offices at 14 Northfields SW18 1UU. Unit D on the ground floor was an office measuring 257.07m^2 and was subject to a new letting from October 2020 for £45,000 per annum. This rent was analysed to £186.72/m^2, which Mr Hair contended supported a reduction for the subject property. Unit D was valued at £230/m^2. Also at 14 Northfields, was Unit F measuring 205.38m^2, with a new letting also from October 2020 at £45,000 per annum. This rent analysed to £233.72/m^2 and the office was valued at £230/m^2.

21. During questioning, Mr Hair asked Miss Roberts to clarify the VO's rental evidence table where there was frequent reference to rents being assumed to be on a full repairing and insuring basis (FRI). After checking the FORs, she confirmed the differences for a number of the examples presented by the VO. The panel noted that some adjustment would be required to reflect aspects of the various leases that were not on an FRI basis.

22. The one rent that Miss Roberts was able to confirm was on an FRI basis was that of 29a Osiers Road. This was a new letting from December 2020 at £31,000 per annum. The rent was for a three-year term with no reviews or rent-free period. While the panel noted this unit is smaller than the subject property, at $108m^2$, and situated on the ground floor, it found this to be the best comparison to the subject property. Mr Hair contended it was not comparable as it is a ground floor commercial unit with permitted use under A1, B1, D1 and D2, whereas the subject property is limited to B1 use. On this basis he considered 29a Osiers Road to be more flexible use and more valuable. The rent was analysed to £281/m^2 and valued at £280/m^2. Mr Hair submitted that the subject property must be valued lower than this hereditament.

23. The panel noted Mr Hair's submission that 29a Osiers Road was a more valuable and flexible space than the subject property, which is limited to office use. However, it found this example to be a clean FRI rent agreed only four months prior to the AVD in the same locality as the subject property. Its rent would reflect any disadvantages in the area, such as the recycling plant, and both parties agreed the rent analysed to £281.29/m^2. While 29a Osiers Road benefits from the flexibility of different permitted use, it is valued in the rating list as an office and is therefore comparable to the subject property. On this basis, the panel was not persuaded that the existing valuation for the subject property at £280/m^2 was unreasonable.

24. The burden of proof in appeals of this nature rests with the appellant's representative to demonstrate the valuation is unreasonable. In this case, the panel was not persuaded that Mr Hair had discharged that burden. He relied primarily on a rent for the office in Hester Road, which the panel found to be a different locality. In the basket of rental evidence presented by the VO, there were no comparable offices valued as low as £200/m^2, with the lowest being 14 Northfields at £230/m^2. After considering all the evidence, the panel considered that 29a Osiers Road was the best comparison and its rent supported the existing valuation for the subject property.

Conclusion

25. In view of the above findings and conclusions, the Tribunal is satisfied that the existing valuation at £154,000 from 1 April 2023 is not unreasonable and the appeal is dismissed.

Right of further appeal

26. 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.

27. 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 T M Blades, Senior Member (Chair)
Dr S Penni, Senior Member
4 March 2026

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 4 March 2026