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

Case No: CHG101295919

Sitting remotely using Microsoft Teams on 27 May 2026

Date: 19 June 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.*

Before:

MS A VERMA
MISS E CROSS

Between:

IMFRAVIS LTD — **Appellant**

- and -

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

Regarding:

OFFICES AND PREMISES AT 2ND FLOOR, 62 CAMDEN ROAD, LONDON NW1 9DR
(the “subject property”)

Mr A Bacon from JM Chartered Surveyors (on behalf of the appellant as advocate and expert witness)
Mr J Bean (on behalf of the respondent as advocate)

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The Tribunal determined a revised rateable value (RV) of £8,800 with effect from 1 April 2023

STATEMENT OF REASONS

Introduction

3. This appeal had been brought in respect of Offices and premises at 2nd Floor, 62 Camden Road, London NW1 9DR (the subject property), which was entered in the 2023 Rating List as 'office and premises' at an RV of £15,500 effective from 1 April 2023.

4. The appellant's Challenge was submitted by the appellant's representative on 28 November 2024 and sought a reduction in the RV to £8,800 with effect from 1 April 2023. The appeal to this Tribunal was made on 23 December 2025, following the Valuation Officer's (VO) Decision Notice of 1 September 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 was within a period town house that had been converted into offices. It was located on the intersection of Camden Road and Camden Street close to Camden station. The subject property was on the second floor and had a single glazing with blinds due to there being a bus stop directly outside. It had an ITMS of 39.23m^2.

7. Mr Bacon 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 Bacon 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 tone for the subject property which is presently £399/m^2 with an RV of £15,500. The appellant submits that the rate is too high and that a tone of £225/m^2 is reasonable giving an RV of £8,800.

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 1 April 2023 being the commencement date the 2023 rating list.

Discussion

15. The appeal 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 subject property was occupied under a licence agreement for a term of one year commencing on 20 June 2020, which included provision for service charges. Mr Bacon submitted that the office accommodation was of a relatively low specification, including single-glazed windows. Blinds had been installed in an attempt to mitigate noise from the bus stop located at the front of the building, and the thermal insulation was considered to be of a poor standard.

18. The subject property was let pursuant to a one-year licence agreement at a rent of £18,000 per annum, as evidenced in the bundle. This rent was inclusive of business rates, electricity, gas, and service charge. The panel observed that, in order to comply with the statutory valuation assumptions, a number of adjustments were required to isolate the net rent attributable to the property. Mr Bacon deducted the business rates (£13,750 @ 50p in the pound), resulting in a figure of £11,125, and then made a further deduction in respect of service charges calculated at £60/m² which gives £8,771. This produced an adjusted rent equating to £223/m² for a second floor space, or a main space rate of £235/m². The panel acknowledged that the terms of the licence were not directly compliant with the statutory assumptions. However, having regard to the adjustments made, it was satisfied that the evidence supported a rate of £225/m². The panel therefore attached weight to this comparable evidence.

19. The panel noted that the VO referred to an FOR which stated that the rent was in fact £21,600 but there was no evidence of the FOR produced in the bundle. On that basis the panel placed little weight on the VO's rental figure. The rent on the subject property was the first piece of evidence when determining the RV of a property in line with the leading case of *Lotus and Delta* and placed weight on it and then went on to consider the comparable property rental evidence.

20. 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.

21. The panel noted that there was very limited office accommodation within the immediate locality of the subject property from which reliable rental evidence could be drawn. Much of the available office stock comprised newly constructed purpose-built offices or premises that had been recently refurbished to a high standard, and which were therefore not directly comparable. The panel further noted that the only comparable property relied upon by the appellant was 30–31 Lyme Street, having an ITMS of 94.5m². This property was let on a new

five-year lease in the open market, commencing on 1 August 2022, at an annual rent of £23,000 with a tone of £210/m^2 which Mr Bacon submitted was likely to be based on rental evidence. The panel noted that this supported the tone of £225/m^2 on the subject property. It comprised a converted warehouse providing several larger office suites at the front of the building, with smaller ancillary offices to the rear. The panel noted that this property was of a similar age to the subject property and also operated as serviced office accommodation.

22. Mr Bacon advised that this property was located in close proximity to the subject property, at a distance of approximately 150 yards. The panel noted, however, that it was situated on a residential street, whereas the subject property occupied a more prominent position on a busy high street. Both properties were Victorian, and therefore likely to incur higher maintenance costs, and both were configured as serviced offices. Mr Bacon further submitted that he had relied upon rental evidence for an individual serviced office which he obtained under Regulation 9(8) this rent indicated a rate of £210/m². He submitted that this supported a tone of £225/m² for the subject property. The panel recognised that it can be difficult to obtain rental evidence closely to the AVD. In the circumstances, the panel attached weight to this evidence.

23. 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:

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> (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.

24. The panel also considered the settlement evidence relating to 11–13 Kings Terrace, which reflected an agreed tone of £230/m². Mr Bacon explained that this property was situated in a favourable location just off Camden High Street, in a quieter setting and in closer proximity to the underground station. Mr Bean however submitted that the property was significantly larger than the subject property and, on that basis, argued that it was not an appropriate comparable and that limited weight should be attached to it. The panel noted, however, that no supporting evidence had been provided to demonstrate that quantum was applicable in this instance. In the absence of such evidence, the panel found that 11–13 Kings Terrace was a good comparable property for the subject property. It considered that the agreed tone of £230/m² and at £235/m^2 ITMS. provided support for a tone of £235/m² for the subject property and attached weight to this evidence.

25. The panel noted that the VO had not provided any evidence to demonstrate that the appellant's comparable evidence was inaccurate in any way. The panel found Mr Bacon had provided a signed document extract in relation to the subject property licence and a screenshot of the settlements and the panel found him to be a credible expert witness and therefore placed weight on his evidence.

26. The panel was aware that the VO had included four comparable properties but Mr Bean confirmed to the Tribunal that as he was advocate only he was unable to provide any further details about the comparable properties. He was also unable to answer any questions or explain why there was insufficient details for the comparable properties. This meant that the

panel was unable to assess the weight to give to each of them. The comparable properties were:

(1) 2nd Floor 55, Rochester Place which had an ITMS of 37.50m^2 and an adopted value of £420/m^2 but had no lift.
(2) 5 Jefferys Place which had an ITMS of 26m^2 and an adopted value of £423.08/m^2 but had no lift.
(3) Bst at 57 Camden Road with an ITMS of 23.32m^2 and an adopted value of £399/m^2 and had a 50% reduction due to being in the basement and had no lift.
(4) Bst Flr 63 Camden Road had an ITMS of 22.55m^2 and an adopted value of £399/m^2 and had a reduction of 50% as it was in the basement and had no lift.

27. The panel noted that no supporting rental evidence had been provided by the VO in respect of these comparable properties. As a result, the panel did not have sufficient information to determine whether these properties established a reliable tone for office accommodation in the locality. In addition, there was no evidence before the panel regarding the proximity of these properties to the subject property, nor the quality and specification of the respective accommodation. Mr Bacon explained that 5 Jeffreys Place was a new-build office property, while 57 Camden Road comprised a bar rather than office accommodation. The panel further noted that the second floor at 55 Rochester Place was of a superior specification, benefitting from comfort cooling and access to a terrace.

28. In relation to the remaining properties, the panel considered that the occupiers were likely to benefit from small business rate relief and would therefore be less likely to challenge their rateable values, reducing the evidential weight of such assessments. The panel also observed that two of the properties were located in basement accommodation and had an adjustment to reflect their inferior position. They were not therefore directly comparable to the subject property, which is situated on the second floor. On this basis the panel found it could place little weight on this evidence.

29. Mr Bean submitted that the VO was under no obligation to provide alternative comparable properties and was entitled to confine his case to challenging the evidence advanced on behalf of the appellant. He contended that the rent passing on the subject property required a significant number of adjustments and therefore little weight should be placed on this evidence. He further submitted that 30–31 Lyme Street was of a different character, being situated in a different type of building and in a less favourable location and was accordingly not a suitable comparable. In addition, he argued that the two settlement agreements relied upon by the appellant were unsupported by any verifiable documentation. The panel took these submissions into account. However, it found that the VO had not produced sufficient evidence to effectively rebut or undermine the comparables and analysis advanced by the appellant.

30. 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.

31. The panel found that, taken as a whole, the evidence adduced by the appellant was more persuasive and demonstrated that the existing rateable value was excessive. While the panel accepted that the passing rent for the subject property required adjustment, it was satisfied that those adjustments had been properly evidenced and applied, and that they supported a tone of £255/m². The comparable and settlement evidence relied upon by the appellant was also consistent with this tone. Accordingly, the panel concluded that the tone of £399/m² was unreasonable. It determined that a tone of £255/m² was appropriate and that this supported a revised rateable value of £8,800.

Conclusion

32. Having considered both parties' submission and the appellant's evidence, the panel concluded that the base rate of £399/m^2 was not fair and reasonable and the proposed base rate of £230/m^2 was fair and reasonable taking into account the basket of evidence. In view of the above findings and conclusions, the Tribunal Panel allowed the appeal.

Order

33. As a consequence of the above decision, the Valuation Officer is ordered to amend the 2023 Rating List entry to an RV of £8,800 with effect from 1 April 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/.

Ms A Verma, Senior Member (Chair)
Miss E Cross, Member
19 June 2026

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 19 June 2026