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

Case No: CHG101311741

Sitting remotely using Microsoft Teams on 15 May 2026

Date: 11 June 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — offices and premises; Diamond Bourse; description and price per m^2 in dispute; rental evidence; comparable assessments; appeal allowed in part.

Before:

MRS WJ BRIGGS
MRS L JOHNSON

Between:

LONDON DIAMOND BOURSE — **Appellant**

- and -

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

Regarding:

SUITE A, 1ST FLOOR, 100 HATTON GARDEN, LONDON, EC1N 8NX
(the "subject property")

Mr A Bacon from JMA Chartered Surveyors, representing the Appellant
Miss T Adeyemi for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed in part.

2. The Tribunal found that the present adopted price of £495 per m^2 was not reasonable, and determined a revised price of £356 per m^2.

STATEMENT OF REASONS

Introduction

3. This is a 2023 rating list appeal. Suite A, 1st Floor, 100 Hatton Garden, London, EC1N 8NX (the subject property) had been entered in the 2023 rating list at £244,000 rateable value (RV) with effect from 1 April 2023.

4. The challenge proposal was submitted by JMA Chartered Surveyors on behalf of London Diamond Bourse and was received by the Valuation Officer on 27 January 2025. It had been made on the grounds that the RV shown in the rating list on 1 April 2023 was inaccurate. A revised RV of £38,500 was proposed with effect from 1 April 2023.

5. The Valuation Officer issued a challenge case decision notice on 28 August 2025, which disagreed with the proposed alteration, and confirmed that the rating list entry would remain at £244,000 RV.

6. 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 December 2025, in which the appellant's representative sought a revised RV of £53,750.

7. Mr Bacon 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.

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.

Relevant Law

11. 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.

12. 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 2020.

13. 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 1 April 2023.

Discussion

14. The subject property is occupied by the London Diamond Bourse, which is the UK's Diamond Exchange. It has a total area of 493m^2, or 542.3m^2 in terms of main space (ITMS).

15. Both parties had referred to the leading judgment of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141, which set out six propositions to be followed when considering the weighting of evidence. The rent on the subject property was considered to be the correct starting point but, where available, rents on similar properties are also to be taken into account. The assessments of other comparable properties may also be relevant. All of the evidence could then be weighted.

16. The case for the appellant is that the subject hereditament is a Diamond Bourse, which is in the mode of a Market, and it cannot be used for any other purposes without planning permission. The panel heard from Mr Bacon that 100 Hatton Garden had been purpose built as a secure building for the jewellery industry in the 1970s, and that a section 52 agreement had been attached to the permission; he assumed that this was to restrict some or all of the building to only be used as jewellery suites.

17. Mr Bacon described the Diamond Bourse as the "anchor" to the occupiers of the units which pay a premium rent compared to ordinary offices outside the building. He therefore disputed the Valuation Officer's approach which valued the subject property in line with the smaller units occupied by the diamond traders.

18. With reference to *Lotus and Delta* and in the absence of another Diamond Bourse or another Market, Mr Bacon contended that the subject rent carried the most weight:

- A new lease agreed from 19 July 2019 for five years at £46,000 per annum on an FRI basis.
- A new lease granted from 1 March 2024, which was a surrender and renewal, which adjusts to £67,414.

19. Mr Bacon submitted that the value as at 1 April 2021 must sit between the two figures, at £53,895. His proposed RV of £53,750 equated to £109 per m^2.

20. The Valuation Officer's assessment of the subject property as an office and premises was disputed by Mr Bacon, however, if it was to be valued as such, he suggested that the only suitable comparable was The Premier Suite, located on the second floor. This was an office suite of $774m^2$ which was presumed to be outside the Section 106 agreement, or not covered by the jewellery restriction. The property was subject to a new lease granted on 30 June 2023 at a headline rent of £303,206 with substantial incentives, which Mr Bacon analysed at £211 per m^2. When toned back to the AVD, he arrived at £190 per m^2 as the starting point for comparison with the subject property. He then made adjustments for the following to arrive at £104 per m^2:

a) Lack of functioning air conditioning system – 10%.
b) Limited natural light – 20%
c) Fragmented space due to security doors and high security turnstiles – 15%

21. The case for the Valuation Officer is that the subject property is correctly described as offices and premises and that it should remain valued as an office at a base price of £450 per m^2, with an adopted price of £495 to reflect a 10% uplift for air conditioning. Vacant and to let, the rental value would be based on the prevailing office rental market.

22. Having inspected the subject property with Mr Bacon, Miss Adeyemi submitted that the physical attributes were similar to a typical London office with high security measures like gates, CCTV cameras, monitors and doors. She noted that there was an open office for attending to customers and small offices for testing the diamonds. With reference to *Williams (VO) v Scottish & Newcastle Retail Ltd* [2001] EWCA Civ 185, when considering alternative uses which might be regarded as within the same mode or category of occupation as the actual use, it is the principal characteristics of the use which are relevant.

23. The Valuation Officer had attached little weight to the subject rents as they were agreed 88 months pre AVD and 36 months post AVD. The Valuation Officer was also of the opinion that that the subject rents were not genuine full open market transactions as the landlord is keen to have the Bourse situated within the building. This was supported by the rents agreed within the subject building and within the locality. In line with the rating hypothesis, the RV must be based on the rent that would be achieved if available on the open market and should not reflect the business of the actual tenant.

24. On the issue of mode and category, the panel was satisfied that the subject property should remain in the list described and assessed as offices and premises. It was evident that this had been the approach adopted in previous rating lists, and that the same description and assessment had been applied to the Diamond Bourse when it had been located on the

second floor. The panel acknowledged the presence of the additional security features, but considered that vacant and to let, the physical attributes presented as offices and premises.

25. Mr Bacon had contended that the RV of the subject property should be based on an interpolation of the rents agreed in 2019 and 2024, however, the panel rejected that approach due to the distance of both rents from the AVD, together with the fact that they were evidently not open market transactions. Comparison with the rental evidence for The Premier Suite, agreed with the same landlord, demonstrated that the appellant was paying a much lower rent, as the “anchor” for the diamond traders.

26. The panel referred to the Valuation Officer’s rental evidence which scheduled six rental transactions. The panel attached little weight to the rents provided in respect of the small office suites within the building, as they were not relevant for comparison with the subject property at 542.3 m^2 ITMS: 1st Floor 111 (52.8m^2), 1st Floor 124 (28.7m^2) 2nd Floor 224 (19m^2), 4th Floor Room 44 (28.2m^2). This left two rental transactions for consideration:

4th Floor East, 67-74 Saffron Hill, London, EC1N 8QX

Offices and premises of 386.39m^2, the Valuation Officer analysed a rent review agreed at £180,000 on 1 July 2020 at £465.85 per m^2. The form of return had stated that there were no rent free periods.

The property had been assessed at a base price of £450 per m^2, which included a £50 per m^2 addition for CAT B fit out.

Mr Bacon’s analysis at £390 per m^2 reflected a rent review incentive. He submitted that this is not a useful comparable as it is a trendy industrial refurbishment which is different in style to 100 Hatton Garden.

The Premier Suite, 2nd Floor, 100 Hatton Garden

Offices and premises with a total area of 774.25 m^2, or 567.69 m^2 ITMS, the Valuation Officer analysed a lease renewal effective from 1 May 2021 at a rent of £294,525 at £531.11 per m^2. The form of return had stated that the lease commencement date was 1 May 2021, but as the lease had been provided, the Valuation Officer changed the date to 12 July 2023. The form of return did not state that it was let on an inclusive basis.

The property had been assessed at a base price of £450 per m^2, which included a £50 per m^2 addition for CAT B fit out.

Mr Bacon’s analysis of the headline rent of £303,206 at £211 per m^2 reflected that it was FRI and included a service charge; he also stated that the Valuation Officer had not taken into account the addition of air conditioning.

27. The panel considered that The Premier Suite was the most relevant comparable, as it was situated within the subject building and was similar in size to the subject property. In deciding that little weight could be attached to the rent, the panel took into account that it was two years post AVD and required a number of adjustments, as demonstrated by the parties’ different analyses at £531 per m^2 and £211 per m^2.

28. The panel noted that Mr Bacon had acknowledged the suitability of The Premier Suite as a relevant comparable for the subject property if it was to be valued on an office basis. The panel therefore considered as a starting point the unadjusted price of £450 per m^2 applied to The Premier Suite. This included a £50 uplift for CAT B fit out, which the panel considered was not applicable to the subject property; from the photographs provided, the accommodation appeared to be fairly basic in specification. Mr Bacon had proposed a number of adjustments in his comparison of The Premier Suite with the subject property. The panel rejected his 10% adjustment for lack of functional air conditioning. In the absence of evidence to show that the air conditioning was beyond economic repair, it had to be assumed to be in a reasonable state of repair.

29. Mr Bacon's proposed 20% for lack of natural light was considered to be excessive. The panel determined that 10% fairly reflected that the subject property has less windows than The Premier Suite.

30. The final adjustment made by Mr Bacon was 15% for poor layout. With reference to the layout plan, the panel found no significant layout issues as a whole, but determined that an adjustment of 10% fairly reflected the presence of the security features.

31. The panel therefore determined a revised base price of £324 per m^2 as follows:

£450 per m^2	
Less £50 CAT B uplift	£400
Less 10% lack of natural light	£360
Less 10% layout	£324

32. The panel then applied the present 10% uplift for air conditioning to arrive at an adopted price of £356 per m^2.

Conclusion

33. In view of the above findings, the Tribunal is satisfied that the appellant's representative has demonstrated that the present RV of £244,000 is not reasonable. The Tribunal determines a revised RV of £175,000, based on an adopted price of £356 per m^2, and therefore the appeal is allowed in part:

Ref	Floor	Description	Area m^2	£ per m^2	Value (£)
1.1	First	Office	493	356	175,508
				Valuation subtotal	175,508

Rounded down to £175,000 RV

Order

34. 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 £175,000 RV with effect from 1 April 2023.

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

36. 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

37. 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.

38. 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 WJ Briggs, Senior Member (Presiding)
Mrs L Johnson, Senior Member
11 June 2026

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 16 June 2026

Decision reissued on 15 June 2026 in accordance with Regulation 39 of the Tribunal Procedure Regulations to correct the following clerical error: in paragraph 28 “adopted price” is substituted with “unadjusted price”.

Decision reissued on 16 June 2026 in accordance with Regulation 39 of the Tribunal Procedure Regulations to correct the following clerical error: in paragraph 33 “RV of £159,000 RV” is replaced with “RV of £175,000.”