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

Case No: CHG101312473

Sitting remotely using Microsoft Teams

Date: 20 February 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: Local Government Finance Act 1988; accuracy of the rateable value in the list as at 1 April 2023; offices and premises; rental evidence; comparable assessments; appeal dismissed.

Before:

MRS S MALIK
MR K SHETH

Between:

LEE KIRBY **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) **Respondent**

Regarding:

CARNIVAL HOUSE, 100 HARBOUR PARADE, SOUTHAMPTON SO15 1BA
(the "subject property")

Mr C Sullivan, for the **Appellant**
Mr J Reene for the **Respondent**

Hearing date: 3 February 2026

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The assessment was confirmed at rateable value (RV) £1,920,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This appeal has been brought in respect of Carnival House, 100 Harbour Parade, Southampton SO15 1BA (the “subject property”), which was entered in the 2023 rating list as ‘offices and premises’ at RV £2,190,000, effective from 1 April 2023.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal was made to the Valuation Tribunal for England (VTE) on behalf of Lee Kirby. The appeal was made because the appellant did not agree with the Valuation Officer’s decision to reduce the RV to £1,920,000 in the 2023 rating list following the challenge. The appellant sought a reduction to RV £1,536,000 with effect from 1 April 2023.

5. The appellant’s representative, Mr Sullivan, when appearing as expert witness, stated that he may be on a conditional fee arrangement. However, he also stated that he understood and accepted that his first duty was to the VTE in giving his evidence, whether or not the evidence supported his client’s case

6. 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).

7. It was therefore appropriate for the panel to consider the ‘expert’ evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

8. Mr Reene stated that he was appearing as both expert witness and advocate.

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

Background

10. Carnival House is a modern five storey office block, in a secondary, mixed use, area of Southampton, sandwiched between open and multi-storey car parks, hotels, secondary car showrooms and industrial units. It was constructed circa 2009.

11. The appeal to the VTE was made on the grounds that the valuation for the subject property was not reasonable.

12. The base level of value adopted for the subject property was not agreed. The valuation officer had adopted £140/m^2, however, the appellant's representative sought a reduction to £112/m^2 in his analysis which resulted in a rateable value of £1,536,000.

Relevant Law

13. The term 'rateable value' is defined in Schedule 6 to the Local Government Finance Act 1988 (as amended):

"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".

Discussion

14. The panel had to determine the rateable value for the subject property, which represented a rent that a hypothetical landlord and tenant would agree, as at the antecedent valuation date (AVD), 1 April 2021. This common date was used to ensure that every property was treated in a consistent way.

15. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property was considered to be the correct starting point but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

16. The panel noted that in this appeal the rent had been agreed in 2018 which was somewhat remote from the AVD to be useful, furthermore, it noted Mr Sullivan's argument that the rent was of no assistance for rating purposes as it was set as part of a lease regear, so would not be considered to be reflective of the open market. There was some discussion over the fact that this rent had been regeared; the panel noted that the rent was originally agreed on 2 February 2009 at £2,867,000, this was reduced to £2,234,577 on 29 September 2018 and the lease was extended to run until 2038.

17. Mr Reene argued that this rent should still carry weight in the absence of any other credible rental evidence, as per the principles in *Lotus and Delta*, in particular "(*vi) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in such circumstances, it would clearly be more difficult to reject the*

evidence of the actual rent". Mr Reene argued that there had been a further rent increase in 2023 to £2,551,945 and that it should be noted that these rental agreements, either side of the AVD, were higher than the RV and should not be ignored.

18. The only other rental evidence was on Old Mutual House, Portland Terrace, Southampton, this property had been cited by the valuation officer, it had originally been a 21 year lease from 30 September 2011 (subject to a tenant break on 30 September 2027), with a passing rent of £2,065,106. A new lease was negotiated for a term of 15 years, from 14 May 2021, without break, for a rent of £2,419,672.50 which the valuation officer had analysed to £170/m^2. The panel noted that this was not a new letting it also noted Mr Sullivan's argument that this new rent had been agreed to release £5.5 million in capital to the tenant to allow works to be undertaken at the property. The panel did not attach any significant weight to this evidence.

19. In light of a lack of rental evidence Mr Sullivan's argument was that the 2017 list agreements on the subject property and other properties discussed and settled in the 2017 rating list provided evidence that the rate £/m^2 in the 2023 rating list should be in line with those agreed in the 2017 list. Mr Reene had accepted this argument and had reduced the RV on the subject property to the same rate as in the 2017 list which was RV £1,920,000. This was based on a 10% reduction which Mr Reene contended to be a fair reflection of the changes to the market, the property being dated and the lack of demand for large units such as Carnival House.

20. Mr Sullivan did not consider that the market as at 1 April 2021 would have been in a better position than on 1 April 2015 (AVD for the 2017 rating list) he argued that a further reduction in the region of 20% should be applied to the £/m^2 adopted for the subject property. This was based on reports and statistics which he had provided in evidence, and which gave details of the effect on the office rental market of the outbreak of the Covid pandemic, as well as information about occupancy levels and the declining market. He stated that he believed a hypothetical tenant would have negotiated a one year rent free period for the rather dated subject property due to market decline, had the rent been agreed at the AVD, resulting in a tone of £112/m^2. The panel noted that on questioning Mr Sullivan accepted that he had not provided any evidence to support this statement it was his expert opinion.

21. Mr Reene submitted that the reduced RV was fair and reasonable and that no credible evidence had been provided to support the argument that it was not. He argued that the fact there was no market activity around the AVD did not necessarily amount to a falling market and the demand for the subject property had been proven because it was occupied and a 20 year lease had been agreed in 2018 and regeared in 2023. Furthermore, he argued that the assessments referred to by the appellant showed RV's to be either static or increased between the 2017 and 2023 lists, there was no evidence to suggest a 20% drop in values.

22. The panel turned to the rateable values of the assessments referred to in Mr Sullivan's appeal submission. It noted that whilst some of the RV's had stayed the same between the 2017 and 2023 rating lists, none had been reduced and most had increased.

Block A Boldrewood, SO16 7QF
2017 £ 1,060,000 RV - £170
2023 £ 1,060,000 RV - £170

Oceana House, 39-49 Commercial Road
2017 £355,000 RV - £180, plus % addition - £186.91
2023 £372,500 RV - £190, plus % addition = £197.30

1 Guildhall Square, SO14 7FP
2017 £ 635,000 RV - £175
2023 £ 655,000 RV - £180

Old Mutual House, Portland Terrace, SO14 7AY
2017 £ 1,590,000 RV - £152.38
2023 £ 1,760,000 RV - £167.13

Skandia Point, Commercial Road, SO15 1GH
2017 £ 1,020,000 RV - £155
2023 £ 1,110,000 RV - £170

Spring Place, Commercial Road, SO15 1EG
2017 £ 1,010,000 RV - £155
2023 £ 1,110,000 RV - £170

23. The panel found that this evidence did not appear to support Mr Sullivan's argument for a further 20% reduction. The panel was aware that in cases of this nature the burden of proof is on the appellant to satisfy the Tribunal that the appeal should be allowed. In this case it was not persuaded by the evidence and arguments put forward by the appellant's representative that a reduction in the assessment to RV £1,536,000 was warranted and it therefore determined the RV of £1,920,000, with effect from 1 April 2023, to be fair and reasonable

Conclusion

24. In view of the above findings and conclusions, the appeal was dismissed.

Right of further appeal

25. 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.

26. 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 S Malik, Senior Member (Chair)
Mr K Sheth, Senior Member
20 February 2026

Mrs H Beresford
Clerk to the Tribunal
Date issued to the parties: 20 February 2026