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

Case No: CHG101323474

Sitting remotely using Microsoft Teams on 16/03/2026 10:00

Date: 8 April 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 — Robert Dyas Holdings Limited v Ms J Moore [2025] UKUT 163 (LC) — Saintta Global Lawyers (UK) Limited v Rickets [2021] UKUT 0242 (LC) — office and premises — main space price — appeal allowed in part

Before:

MR J THOMAS
MR PA JENNINGS

Between:

TRUE EUROPE LLP — **Appellant**

- and -

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

Regarding:

PART 1ST FLOOR MID CITY PLACE 71, HIGH HOLBORN, LONDON WC1V 6EA
(the “subject property”)

Mr Henry Edwardes for **Foreview** for the Appellant
Mr James Bean for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The Tribunal finds the unadjusted main space price should be reduced to £577.50/m^2. The resultant rateable value (RV) was £555,000.

STATEMENT OF REASONS

Introduction

3. The appellant had made a challenge against the accuracy of the compiled list assessment in the 2023 Rating List, by way of a proposal that he served on the Valuation Officer (VO) on 24 February 2025. After considering the proposal and evidence submitted during the challenge period, the VO decided that the proposal was not well founded. A decision notice to this effect was served on the appellant on 20 June 2025. His representatives then appealed the VO's decision to the Tribunal on 16 October 2025, on the grounds that the current valuation for the hereditament was not reasonable, under regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

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

Background

5. The appeal property was an office and premises with an agreed total area of 962.80m², built in 2001. The building comprised of retail units on the ground floor with offices on the upper levels. It was held on a 4 1/2 year lease at a passing rent of £676,065 effective from 22 March 2022. The parties had agreed a six month rent free period and another three months' rent free period if the third year break clause was not triggered. Mr Edwardes had analysed the passing rent to £569.79/m². The VO had noted in their evidence bundle that the tenancy was outside of the Landlord and Tenancy Act 1954.

6. As Mr Edwardes appeared on behalf of the appellant as both advocate and expert witness, the clerk asked 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) dated 3 August 2018.

7. He declared that he was instructed under a success fee arrangement in his role as both advocate and expert witness. Mr Edwardes confirmed 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.

8. 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 Procedure regulations[1] and is allowable due to the Tribunal's rules on

[1] The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 [SI 2009 No2269]

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. Mr Bean confirmed that he was representing the VO as advocate.

10. The issue in dispute before the panel was the correct tone of value to be applied to the appeal property. Mr Edwardes sought a reduced entry of £535,000 RV from 1 April 2023 based on an unadjusted value of £550/m².

11. However, Mr Bean defended the VO's assessment of £600,000 RV based on a tone of value of £625/m².

12. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included the parties' comparable assessments, skeleton arguments and an external photograph of the subject property and Mr Edwardes comparable property.

Preliminary issue

13. There was a preliminary issue where Mr Edwardes wanted to provide some tonal evidence.

14. Mr Bean objected to the late evidence as he stated that it was available when the VO issued the decision notice.

15. The panel considered this late evidence in light of the Upper Tribunal decision in Simpsons Malt Ltd and Other v Jones (VO) UKUT [2017] 460 and had regard to Denton v TH White Ltd [2014] 1 WLR 3926 which dealt with the non-compliance to directions. This laid out the three-stage test which the panel had to consider.

    Stage 1 – If panels conclude that the breach is not serious or significant then relief from sanctions should usually be granted (para. 53).

    Stage 2 – Then the panel need to consider why the failure or default occurred. The burden is on the defaulting party to persuade the tribunal to grant relief. They must explain what happened and why. Illness or accidents are good reasons but overlooking a deadline is not (para. 54).

    Stage 3 - The panel must consider all the circumstances of the case including:
    the need for litigation to be conducted efficiently and at a proportionate cost;
    a failure to grant a sanction may leave an inaccuracy being uncorrected; and
    the need to enforce compliance with rules, directions and orders (para. 55);
    However, such matters must never be allowed to assume a greater importance than doing justice (para. 56).

    The panel considered these three stages in light of the events.

16. Although Mr Bean had argued that the settlement evidence was available when the VO issued the decision notice, the Tribunal's directions are such after the appellant has submitted his challenge document to the VO, apart from discussions up to the date the decision notice was issued, there was no other opportunity for Mr Edwardes to submit additional evidence to the Tribunal, without the VO objecting to it. In effect, whenever it was

provided after the VO issued the decision notice, Mr Edwardes would fall foul of the Tribunal's directions in terms of providing additional evidence.

17. As Mr Bean was not prejudiced by the late evidence and, apart from arguing that the evidence was available at the time of the VO's decision notice, Mr Bean had not produced any quantifiable objections to the late evidence. The panel therefore decided to allow Mr Edwardes late evidence.

Relevant Law

18. 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; and*
>
> *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

19. In the appeal under consideration, firstly, the panel analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141 dated 20 May 1976. The rent on the subject property is considered to be the correct starting point but, where available, rents on similar properties are also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence can then be weighted.

20. The panel applied significant weight to the rent for the subject property. Although it was nearly a year after the AVD, Mr Edwardes had adjusted the rent by 4% to reflect the growth in the rental market between the AVD and the start of the tenancy. Although Mr Edwardes did not provide any evidence to support the use of 4%, during questioning he confirmed that it was from the Carter Jonas index.

21. The parties argued over the rent free period. Mr Edwardes contended that the full six months' rent free period should be treated as an incentive as the appellant occupied the subject property quite soon after taking on the lease. However, Mr Bean argued that the first three months should be treated as fit out.

22. The clerk referred the Tribunal to the Upper Tribunal judgment of *Robert Dyas Holdings Limited v Ms J Moore* [2025] UKUT 163 (LC) dated 5 June 2025 'Robert Dyas judgment' P.39 which states

> *"we are not convinced that an unquestioning adoption of a notional fitting out period is appropriate in every case and it should be facts dependent".*

23. Therefore, as Mr Edwardes confirmed that the tenant had moved into the subject property quite soon after the tenancy commenced, the panel preferred Mr Edwardes treatment of the six months' rent free period by treating it all as an incentive, rather than Mr Bean's approach of treating the first three months as a notional fitting out, which was criticised in the Robert Dyas judgment.

24. The VO had presented four comparable properties, however, the panel applied little weight to three of these properties as they were larger than the appeal property, with two of them significantly larger, with areas of 1989.5 m^2, 3914.60 m^2 and 3599.80m^2 respectively. Whilst 1st Floor, Morth West Mid City was similar in size with an area of 1,223.50m^2 the tenancy was also excluded from the Landlord and Tenancy Act 1954. The clerk referred the parties to the Upper Tribunal judgment of *Saintta Global Lawyers (UK) Limited v Rickets* [2021] UKUT 0242 (LC) dated 8 September 2021 in which less weight was applied to the rent. P.21 of that judgment states:

> *"In this case, two factors might call into question its robustness in the light of the hypothetical tenancy we are required to assume. The first is the contracted-out status of the lease".*

25. Mr Edwardes was not familiar with the judgment. Mr Bean contended that the VO adjusted rents up by 5% when tenancies are outside the Landlord and Tenancy Act 1954 as the occupants have less protection in terms of security of tenure. The 5% was derived from the compensation that the tenant could seek from the landlord which in turn was based on reference to the RV of that property. However, Mr Bean provided no evidence to support this amount apart from contending that this was from the VO's rating manual. But, the Robert Dyas judgment at paragraph 39 states

> *"The Tribunal is not bound by what is written in the Manual. It amounts to instructions for Valuation Officers".*

26. The panel applied most weight to Mr Edwardes comparable properties such as 1 Southampton Row which had been agreed with the VO at an unadjusted main space price of £600/m². This property was located within 0.2 miles of the subject property although it was closer to Westminster which he argued would increase its value. Mr Bean had submitted that they were on a separate matrix, which the panel took to mean a different scheme although Mr Bean did not expand on the differences between the schemes or if it was substantially different to the subject property. However, it was built in 2009 and therefore slightly newer than the subject property, with a period frontage with grade A offices which included air conditioning. As this main space price was agreed between the parties, this would suggest that a tone of value has started to become established for offices in this locality. The panel concluded the main space price for the subject property should be lower than 1 Southampton Row and therefore demonstrated to it that the main space price of £625/m² was too high.

27. Mr Edwardes has also referred to 120 Holborn Road which had a main space price of £525/m² which was lower than the main space price he was seeking for the subject property.

However, as it was located 0.7 miles away from the subject property the panel applied less weight to this building as it was further away.

28. The panel then turned to Mr Edwardes analysis of the rent. He had analysed it to £550/m² reflecting the full six months' rent free period as an incentive and a further three months' rent free period as the break clause was not activated. However, even though the panel were not bound by Mr Bean's contention that the rent should have a 5% uplift for the tenancy being outside of the Landlord and Tenancy Act 1954, by adding 5% to Mr Edwardes analysis of the rent would result in a main space price of £577.50/m².

29. Given that 1 Southampton Row had an agreed main space price of £600/m², but it was closer to Westminster and newer than the subject property, which would result in a higher main space price, the panel concluded that this tonal evidence further supported a main space price £577.50/m² to reflect lower value of subject property.

Conclusion

30. In view of the above findings and conclusions, the Tribunal is satisfied that the main space price for the subject property should be £577.50/m² with the resultant RV of £555,000 rounded down. The appeal was therefore allowed in part.

31. The Valuation is as follows:

Floor	Description	Area	Rate/£	Value
First	Office	962.80	577.50	556,017
			total	556,017
			Rateable value say	555,000

Order

32. 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 reduce the entry in the rating list to rateable value £555,000 with effect from 1 April 2023.

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

Refund of appeal fees

34. As the grounds of the appeal have been made out, 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/.

Mr J Thomas, Presiding Senior Member
Mr PA Jennings, Senior Member
8 April 2026

Mr Richard Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 8 April 2026