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

Case No: CHG101340377

Sitting remotely using
Microsoft Teams

Date: 11 March 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 — workshop and premises — main space price — appeal allowed in part

Before:
MR K EVERETT
MR APS CRAWFORD
MS E MILLER

Between:

DUNE GROUP LIMITED **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) **Respondent**

Regarding:
4TH FLR 1, BREAKERS PLACE, LONDON W11 4EX
(the "subject property")

Mr Matthew Evans for **Ryan Property Tax Services** the Appellant
Mr James Bean for the **Respondent**

Hearing date: 13 February 2026

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 £318/m^2. The resultant rateable value (RV) was £362,500.

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 7 April 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 30 July 2025. His representatives then appealed the VO's decision to the Tribunal on 11 September 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 1,144m². It was held on a 10 year lease at a passing rent of £430,815 effective from 24 November 2022. The parties had agreed a 14 month rent free period and another 12 months rent free period if the five year break clause was not triggered. Mr Evans had analysed the passing rent to £293/m². Furthermore, whilst both parties agreed that there should be an addition to the main space price for fit out, Mr Evans argued that it should be £25/m², Mr Bean contended that it should be £50/m².

6. As Mr Evans 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).

7. He declared that he was instructed under a success fee arrangement in his role as both advocate and expert witness. Mr Evans 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 Evans sought a reduced entry of £352,500 RV from 1 April 2023 based on an unadjusted value of £310/m².

11. However, Mr Bean defended the VO's assessment of £427,500 RV based on a tone of value of £430/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, location maps and an external photograph of the subject property.

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; 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

14. In the appeal under consideration, firstly, the panel decided the main space price and had 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.

15. The panel applied some weight to the rent for the subject property as the tenancy commenced in September 2021 which was six months after the AVD. However, the panel was aware that the more the passing rent required adjusting, for example to reflect the rent

free periods and the period from the Antecedent Valuation Date (AVD) to the commencement of the tenancy, the less reliable the rent becomes. Furthermore, rents after the AVD should be treated with a degree of caution as they reflect economic circumstances afterwards. In the judgment of *Flight Centre (UK) limited v Ricketts (VO)* [2021] UKUT 0315 (LC) dated 19 October 2021, Mr Higgin, the Upper Tribunal member applied less weight to rents after the AVD.[2]

16. Mr Evans had referred to the Carter Jonas index which he had used to calculate a -4.3% reduction from the rent. He had also referred to a Group Pre-Challenge review (GPCR) which had agreed 1% per month adjustment. However, during questioning, the GPCR was only for properties within Victoria and the Carter Jonas index referred to properties that were within central London. The panel concluded that neither of these methods were liable as the subject property was not located within either of these two localities and therefore a different market.

17. The panel was disappointed that Mr Evans had not used any other comparable properties to support his main space price for the appeal property or to demonstrate the actual changes to the market in the locality from the AVD to the start of the tenancy.

18. To support their main space price, the VO had referred to two comparable properties, First Floor, 1 Nicholas Road which had an area of 1,739m² and 105-107 Freston Road which had an area of 214m². However, the panel concluded that these two properties were not truly comparable due to the significant differences in the sizes. As the greater the size, the less the main space price would be, due to quantum. To be persuasive, they have to be 'like for like' comparisons. Furthermore, the panel noted that the lease in respect of First Floor, 1 Nicholas Road commenced in March 2022, which was nearly one year after the AVD, and was therefore of little weight and did not assist the panel.

19. Turning to the addition for the fit out costs, Mr Evans had not provided any evidence to show how much the fit out cost and he failed to provide any internal photographs to show the extend of the fit out. He contended that £25/m² should be added to reflect the fit out and had based this on the Upper Tribunal judgment of *Hitchings (VO) v Shoosmiths LLP and another company* [2025] UKUT 224 (LC) dated 9 July 2025 "Shoosmiths". Although that judgment had added £30/m² for properties in Liverpool and Manchester, he adjusted this downwards to reflect the location. Mr Bean contended that £50/m² should be added in accordance with the Upper Tribunal judgment of *Dawn Bunyan (VO) v Acenden Limited* [2023] UKUT 17 (LC) dated 25 January 2023. However that judgment referred to properties in Maidenhead, Berkshire, which was also a different location than the subject property.

20. The panel were further disappointed that both parties were referring to amounts for fit out costs from judgments from the 2017 rating list for completely different locations. The appellant had not provided any evidence to show the actual fit out cost for the subject property. However, the VO had also not provided any evidence to demonstrate what it would expect a fit out cost to be, for a similarly sized property in London.

Conclusion

21. As highlighted earlier in this decision, the panel were very disappointed by both parties as there was a paucity of evidence to support their respective arguments. As quoted in paragraph 92 of the Shoosmiths judgment:

[2] Flight Centre (UK) limited v Ricketts (VO) [2021] UKUT 0315 (LC) dated 19 October 2021

"We are therefore left in the position of having to do the best we can with the information to hand".

22. The panel concluded that the main space price should be £288/m² based on the appellant's calculation of the main space price, although slightly higher, as it was not persuaded that there was enough evidence in respect of the changes to the rental values post AVD to support his main space price of £284.75/m².

23. The panel then concluded that there should be an addition of £30/m² for the fit out costs. Although Mr Evans was only seeking an addition of £25/m² on the basis of the Shoosmiths judgment, the panel concluded that the fitting out costs for London would be greater although no reliable evidence was presented to suggest how much greater it should be. Although Mr Bean had contended it should be an addition of £50/m² he provided no evidence if the costs in Buckinghamshire were greater than London and therefore the panel applied less weight to Mr Bean's suggested addition of £50/m².

24. Give the above, the panel concluded the RV should be £362,500 rounded down, based on a total main space price of £318/m². The appeal was allowed.

25. The Valuation is as follows:

Floor	Description	Area	Rate/£	Value
Fourth	Office	1144	318	363,792
			total	363,792
			Rateable value say	362,500

Order

26. 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 £362,500 with effect from 1 April 2023.

27. 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

28. 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

29. 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.

30. 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 K Everett, Senior Member (Chair)
Mr APS Crawford, Senior Member
Ms E Miller, Member
11 March 2026

Mr Richard Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 11 March 2026