

advance that the permission to include the evidence would be sought. When asked for his views the Valuation Officer's representative stated that he would not object to the evidence being submitted as long as he could also submit further evidence.

- 4 When questioned, Mr Uddin stated that he had made his request to the tribunal by email, with a copy to the appellant's representative. The tribunal noted that the email had been sent at 17:57 on 5 April 2016 (the evening before the hearing).
- 5 The panel retired to consider the matter and determined that the appellant's representative had acted reasonably. The information had come to light after the statement of case had been submitted and the Valuation Officer had been made aware of and had discussed the details well in advance of the hearing. Accordingly the panel determined that this new evidence should be admitted.
- 6 In respect of Mr Uddin's request, the panel did not find this to have been reasonable. The basis of the VTE Practice Statement relating to disclosure is that the parties bring evidence to the fore in advance of the hearing so that there are no surprises on the day of the hearing. The panel did not consider that an email late the previous working day was a reasonable time to introduce such evidence, particularly given that the fact that the case had been postponed on previous occasions. The panel found that the evidence should not be allowed.
- 7 Having heard the panel's determination, Mr Uddin emphasised the size of the assessment and requested that the appeal be adjourned to allow time for his evidence to be considered. The panel considered the request and rejected it on the basis that an adjournment would, in itself, not necessarily allow the evidence to be admitted at some future time. Furthermore, the original appeal had been made more than two years ago and had been listed to a hearing on three previous occasions. The parties were present and had been given every opportunity to prepare for the hearing. The panel found no benefit in further delaying proceedings and decided to hear the appeal.
- 8 The appeal resulted from a proposal submitted by the appellant's representative on 11 February 2014 seeking a reduction in the assessment of £2,530,000.
- 9 124 Theobalds Road consists of over 5,000 m² of office accommodation with ancillary accommodation arranged over basement, ground and eight upper floors. It was built in 1955 and occupied by Cable & Wireless as their Head office. The building is of concrete frame construction with a Portland stone façade, accessed via a double height reception. Internally the offices are arranged around a central atrium. From 1989 to the early 90s it was extensively refurbished for Cable & Wireless, to provide air-conditioning, raised floors and suspended ceilings. Since the appellant occupied the building in 2006, there have been only minor works, primarily being the refurbishment of the WCs and installation of showers on some floors to cater for those employees wishing to cycle to work.

Issues

- 10 The dispute before the panel was the appropriate level of value to be applied to the property.

Evidence and Submissions

- 11 In his submission to the panel Mr Makhdumi described the appeal property and its location and provided photographs of the appeal property and his comparables and details of the existing valuation and his proposed assessment. The existing assessment is based on a main space rate of £446 pm² which is derived from £450 pm² with a tapering to reflect the fact that it is over 5,000 m² in size and he contended that the rate should be reduced to £396 pm² with an allowance of 5% to reflect the layout and age related problems.
- 12 To support his contention he referred to two main comparables including the next door property – 128 Theobalds Road. The property was built in the early 1990s and is valued on the same valuation scheme. Referring to photographs of the property, he contended that it was a similar imposing building and is occupied as the headquarters of Unite. Having regard to the age of this property and the date of the modernisations for the subject property, he contended that they were very similar and explained that the assessment of this property has been agreed at a rate of £400 pm² with a 5% allowance for layout. The area of this property was below 5,000 m² and thus there was no adjustment. He argued that his proposed valuation for the subject property was thus in line with the directly comparable property located next door.
- 13 Another comparable from the area is Lacon House, 84 Theobalds Road which is part of the same development as number 98. Both are valued on the same scheme as the subject property and, having originally been assessed at £450 pm² when they were brought into the list, had been subsequently agreed at £400 pm². Number 84 was originally built in the 1950s and was occupied by the Ministry of Defence until the late 80s. In 2000 both buildings were extensively refurbished and extended to the rear with brand new buildings. Having been inside the building he contended that it is a far more impressive building, inside and out, than the appeal property supporting this statement by reference to photographs of the building.
- 14 He contended that these comparables demonstrated that £400 pm² was reasonable for the basic rate for the subject property and he then contended that an allowance of 5% was appropriate to reflect the layout of the building. He explained that the valuation scheme includes 1990 offices built / refurbished in the early 1990s which he considered appropriate but, given that the building dates from the 1950s it suffers from having many columns running throughout the building. Typical of many older offices, such columns cannot be removed or changed in any refurbishment and thus, he argued an allowance should be made to reflect the fact that such accommodation is disadvantaged in comparison with the open plan offices dating from the 1980s. To illustrate the difficulties, the panel was referred to floor plans and photographs showing the location of the columns and the resulting layout difficulties. Referring to West End quantum scales, he contended that a 5% allowance was fair reflection of the problems experienced at the subject property.
- 15 As further support for his proposed tone he referred to a number of properties, some of which he acknowledged were not directly comparable but which, he argued, demonstrated that his adopted rate was not out of place with other offices in the area. The properties referred to were the Johnson Building in Hatton Garden; Lynton House, 7-12 Tavistock Square; New Derment House, 69-73 Theobalds Road; 222-236 Grays Inn Road and 150 Southampton Row and having compared each with the subject property he contended that his proposed assessment based on a rate of £376.20 pm² was fully supported.

- 16 On behalf of the Valuation Officer, Mr Uddin described the appeal property stating ‘it is a significant office building in this part of London and has the advantage of a central atrium with a vertical water cascade between the lifts. In other words it is a high quality headquarters building.’
- 17 He contended that the assessments cited by the appellant’s representative were not comparable to the subject property which was designed and built to be a headquarters building for a large PLC. Referring to Lacon House, 84 Theobalds Road, he stated this to be a 1940s Ministry of Defence building that had been re-cladded in the 1990s whilst retaining 1940s legacies, with extensive structural columns and low floor to ceiling heights as a result of the installation of raised floors. He considered the appeal property to be more appealing to a prospective tenant. He stated that the building is currently being redeveloped and asserted that ‘clearly it’s not a great building if it requires refurbishing so quickly.’
- 18 In respect of 128 Theobalds Road he stated that the property was not comparable and whilst it ‘may look appealing from the front however it is not a building that was created for a huge corporation and the quality has not been identified.’
- 19 On this basis he contended that there was no reason for any reduction and sought a dismissal of the appeal.

Decision and Reasons

- 20 The panel had been provided with no comparable evidence by the Valuation Officer’s representative who had sought to defend the existing assessment on the basis that the appellant had failed to support a reduced assessment. However, the panel found the evidence of the appellant’s representative to be compelling and considered the observations of the Valuation Officer’s representative to be ill-informed and inaccurate.
- 21 The respondent had placed considerable emphasis on the fact that the subject property was created for a PLC and referred to the presence of a vertical water cascade between the lifts as being a demonstration that it is a high quality headquarters building. From the evidence presented by the appellant’s representative, the panel accepted that the water cascade is not present.
- 22 The panel found the two primary comparables cited by the appellant’s representative to be good evidence and indicative of the appropriate level of value for the subject property. 128 Theobalds Road was found to be a similarly imposing building that had been built as the headquarters building for Unite. The property had been built at about the same time that the appeal property had been refurbished and thus the panel concluded that it provided good evidence, particularly as it was located next door. The basic price for that property was £400 pm².
- 23 Lacon House was also found to be a good comparable. This building is of similar age to the subject property but had been extensively refurbished and extended to the rear in 2000. This had been dismissed by the respondent who stated that the building had been re-cladded. It was established, however, that Mr Uddin had not been inside the property and was unaware that the refurbishment works had been far more extensive than re-cladding. Furthermore he was also unaware that the current redevelopment was not a reflection of the quality of the refurbishment but was a project converting the accommodation to residential use based on the current economic climate and viability. He had thus, the panel found, rejected the comparable on a false premise.

- 24 Overall the panel found the evidence from these two properties, in particular, to be persuasive and indicative that a basic rate of £400 pm² for the subject property was a reasonable starting point. The other properties that had been cited, some of which, as the appellant's representative had indicated, were occupied by large corporations provided further support for this rate.
- 25 The panel also found the size adjustment and the allowance to reflect the problems resulting from the columns proposed by the appellant to be reasonable. The presence of the columns was found to be a drawback and prevents the optimal use of the available space when compared with an open plan office. From the plan provided, the property was substantially affected and the proposed allowance was found to be appropriate and it was also noted that a 5% allowance had been made at 128 Theobalds Road, which is a modern building not affected in the same way.
- 26 Having regard to the evidence submitted, the panel found that the appellant had fully supported his contention and confirmed the assessment in line with his proposed assessment at rateable value of £2,140,000.

Order:

- 27 Under the provisions of Regulation 38(7) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Tribunal hereby orders the Valuation Officer to amend the rating list entry of the appeal property to rateable value £2,140,000 with effect from 1 April 2010.
- 28 Under Regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Date: 27 April 2016

Appeal Number: 521023653390/537N10