

appeal. An application by the Valuation Officer (VO) to have the bar lifted had been refused by a VTE Vice President. Mr M Patel of the Valuation Office Agency was, however, present during the hearing of this appeal as an observer, but did not take any part in these proceedings.

- 4 This appeal has been brought in respect of the following: A proposal made by the Appellant's representative to alter the entry made by the VO into the 2010 Rating List for 1st Flr, 11-33 St John Street, London EC1M 4AN, of Offices and Premises, Rateable Value (RV) £141,000, was received by the VO on 29 February 2012. This proposal had been made on the ground that the entry in the Rating List for this hereditament at the date the List was compiled was incorrect. Agreement between the parties on this proposal had not been possible and the matter was therefore referred to the VTE as an appeal under Regulation 13 of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 SI 2268.
- 5 The appeal property is in a 1986/7 development of three Blocks, A, B and C, on St John Street, the rear block, C, being addressed as in Peters Lane, which runs to the rear. The accommodation in these buildings, including the subject offices, has air conditioning and (apart from in parts of Block B) raised floors. Location plans and photographs of the subject building and the properties from which Mr Makhdumi drew evidence of value from were included in his submission.
- 6 The antecedent valuation date for the 2010 Rating List is 1 April 2008, while the material day for this appeal was 1 April 2010.

Issue and submissions

- 7 The issue in dispute between the parties was the appropriate RV for the appeal property. The substantive point in issue was the basic price per m² that should be adopted in the valuation of this hereditament. The current entry in the list for the subject office had been assessed by the VO at £275 per m² while it was the appellant's contention that this should be £250 per m².
- 8 Mr Makhdumi discounted most of the evidence of rents agreed on various lettings within the subject property as these were between connected parties. A subsidiary of WPP Ltd has the long leasehold interest in the building but, since vacating the property has, in the main, let various units within the property to other smaller subsidiaries of WPP. As these lettings include various facilities provided in the building, including internet, telephone, heating and lighting, these are not therefore 'clean' rents.
- 9 Mr Makhdumi did, however, refer to one letting of an office unit in the property to a company not connected to WPP, which was agreed in October 2008 following commencement in December 2007. Mr Makhdumi analysed this to a rate of £243 per m².
- 10 Mr Makhdumi also submitted evidence of assessments on nearby offices to the subject building ('comparables'), some of which he considered to be superior to the subject property. These were shown in the list as being assessed at main space prices of between £261.25 per m² and £204.75 per m². He had also referred to the basis being applied in the assessments of some of these properties in their 2005 Rating List and in their 2010 List entries and drew comparison with the difference in the 2005 basis for the appeal property and that now being applied by the VO in the 2010 rating list, which, he argued, was inconsistent.

- 11 Mr Makhdumi therefore concluded that the basis of £250 per m² which he submitted should be adopted in the assessment of this hereditament was derived from the most relevant and reliable rental evidence available from the same building and reflected the rates being adopted in the assessments of other offices in the locality. Applying this to his areas for the hereditament (514.54m²) gave a figure of £128,885, which he rounded down to RV £128,000.

Decision and Reasons

- 12 This is a compiled list appeal. The Valuation Officer was barred and the appellant was represented by Mr Harris Makhdumi of Evans & Payne.
- 13 Mr Makhdumi has a solid case. We are satisfied that the rents paid by the various WPP companies in the property are not open market rents and, therefore, not in accordance with the rating hypothesis.
- 14 The evidence of his comparables, relating to both the 2005 and 2010 lists, is compelling and we are satisfied that the appeal should be allowed.
- 15 Accordingly, we direct rateable value £128,000 with effect from 1 April 2010.

Order

Under the provisions of Regulation 38 (4) and (9) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the VTE orders the Valuation Officer to alter the 2010 Rating List entry in respect 1st Flr, 11-33 St John Street, London EC1M 4AN within two weeks of the date of this order to Offices and Premises, Rateable Value £128,000 with effect from the 1 April 2010.

Date: 3 July 2015

Appeal Number: 557019313866/539N10