

NORTHERN IRELAND VALUATION TRIBUNAL
THE RATES (NORTHERN IRELAND) ORDER 1997 (AS AMENDED) AND
THE VALUATION TRIBUNAL RULES (NORTHERN IRELAND) 2007

CASE REFERENCE: 6/14

MR IAN PATTERSON

Appellant

-against-

COMMISSIONER FOR VALUATION FOR NORTHERN IRELAND

Respondent

Northern Ireland Valuation Tribunal Date of Hearing: 24th February 2015

Chairman: FJ Farrelly Esq. LLM

Members: H.McCormick Esq. , BSc.MRICS and D.Rose Esq. BA

Decision

The unanimous decision of the Tribunal is that the appeal is allowed. We find a fair valuation for the subject property is £65,000.

Introduction

1. The appeal was heard as an oral hearing. The appellant has attended and the Commissioner of valuations has been represented by Mr M. McGready Appeals Section and Ms C.Quinn, valuer.
2. The property is 59A Ballykeel Road, Moneyreagh, BT23 6BW.
3. The appellant has appealed the decision of the Commission for Valuation for Northern Ireland (The Commissioner) dated the 23rd January 2014 in respect of his property. The capital value has been put at £110,000.00.
4. The Tribunal considered the Notice of Appeal and the respondent's Presentation of Evidence and accompanying documents. It is for the appellant to show on the balance of probabilities that the valuation is incorrect.

The Relevant Law

5. The statutory provisions are set out in the Rates (NI) Order 1977 as amended by the Rates (Amendment) (Northern Ireland) Order 2006. It deals with the rateable value of domestic properties, referred to as 'hereditaments'. Article 2 (2) of the 1977 Order defines a hereditament as follows:

"hereditament means property which is or may become liable to a rate, being a unit of such property which is, or would fall to be, shown as a separate item in a valuation list".
6. Schedule 12 of the 1977 Order provides the capital value of a hereditament shall be the amount, which, on the assumptions mentioned in Paragraphs 9-15, it might reasonably have been expected to make if sold on the open market by a willing seller on the relevant capital valuation date. The assumptions include the property being sold with vacant possession and free from any encumbrance. It is also assumed it is in an average state of internal repair and fit out for the locality. Development value other than permitted development is disregarded.
7. In estimating the capital value of a hereditament for the purpose of the valuation list regard is to be had to the capital values in the list of comparable hereditaments. The comparators should be in the same state and circumstances as the hereditament whose capital value is being revised. Paragraph 12(1) deals with the statutory assumption as to condition, namely:

"the hereditament is in an average state of internal repair and fit out, having regard to the age and character of the hereditament and its locality".

History

8. The subject property is in a rural area on the Ballykeel Road, Moneyreagh, outside Belfast.
9. It originally was the garage of 59 Ballykeel Road where the appellant, Mr Paterson lived. The garage was separate from the house and approximately 4 years ago the appellant converted it into a dwelling house to accommodate elderly relatives. The relevant planning permission was obtained and the building constructed in accordance with the relevant building regulations. Various disability adaptations were incorporated, to include a ramp access. Building costs were put at approximately £40,000.
10. Vehicular access to the property is off Ballykeel Road along a shared cul de sac and over the driveway of No 59. The building has central heating with its own oil tank. The septic tank, electricity supply and water supply are shared with the main property. Other than these features the building is self-contained. Externally, it measures 71 sq. m.

11. As comparators, the respondent has been unable to refer to any conversions of garages. We have been referred to bungalows in the area. The properties identified generally are larger, save for the property at 74. Hillsborough Road with an external area of 74 m². The appellant has provided details of a semi-detached bungalow for sale at 16 Hillmount Drive, Moneyreagh with an asking price of £69,500. At hearing the appellant produced current or recent sales brochures relating to semi-detached and terraced houses in the general area with prices ranging from £85,000 for a mid-terrace (sale agreed), and then terrace with offers around £79,950 and a semi-detached property was an asking price of £135,000 (sale agreed). We of course are focusing on values as at the relevant capital valuation date, 1st January 2005

Conclusions

12. The property is clearly a hereditament liable to a rate within the definition. The issue is whether the capital valuation is correct.
13. In order to assess the property value the respondent had regard to other properties in the area, felt to be fair comparators. The appellant also referred us to other properties for comparison. In our view none of these comparators are particularly helpful because they are dissimilar in character from the subject property. They are all purpose-built properties set in their own grounds fronting the main road.
14. The respondent has also provided details of 'granny flats'. Again, these are not very helpful comparators because they are in completely different locations and nothing is known of their construction. Two have been built onto an existing property whereas the other adjoins.
15. Valuation is not an exact science but is based on comparable evidence. The only true measure of a value is when a property is sold. Our task is to make an assessment. As a guide we have considered the property provided by the appellant as a comparator, 16 Hillmount Drive. It is different from the appellant's property in that it is semi-detached, purpose-built, fronting onto a public. For the purposes of rates it has been assessed at £77,500 and has a gross external area of 67 sq. m. The appellant's property is of a different character, being a converted garage and access is by a shared lane with other properties and over the shared driveway of number 59 Ballykeel Road. We considered the other properties we were referred to. All are larger purpose built bungalows on the roadside
16. Considering the lack of comparable evidence and the particular issues of the subject property with shared services of electricity, water and drainage, it is our view that the appellant's property had a capital value

considerably less than that fixed. In our view a fair valuation for the appellant's property would be £65,000. This would reflect its size and location including the fact it originally was the garage of the adjoining house. The appellant has discharged the burden of proof which is upon him to show that the valuation assessed for the subject property is not correct in accordance with Paragraph 7 of Schedule 12 of the 1977 Order. The unanimous decision of the Tribunal is that the appeal is allowed.

Francis J Farrelly Chair
Northern Ireland Valuation Tribunal