

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

CASE REFERENCE: 20/14

MR JOHN HAUGHEY

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 £114, 000.

Introduction

1. The appeal was heard on the papers.
2. The property is 86 Armagh Road, Newtownhamilton, Armagh, BT35 0EZ.
3. The appellant has appealed the decision of the Commission for Valuation for Northern Ireland (The Commissioner) in respect of his property. The capital value has been put at £120,000.00.
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 Armagh Road, Newtownhamilton. It is a two-storey detached farmhouse in reasonable repair located in a rural area near Newtownhamilton. It has a gross external area of 141 m² with outbuildings measuring 25 m². It was built before 1919.
9. As comparators the respondent has considered two properties on the same road. The first is number 95 Armagh Road, which also is a detached, pre-1919 property with adjacent farm buildings. It has a gross square area of 146 m² and a garage of 19 m². It is valued at £125,000. The other property is at 56 Armagh Road and is a pre-1919 detached property located at the end of a steep inclining lane. It has a gross external area of 156 m² and has the same value, namely £125,000.
10. The next house used is in Coran, but on the Glencorran Road, No. 21. It also is a detached two-storey property built before 1919. It is also located at the end of a long, steep road with farm buildings adjacent. It has a gross external area of 141 m² and has been valued at £115,000.

11. The final comparator is at 267 Newtownhamilton Road. It also is a pre-1919 detached probably but it is a bungalow. Again, it is located at the end of a long steep lane and the value of £135,000 has been placed upon it.
12. In the notice of appeal the appellant states he has been trying unsuccessfully to sell the property but the best offer has been £54,000. He said that the property is old and had no septic tank. He states that there is limited headroom upstairs and the bathroom is old-fashioned.

Conclusions

13. The property is clearly a hereditament liable to a rate within the definition. The issue is whether the capital valuation is correct.
14. In order to assess the property's value the respondent had regard to other properties in the area, felt to be fair comparators. 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.
15. Having considered the comparators used, in our view they were appropriate. Geographically they were close and of similar style, construction and age. The bungalow of course is a different type of house.
16. Under this system of valuation assumptions are made about the condition of the buildings. Consequently, a property which is not in as good a condition as a neighbouring property does not find this reflected in the value.
17. We did make a slight reduction purely on the basis of the size of his property, compared to the comparators. On this basis, a 5% reduction was appropriate, resulting in a valuation of £114,000. We appreciate this is only a modest reduction from the original figure. This is because we found the comparators used reliable. The appellant has referred to problems selling his property. However, we are tasked to consider its value at 1 January 2005 as this is the date when the change in rateable value is to be assessed. Given that the statute makes certain assumptions about condition and given our acceptance of the comparators there was no other scope for a larger reduction.
18. Insofar as we have made this small reduction the Tribunal is satisfied that the valuation shown on the valuation list in relation to the subject property is incorrect. The unanimous decision of the Tribunal is that the appeal is allowed.

