

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

CASE REFERENCE: 24/14

MR PATRICK McELMEEL

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 £30,000.

Introduction

1. The appellant has attended. The respondent was represented by Mr Martin BSc (Hons) MRICS.
2. The property is 32A Dobbin Street, Armagh City, BT61 7QQ.
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 £50,000.
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 incumbence. It is also assumed it is 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 at the rear of Dobbin Street in Armagh City. Dobbin Street itself consists of terrace houses which predate 1919. The appellant believes that the subject property was originally part of the rear of 32 Dobbin Street. Access to 32A is through a single vehicular entry in the terrace. The property itself is of an unusual layout whereby the bedroom is on the ground floor close to the entrance with a living room upstairs open to the kitchen. The remainder of the ground floor is a garage not forming part of the appeal property. The appellant said the bedroom will accommodate a single bed and would not leave room for a wardrobe. In the past when let, the tenants have used the living room as a studio and bedroom. There is a right of way over the entry which leads to the entrance to the property. The rear is a cul-de-sac which accommodates an undertaker's business and a motor vehicle components business. There is a conflict of evidence regarding age and construction. It would appear the walls are of a solid construction and are lined internally which may provide so insulation.
9. The gross internal area of the property is 58.5 m². Heating is by way of economy seven. The appellant said that because entrance to the property

is through an unlit entry and because of its layout he has never been able to attract female tenants. He said that he attempted to sell the property recently seeking offers in the region of £30,000 but has been unsuccessful.

10. As comparators, the respondent has used three-storey buildings which have been converted into apartments in the city in nearby Abbey Street and Thomas Street. The apartments are on single level. 28B Abbey Street is on the first floor and as an internal size of 50 m² and is valued at £50,000. 28C Abbey Street is the same building only on the second floor. Internally, it is 47 m² and has been valued at £45,000. The third comparator is number 36 Thomas Street, which is an apartment on the second floor. Again, it is on a single level and internally measures 52.3 m² and has been valued at £50,000.

Conclusions

11. The property is a hereditament liable to a rate within the definition. The issue is whether the capital valuation is correct.
12. In order to assess the property 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.
13. We accept the appellant's argument that the property's value is reduced because of its access arrangements and its layout. Access is through a darkened laneway into our unwelcoming yard containing commercial businesses. The property itself does not have a satisfactory layout. On the ground floor. Above is the living room. The bedroom is small and narrow. We accept the location of the property and its layout would be unattractive to female tenants because of safety concerns and the poor layout. We find the apartments used as comparators bear no resemblance to this property beyond being apartments of similar size and in the general area. The buildings converted into apartments lend themselves to conversion. The apartments are laid out on one level and with direct street access.
14. In attempting to achieve a fair valuation at the relevant time we have borne in mind the valuations given for the other apartments, albeit they are not proper comparators. We also considered the appellant's own estimate. As we did not have any appropriate comparators we looked for other indicators of value. We had regard to the price it was offered for sale at, albeit we are considering its historical value. Whilst not a comparator, as a tool to value we also considered the likely return of the property if it were rented. It would be a difficult property to rent as the appellant has indicated. Rental figures were not raised but we believe it would struggle

to raise more than £300 per month. This would give a gross return per annum of £3600. Considering the indicators . In our view, a fair valuation was in the region of£30,000.

15. 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. In all of the circumstances 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.

Francis J Farrelly Chair
Northern Ireland Valuation Tribunal