

LANDS TRIBUNAL FOR NORTHERN IRELAND
LANDS TRIBUNAL AND COMPENSATION ACT (NORTHERN IRELAND) 1964
IN THE MATTER OF AN APPEAL AGAINST VALUATION
FOR RATING PURPOSES
VR/69/1984
BETWEEN
FRANCIS MICHAEL KEENAN - APPELLANT
AND
THE COMMISSIONER OF VALUATION FOR NORTHERN IRELAND - RESPONDENT

Lands Tribunal for Northern Ireland - Mr A L Jacobson FRICS

Omagh - 19th July 1985

This was an appeal against the Net Annual Value of £220 for rating purposes assessed on a bungalow with garage at No 14 Carnanransy Road, Aghascrebagh, Mountfield, Omagh, Co Tyrone.

The bungalow which was built in 1980 was first assessed in the Valuation List at £230 on 29th October 1980. An application for revision dated 26th June 1984 resulted in a Certificate of Alteration dated 2nd October 1984 reducing the Net Annual Value to £220. A subsequent first appeal to the Commissioner of Valuation was dismissed by the Commissioner on 27th November 1984 on the grounds that "the valuation of this bungalow is far and relative with those of similar properties in the vicinity". It is against this dismissal that the Appellant appealed to the Lands Tribunal.

At the outset an application was granted by the Tribunal for Mrs Brigid Maria Gretta Keenan to give evidence on behalf of her husband. The appellant had submitted some 19 assessments as comparables but these included post war bungalows, old two-storeyed farmhouses and modern farm bungalows - all within a radius of 3 miles from a small hamlet called Greencastle which contains a church, a school, a shop and a public house. Her complaints were:-

1. The subject bungalow had the third or fourth highest Net Annual Value of the 19 comparables.

2. Although some of the 19 were farmhouses if the usual allowance given to farmhouses of about 10% was taken away the assessment here was still too high.
3. There was inconsistency in the respective assessments:-
 - (a) Post war houses built pre 1975 appear to be rated lower than those built later.
 - (b) Comparison No 8 at 256 Gorticashel Road is assessed @ £50
Comparison No 7 at 254 Gorticashel Road is assessed @ £70
Comparison No 4 at 28 Aghascrebagh Road is assessed @ £63
Comparison No 11 at 232 Greencastle Road is assessed @ £100
Comparison No 19 at 308 Crockanboy Road is assessed @ £177
Comparison No 13 at 191 Crockanboy Road is assessed @ £160
Comparison No 16 at 154 Greencastle Road is assessed @ £160
Comparison No 9 at 214 Gorticashel Road is assessed @ £170
4. The three comparisons used by the Commissioner of Valuation were themselves assessed at too high a Net Annual Value - she queried as to which houses were these three houses compared.
5. Comparison No 5 at 274 Gorticashel Road (built in the mid 1950s) is assessed at £78 - the Net Annual Value of the subject bungalow is excessively high by comparison.
6. As far as Comparison No 9 was concerned an allowance had been given for a poor site amounting to £12/13. That site was not by comparison worse than the site of subject house. Neither site had been properly laid out and both were still rough.
7. As far as Comparison No 13 was concerned there was no difference in saleable value between that house and the subject and therefore the present assessment was too high by comparison.
8. Central heating was not a luxury and therefore there should be no addition.
9. No allowance had been made for the rural area (compared with an urban area) nor for septic tank drainage.

10. Some new dwellings in the nearby vicinity had not yet been rated.
11. Asked for a reduction to £150/£160 because town dwellings of NAV of £220 are selling for much higher figures than rural dwellings.

Mr John Desmond Simpson ARICS for the Commissioner of Valuation spoke to the following valuation:-

House 154 square metres @ £1.26 per square metres (Basic pricing £1.26 per square metre + 10% no land - 10% location)	£194
Motor house - 17 square metres	£ 10
Boiler house - 4.5 square metres	give in
Central Heating	£ <u>18</u>
TOTAL	£222
say	£220

He supported this with three comparables all with similar types of analysis supporting the basic £1.26 per square metre. He also analysed the appellants comparisons but considered old two storeyed farmhouses built about pre-1900 not properly comparable. He explained that he started from a basic price derived from modern farmhouses; added 10% if the hereditament did not comply with the requirements of the Rates (Northern Ireland) Order 1977 ("the 1977 Order") and deducted 10% if the situation of the hereditament was more than about 1 mile from the Greencastle hamlet.

The following facts were agreed between or accepted by the parties:-

1. The bungalow was of rendered concrete block construction with a tiled roof built sometime in 1980 and in good condition. Accommodation is 2 Reception rooms, Working Kitchen, 4 Bedrooms, Bathroom with WC.
2. Mains water and electricity are connected. Sewerage is by a septic tank. Full oil-fired central heating is installed.

3. There is no roadside boundary fence and the site is unmade apart from a short gravelled drive.
4. The external areas are:-

House:- 154 square metres
Motor House:- 17 square metres
5. The bungalow is situated on a class C county road approximately 1³/₄ miles north of the Greencastle hamlet and the nearest town is Omagh some 13¹/₂ miles distant.

DECISION

The basis of valuation for rating is to be found in the 1977 Order Schedule 12 the relevant parts of which are:-

Part 1 "1. Subject to the provisions of this Schedule for the purposes of this Order the net annual value of a hereditament shall be the rent for which, one year with another, the hereditament might, in its actual state, be reasonably expected to let from year to year, the probable average annual cost of repairs, insurance and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes or public charges (if any), being paid by the tenant.

2-(1) Subject to sub-paragraph (2), in estimating the net annual value of a hereditament for the purposes of any revision of the valuation list of comparable hereditaments which are in the same state and circumstances as the hereditament whose net annual value is being revised."

Paragraph 2-(2) is not relevant here.

"3-(1) In estimating the net annual value of a hereditament, regard must be had to -

- (a) the capital value of that hereditament; and
- (b) the capital values of other hereditaments of the same general character for which rents are known or have been estimated for the purposes of paragraph 1. (2) In this paragraph "capital value" in relation to a hereditament means the price that a willing seller would

reasonably expect to realise for the fee simple absolute in possession in the hereditament, in its actual state and with vacant possession, at the time by reference to which the estimate of net annual value falls to be made, on the assumption that there was then an adequate supply of similar properties available to meet a reasonable demand."

Dealing with paragraph 3 of Schedule 12 Part I to the 1977 Order first:- the Appellant tried at the hearing to refer to capital values by introducing newspaper advertisements but these must be rejected for (a) the evidence was not submitted in advance so that a statement of case in reply could be prepared and (b) the figures referred to were not on the basis laid down in paragraph 3(2) of Schedule 12 Part I to the 1977 Order.

Paragraphs 1 and 2 make it clear that as net annual values in general would be rising between General Revaluations (the last General Revaluation of Northern Ireland was in 1976), in order that newly built hereditaments or hereditaments requiring revision did not suffer the impact of inflationary rents, net annual values on revision should be assessed having regard to comparables in the same state and circumstances.

The assessments (totalling 21 in all) submitted by the parties as comparisons in this case refer to many types of dwellings. Some are old two-storeyed farmhouses, some post-war farmhouses and some post-war bungalows. In this case the Tribunal, after external inspection of all the dwellings, rejects as comparables:-

- (a) all old farmhouses
- (b) all post-war farm dwellings,

for farmhouses are treated as a special case by Schedule 12 Part II of the 1977 Order and the Tribunal derives no assistance from them when assessments of post-war bungalows are available for comparison.

Secondly the Commissioner's evidence was analysed as if farmhouses produced a basic price per metre and then 10% was added because no agricultural land was held therewith. During the hearing the Tribunal asked for and obtained an alternative analysis ignoring farmhouse prices ie treating non farm bungalows and houses as basic and farmhouses as a special case. The Tribunal prefers this analysis.

Thus the Tribunal is left with the following comparables (including the basic price for the house produced by the alternative analysis):-

No 1	No 172 Greencastle Road	Bungalow built 1980	NAV £235
	Basic price for house = £1.39 per square metre (154m ²)		
No 2	No 168A Greencastle Road	Bungalow built 1983	NAV £220
	Basic price for house = £1.39 per square metre (154m ²) (9% allowed for unfinished state of house and site)		
No 3	No 336 Crockanboy Road	Bungalow built 1963	NAV £230
	Basic price for house = £1.39 per square metre (155m ²) (9% allowed for location)		
No 6	No 264 Gorticashel Road	Bungalow built 1976	NAV £170
	Basic price for house = £1.51 per square metre (108m ²) (9% allowance for location)		
No 9	No 214 Gorticashel Road	Bungalow built 1980	NAV £170
	Basic price for house = £1.46 per square metre (129m ²) (10p per square metre allowed for poor site and 9% allowed for location)		
No 16	No 154 Greencastle Road	Bungalow built 1979	NAV £228
	Basic price for house = £1.46 per square metre (132m ²)		
No 19	No 308 Crockanboy Road	Bungalow built 1977	NAV £177
	Basic price for house = £1.50 per square metre (112m ²)		
No 20	No 314 Crockanboy Road	Bungalow built 1976	NAV £220
	Basic price for house = £1.50 per square metre (111m ²)		
No 21	No 318 Crockanboy Road	Bungalow built 1980	NAV £205
	Basic price for house = £1.50 per square metre (110m ²)		

Thus the comparables in the same state and circumstances show a pattern of basic prices (not unexpected) ranging from £1.51 for a bungalow of 108 square metres through £1.46 for bungalows of 129 to 132 square metres to £1.39 for bungalows of 154 to 155 square metres. The basic price of £1.39 per square metre for the subject bungalow is accepted. There was no dispute as to the addition for the motor-house at £10 and for full central heating the Tribunal does not consider an addition of £18 too high.

The Tribunal's valuation is therefore:-

House 154 square metres @ £1.39 per square metre	£214
<u>Allow</u> 9% for location	£ <u>19</u>
Net	£195
<u>Add for</u> Motor-house	£ 10
Full Central Heating	£ <u>18</u>
	£223
say	£220

There remains the fact that apart from a short gravelled drive the site is rough virgin land with no fence fronting the road. On behalf of the Commissioner of Valuation Mr Simpson made the proper concession that a temporary allowance might be given lasting only until the site was made up. The Tribunal, therefore, makes a temporary allowance of £15 and fixes the assessment at £205.

To that limited extent the appellant has succeeded and therefore the Tribunal awards a measured amount of £20 costs to the Appellant.

ORDERS ACCORDINGLY

Mr A L Jacobson FRICS

Lands Tribunal for Northern Ireland

28th August 1985

Appearances

Mrs B M G Keenan for the Appellant.

Mr J D Simpson ARICS for the Respondent.