

**NORTHERN IRELAND VALUATION TRIBUNAL
THE RATES (NI) ORDER 1977 (AS AMENDED) AND THE VALUATION TRIBUNAL
RULES (NORTHERN IRELAND) 2007**

CASE REFERENCE NO: 9/10

Ms DONNA BLAIN – APPELLANT

AND

COMMISSIONER OF VALUATION NI – RESPONDENT

Northern Ireland Valuation Tribunal

**Date of Hearing 26th January 2011
Belfast**

Chairperson: MR FRANCIS J FARRELLY

Members: Mr BILL DEDDIS MRICS and Mr ALAN MARTIN

Appearances :

For the appellant – in person

For the respondent – Mrs Deborah Rice

DECISION AND REASONS

Introduction

1. This is an appeal against a valuation of a private house at 36 Knockagh Road, Newtownabbey for domestic rating purposes.
2. The valuation by the respondent as at 1 January 2005 was originally £350,000 which was reduced on appeal to the Commissioner for Valuation to £325,000. The appellant has appealed this and suggests the valuation should be £240,000 - £260,000.
3. The following documents have been considered by us:

- The Notice of Appeal against the Valuation for rating purposes from the Appellant and received by the Tribunals Unit on 31st August 2010 and the grounds of appeal.
 - A copy of the Commissioner's decision on appeal.
 - Extracts from the valuation list and photographs submitted by the appellant.
 - A document entitled "Presentation of Evidence" submitted on behalf of the Commissioner of Valuation by Mrs Deborah Rice BSc MRICS.
4. The Tribunal heard evidence and submissions from the appellant and Mrs Rice. We reserved its decision.

The Law

5. The statutory provisions are set out in the 1977 Order, as amended by the Rates (Amendment) (NI) Order 2006 ("the 2006 Order"). Article 54 of the 1977 Order enables a person to appeal to this Tribunal against the decision of the Commissioner on appeal regarding the Capital Value.
6. Schedule 12 of the 1977 Order as amended states:
- 7-(1) Subject to the provisions of this Schedule, for the purposes of this Order the Capital Value of the hereditament shall be the amount which, on the assumptions mentioned in Paragraph 9 to 15, the hereditament might reasonably have been expected to realise if it had been sold on the open market by a willing seller on the relevant Capital Valuation Date.
- (2) In estimating the Capital Value of a hereditament for the purposes of any revision of the valuation list, regard shall be had to the Capital Values in the valuation list of comparable hereditaments in the same state and circumstances as the hereditament whose capital value is being revised.
7. Article 54(3) of the 1977 Order provides that on appeal any valuation shown in a valuation list shall be deemed to be correct until the contrary is shown. Thus, any Appellant must successfully challenge and displace the presumption of the correctness; otherwise the appeal will not succeed.

The Appellant's House

8. This is shown at page 3 of the respondent's statement of case. It is described as a detached bungalow constructed in 2007 having a gross external area (GEA) of 234 m², the first floor size being estimated. The property has mains electricity, water and sewerage services and is on an elevated site with views over Belfast and Newtownabbey. Mrs Rice indicated that in assessing the capital value she had, as required, considered assessments in the valuation list of properties which she considered to be comparable. She confirmed that the comparables she used are set out in appendix 1 with their locations indicated on the map. In her opinion, the best comparables are 34 and 47 Knockagh Road.

The comparables

9. Number 34 Knockagh Road is number two on the appendix and is situated beside the appellant's home. It is a detached bungalow built in 1990. It is smaller than the appellant's home having a GEA of 201m² compared to her 234m². It has no garage but has an outbuilding measuring 61m. Its value has been assessed at £300,000.
10. Number 47 Knockagh Road is number five on the appendix. It is a bungalow built in 1988. Again, it is smaller than the appellant's having a GEA of 195m² and again it has no garage but has an outbuilding, measuring 175m². Its capital value has been estimated at £300,000.
11. The respondent also cites houses at 25, 27, and 37 Knockagh Road as compatible. Number 25, was built in 1955 and is larger than the appellants at 275m² and has a basement of 112m². The property was valued at £370,000, but was reduced by 20% on the basis it was a farmhouse, resulting in a figure of £296,000. Number 27 is a bungalow built in 1989 with a GEA of 182m² and so is considerably smaller than the appellant's. It has a double garage of 45m². Its capital valuation has been put at £245,000. Finally, number 37 is a detached bungalow built in 1985 having a GEA of 174m². Again, it is substantially smaller than the appellant's. It has no garage but has a small outbuilding, measuring 12m² and a 7m² wooden conservatory. The capital value is £225,000.
12. The respondent comments on alternative properties referred to by the appellant. Numbers 13, 24 and 29 Knockagh Road are two-storey houses which the respondent feels are not comparable primarily because they are two storey. The appellant also referred to numbers 35 and 38. Number 35 is a detached cottage built around 1930, with a GEA of 118m² and 9m² conservatory and the garage of 17m². This has been assessed at £175,000. Number 38 is a detached house built also in the 1930's with a GEA of 147 m², a garage of 120m² and an outbuilding of 134m². Its capital value has been put at £210,000. In distinguishing these the respondent points out that they are smaller and considerably older.

The arguments

13. The appellant is particularly aggrieved because for some time the respondent had confused her home with another property and when they became aware of the mistake her rates bill increased substantially. In her letter of the 9 December 2010, and before us, she stated that the valuation of her property has increased from £300,000 to £350,000. This however is not correct. Her valuation has not increased but her bill increased because the respondent realised it had sent out the wrong bill. This mistake however is not the issue we have to deal with. Rather, we are tasked to ascertain the true value of the property on 1 January 2005.
14. The appellant says that the valuation on her property is too high as is her neighbours at number 34. She states that construction work on her property began in 1999 not 2007. Furthermore, she says all the properties referred to have good views over Belfast and this should not be something which increases the valuation of her property over these houses. She also says that number 34 was sold for £225,000 on 24 April 2003 and suggests that this indicates the valuation put on it at 1 January 2005 is excessive. She also stated number 25 was built in or around 1975, not 1955. Mrs

Rice has provided a written response to these points and we refer to the written submission in this regard.

Our conclusions

15. A valuation is a statement of opinion whereas price is a matter of fact. The true value is best reflected in a sale on the open market. In the present appeal 34 Knockagh Road was sold in April 2003. This figure must be treated with some caution being almost 2 years before the relevant date and in the context of what has been a volatile period for house prices. Number 47 was sold after the relevant date, namely in January 2007. It had been valued at £300,000 and was sold for £420,000. This would suggest either the original valuation was too low or the sale price achieved represented the general dramatic rise in house prices over this period. Beyond these sales the parties do not have the advantage of recent sale results to show actual market value but must resort to the assessed valuation of the other properties which have not been challenged. In doing so, we are mindful of the statutory presumption that a value on the valuation list is correct unless the contrary is established. In seeking comparators we acknowledge that the task is particularly difficult where the houses vary in style and period. There is no rule that older properties or younger properties are more valuable. Each situation must be looked at in its context.
16. We start our assessment by looking at the map and photographs provided. From the map the appellant's house and number 34 are the closest of all the houses referred to in relation to each other. The respondent feels that number 34 is the closest comparator. Like the appellant's house it is a bungalow. It is smaller at 201m² compared to the appellants at 234m². The appellant has a double garage whereas 34 does not though it does have a large outbuilding. Number 34 was built 10 years before. We acknowledge the appellant's point that both buildings are on elevated sites. It is not possible to tell from the maps the positioning of the houses in relation to views but we believe there is little difference between the properties in terms of the roof and location. Number 34, as has been said, was sold two years earlier. Consequently, at that stage, market forces dictated a true market value of £225,000. The respondent has valued that property as at 1 January 2005 at £300,000. This has not been challenged. Whilst acknowledging the fact that a valuation has not been challenged does not necessarily mean it is right we go back to the statutory presumption in relation to properties in the valuation list. Simply looking at the photographs of the two houses the fact that the appellant's house is a more modern property is obvious. From the photographs we find the appellant's home much more attractive than the comparator used.
17. We have considered the other properties referred to. The respondent says the next best comparator is number 47. As stated, this was sold on 3 January 2007 for £420,000 having a capital value of £300,000 on 1 January 2005. This property was built in 1988 and does not have a garage. It is also considerably smaller than the appellant's property at 195m², but has a substantial outbuilding. The photograph provided indicates the size of the outbuilding, but not the house. Based on the map the property is a distance from the appellant's home. How its views compare with the appellant's cannot be determined from the information but we accept that it is probably broadly similar in aspect. From the narrative it is of the same vintage as number 34.

18. We have had regard to the other properties referred to by the respondent. Number 27 again, was built around the time of number 34 and is some distance from the appellant's home. We accept the views are probably similar. The property has a more modest valuation but against this is 182 m² compared to the appellant's 234m². It has been valued at 245,000 which has not been challenged.
19. It is our conclusion that numbers 34, 47 and 27 are reasonable comparators. All of these properties are a decade older than the appellant's. They are also smaller by varying degrees. They have also been valued respectively at £300,000, £300,000 and £245,000.
20. It is our conclusion that bearing in mind the additional size of the appellant's property, its attractive design and double garage the respondent's valuation of £325,000 is reasonable using these comparators.
21. In reaching our conclusion, we have considered the other properties referred to by the appellant. We do not feel these are proper comparables. They are of a completely different design. They are two storeys and whilst detached, from the photographs, they would appear to be in a modern development in close proximity to other houses.
22. We also feel that the property at number 25 is a realistic comparator. It is of a unique design from the mid-50s which some may find very attractive and others would not.
23. Undoubtedly our conclusion is a disappointment to the appellant who has expended much effort in preparing her appeal. She presented her points clearly and we were assisted by the photographs she has provided. However, based upon the evidence presented we find ourselves in agreement with the respondent's conclusion.

THE TRIBUNAL'S DECISION

24. The Tribunal is satisfied that the valuation shown on the valuation list in relation to the subject property is correct and the appeal is dismissed.

Francis Farrelly, Legal Chairman
Northern Ireland Valuation Tribunal

Date Decision recorded in Register and Issued to Parties: