Issue 64

May 2022

Valuation Tribunal Service

Valuation in Practice

News in brief

VTS Website Revamped

We have recently launched the Valuation Tribunal Service website with a layout and structure that helps users on their appeal journey.

We hope you find it helpful.

Consolidated Practice Statement – Amendments from 1 April 2022

The revised Consolidated Practice Statement was published on 1st April 2022. Changes include:

- The Tribunal expects parties to produce bundles prior to hearings in accordance with VTE advice.
- Online hearings is the default hearing position for all cases and the CPS now reflects the legislative position regarding format of hearings.
- A requirement to provide agreed photographs and plans electronically in advance of the remote hearing.
- Council tax valuation and liability decisions will be published containing only appellant party's initials rather than full details.

The full Consolidated Practice Statement and Explanatory Note can be read in full here.

Official Statistics – National non-domestic rates collected by councils in England: forecast for 2022 to 2023

This Department for Levelling Up, Housing & Communities release is based on returns received from all 309 billing authorities in England and provides data on the forecast of non-domestic rating income due to local authorities in 2022-23, including data relating to the amount of business rates reliefs forecast to be given to businesses. Further information can be found here.

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Business Rates information letters

Recent publications from the Department for Levelling Up, Housing and Communities issued since 22nd February are:

- 1/2022: confirmation of the multipliers for 2022 to 2023
- 2/2022: DELTA data collection, COVID-19 Additional Relief Fund (CARF) local authority allocations and FAQs
- 3/2022: Bringing forward implementation of green rate reliefs by one year and the DELTA Data Collection Exercise

The Business Rates Information Letters can be read in full here.

The council tax rebate 2022-23 – billing authority guidance

On 3 February 2022, the government announced an energy bills rebate to help with the cost of living. This included a £150 council tax rebate for households in bands A to D.

On 23 February 2022, the Department for Levelling Up, Housing and Communities published guidance to billing authorities on administering the council tax rebate to support households with the rising cost of living and the Discretionary Fund. Further information can be found here.

National statistics: Council Tax levels set by local authorities in England 2022 to 2023

The Department for Levelling Up, Housing and Communities published details of the level of Council Tax set by local authorities in England for financial year 2022 to 2023 – you can read about this here.

Inside this issue:

Council Tax information (CTIL) letters

The latest letter issued by the Department for Levelling Up, Housing and Communities can be viewed in full here.

Progressing ATM appeals

We have started to list appeals where they are redundant or considered duplicate (1,503 appeals), with the first hearing on 26 April 2022.

Progress on Type 2 (cases to which the Supreme Court's judgment may apply) and Type 3 (appeals on the "host" property - generally valuation disputes) are progressing well, with 225 appeals in the Type 2 category and 8,053 in Type 3. Our attention will now be on listing the Type 3 appeals in September 2022.

Our Tribunal Hearing Programme – April 2022 to June 2022

The profile and volume of the hearings is set out in the table below:

Tribunal Type	Apr	May	June	TOTAL
Council Tax	75	70	69	214
2017 Rating List	7	8	7	22
2010 Rating List	2	3	2	7
Other	0	0	2 (dedicated Comp Notice)	2
TOTAL	**84**	**81**	**80**	**245**

Council Tax hearings continue to dominate our hearing programme.

We continued to arrange 2017 appeal hearings within 5 months of receipt wherever possible.

Appeals stayed at the Valuation Tribunal for England

Our current stayed appeals (currently not being progressed by the Valuation Tribunal) are:

Type of appeal	Reason for stay
Valuation of museums and art galleries	Outstanding Upper Tribunal appeal
Questions on occupation of 'empty offices & other buildings' where property guardians occupy	Cases impacted by the Court of Appeal decision in *London Borough of Southwark & Ludgate House Ltd, Ricketts (VO)* [2020] EWCA Civ 1637 Ludgate House Ltd. Following refusal of permission of appeal of Ludgate House Ltd to the Supreme Ct, the matter has been referred back to the Upper Tribunal (UT). A stay of proceedings in the VTE remains in place until the UT has determined whether it should be valued as a composite or wholly non-domestic
Premises occupied by the Church of Scientology	Appeals heard by VTE President. Appealed to Upper Tribunal. Stay is in place until appeals are determined.
Valuation of offices outside Central London where the issue in dispute relates to fitting out costs which replace an existing fit out Valuation of offices inside Central London where the issue in dispute relates to fitting out costs which replace an existing fit out	VTE decisions been appealed to the Upper Tribunal. VTE to hear 4 appeals in relation to 30 Gresham Street, London as complex as the central London office market is unique from the rest of the country.
Council Tax repair appeals seeking a deletion before, or in the absence of, a scheme of works	An appeal to the High Ct of the VTE decision in 17 Mill Ridge, Edgware, HA8 7PE (Appeal number VT00003935). Outcome awaited.
2017 List appeals made on behalf of Debenhams Retail Ltd	Short stay agreed to allow parties to consider the impact of the Wales VT decision and continued settlement of large-scale shops.
2017 list appeals where Covid 19 is raised as a factor for seeking a reduction in RV	Will potentially be impacted by the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021 Test cases being heard by the VTE on 18 May 2022 to consider whether Covid related matters can or cannot be taken into account following legislative changes.

Decisions from the Upper Tribunal (Lands Chamber)

F C Brown Steel Equipment v Karl Hopkins (VO) [2022] UKUT 51 (LC)

The ratepayer's appeal arose from a proposal which sought the merger of two industrial hereditaments, separated by a public road in Caswell Way, Newport, South Wales, but connected by a bridge which housed a conveyor belt for transporting palletised furniture.

Although the ratepayer's case for a merger was upheld by the Valuation Tribunal for Wales, it appealed the decision because it sought a greater end allowance than the 4% awarded for a split site. The Valuation Officer (VO) cross appealed because, in his opinion, the two assessments failed the geographical test and could not be merged.

The Upper Tribunal (UT) referred to the Supreme Court's judgment in *Mazars* before arriving at its decision.

The bridge linking the factory and warehouse became operational on 2 September 2013, the material and effective date, and was 87m long, 4m in height and 3m wide. Although it was possible to walk the length of the bridge, in practice only maintenance people had access.

The UT noted from the Supreme Court's judgment that pedestrian access was not essential for the geographic test to be met. Each case will depend on its own facts, but the approach should be based on an assessment of the particular physical characteristics of the premises as a whole, rather than on the application of prescriptive rules. When answering the geographical question, it is important to focus on the physical premises themselves and not on the use made of them by a particular occupier.

The VO argued that intercommunication between the two sites was limited to finished products transported through the bridge structure. The factory and warehouse could have been separately let. In addition, no reasonable person looking at the two buildings connected by a bridge, given its height above the highway, would say that it formed the same geographical unit.

The UT rejected these arguments. The construction of the bridge meant that the factory and the warehouse were no longer self contained. The property was now a single hereditament comprised of three components. It also disagreed with the VO's argument about the visual aspect.

Anyone standing on the factory side of the road and facing the warehouse could not fail to notice that the two buildings were connected by a massive steel structure spanning the road. Far from minimising the connection, the fact that the bridge is supported high above ground level serves to emphasise the unity of the two sites, reaching across from one side of the road to the other and overcoming the obstacle represented by the road. The connection between them is not hidden from view or insubstantial; on the contrary, it forms a massive and highly visible link between the two parts of the site.

With regard to the size of the end allowance for the split, the parties referred to only 3 comparables. One was drawn from the same locality, another from 25 miles away and one was drawn from Suffolk 210 miles away where the configuration was similar to the appeal property and a 4% end allowance was conceded. The UT placed less weight on the Suffolk comparable not because of its remoteness but because of the lack of information about the site.

It found that the other 2 comparables provided evidence of the parameters for the end allowance, 5% was conceded on one, 10 % on the other and therefore the ratepayer's argument for a 7½% allowance for the appeal property was upheld.

The ratepayer's appeal was therefore allowed and the UT determined a RV of £1million for the single merged hereditament and the VO's cross appeal was dismissed.

Interesting VTE decisions—Non-Domestic Rating 2010

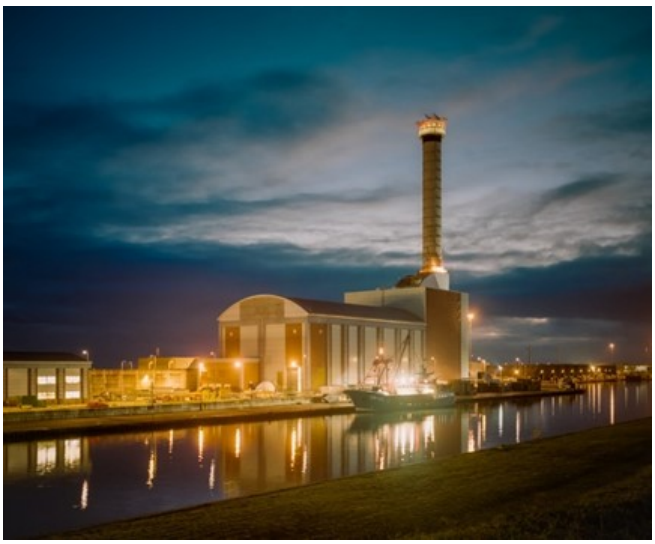
Does a mothballed site change a hereditament's mode or category of use?

Due to a downturn in the economic climate, the appellants had shut down Keadby Power Station and had mothballed the site. An appeal arose from a proposal made on the grounds of a material change of circumstances namely that the mothballing had resulted in change in the property's mode or category of use.

It was agreed that the property was mothballed from 1 April 2013 to 9 November 2015. The parties had agreed valuations in the alternative. If the use remained as a power station, the appeal would be dismissed and the entry would remain at £5,340,000 RV but if it was held that the mothballing process had resulted in a change of use the RV would be reduced to £534,000.

The Vice President rejected the appellants' argument that there had been a change of use because no physical changes to the appeal hereditament had been made. The site had simply been mothballed to preserve the assets for future use and the appellants remained in rateable occupation, albeit with only a skeleton staff. He saw no valuation differential between a property which had been simply vacated and one which had been mothballed. As the property had to be valued as vacant and to let, it was unlikely that the hypothetical landlord would be prepared to accept a significantly lower rent from his existing tenant, who had decided not to use the property for the purpose that it was built but still wished to retain it. Instead, it was more likely that the hypothetical landlord would look to find a new tenant who would be prepared to pay the open market rent.

There was also a dispute over the extent of the hereditament. All power stations are heavily reliant on cooling water. The Cooling Water Intake Structure including the pipes, the culverts and the concrete apron formed part of the same structure. The appellants argued that the area beyond the sluice gates (the concrete apron) was outside the hereditament's boundary. The concrete apron was constructed on the river bed to protect it from scouring and assist with the abstraction of water. Under the terms of the deed that allowed the apron to be built, the Crown Estate retained reserve powers over how that section of the river could be used. The appellants therefore argued that they were not in exclusive occupation of the apron and relied on the Supreme Court's judgments in *Ludgate House* and *Cardtronics*. If the appellants' argument was accepted, as the sandbanks, the pipes and the culverts were silted up at the material day, it was impossible to generate power and therefore the appeal would have been successful. However, the Vice President rejected this argument as it was a red herring. The landlord/lodger principle did not apply. The appellants occupation had never been interfered with and they had the exclusive right to abstract water. The Vice President drew an analogy with a houseboat which was permanently moored. The houseboat would form part of the assessment with a mooring right, even though other regulatory bodies may be responsible for maintaining the waterway. The clearing away of silt from the sandbanks, the pipes and the culverts was a repair issue which the appellants regularly undertook when the power station was in use. The appeal was therefore dismissed.



The full decision can be read in full here.

Consolidated Practice Statement (CPS)

Don't forget: the CPS can be found on the new VTS website.

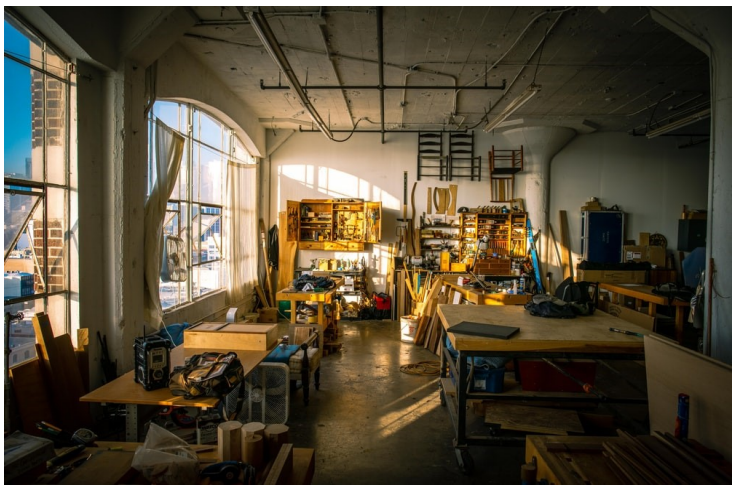
Interesting VTE decisions—Non-Domestic Rating 2017

A studio or workshop?

The challenge proposal sought a reduction in Rateable Value (RV) from £19,750 to £10,250 with effect from 26 February 2018 on the basis that the property was in use as a workshop and had been incorrectly valued as an office.

The Valuation Officer's challenge decision notice confirmed an alteration to £17,000 RV and a change of description to Studio and premises. The appeal before the Tribunal was made on the grounds that the RV (of £17,000) was unreasonable.

The case for the appellant was that the appeal property had previously appeared in the 2017 rating list with the description of Workshop and premises at £10,250 RV. That assessment had been deleted (due to the previous tenant's use as living accommodation) and incorrectly re-entered as a refurbished office space with a higher base rate. The appellant's representative argued that the works undertaken were works of repair, apart from the addition of heating, which had been reflected in his revised valuation.



The case for the Valuation Officer was that the appeal property had been refurbished to a standard of a basic business unit/studio akin to other refurbished former industrial properties in the locality. He cited rental evidence of comparable properties and the increased rents at the subject mews development post the 2017 refurbishment in support of £200 per m^2 for the appeal property.

The panel found that there was insufficient compelling AVD evidence from within the subject development. It was clear that rents had risen post AVD, whether due to refurbishment, a natural rising market, or a combination of both.

The Valuation Officer's approach in attaching more weight to the evidence of comparable assessments at Stamford Works and Indigo Mews was rejected. The panel decided that more weight should be attached to the evidence of comparable assessments within the subject development which were valued at a lower rate.

It was significant to the panel that the adjacent unit had undergone similar repair works at the same time. The only difference was that it benefitted from an air conditioning cassette. Despite the Valuation Officer being aware of the refurbishment, there had been no action taken to increase its basis of assessment or indeed any of the other units.

Ultimately the panel found that the Valuation Officer had attached too much weight to the evidence of increased rents post AVD, which was of more relevance to the next rating list. It was significant that the issue had been referred to the revaluation team, but the Valuation Officer had not sought to alter the 2017 rating list for any of the other units. Indeed there had been a number of Valuation Office caseworkers involved with this particular appeal, and none had sought to review the other assessments.

A revised valuation of £10,500 RV was determined by the panel, based upon the appellant's proposed adjusted price of £119.80 per m^2.

The full decision can be read in full here.

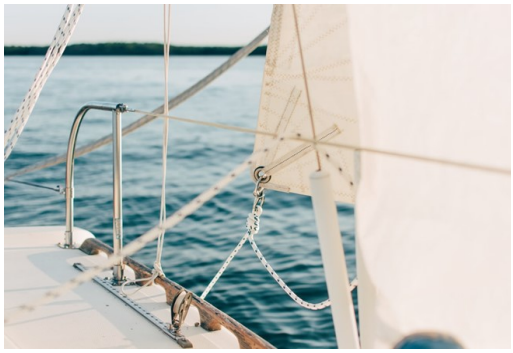
Click here to sign up to receive an alert when a new Practice Statement is issued or any future change is made.

Interesting VTE decisions—Non-Domestic Rating 2017

How to value a sailing club

This appeal concerned a sailing club and the appropriate method of valuation.

The appellant's representative advocated that the receipts and expenditure method would be more appropriate given the unique property class and limited market. The appellant also argued that the Valuation Officer (VO) was guilty of impugning his own rating list.



In response, the VO argued that as there was direct rental evidence available, a rental based approach was preferred. The VO also submitted that there was a national demand for this type of property and submitted indirect rental evidence in relation to a comparable property in support. After considering the competing arguments, the panel upheld the VO's approach. Where rental evidence was available, it was preferrable to a valuation based on a receipts and expenditure approach.

One of the comparable properties which the VO relied upon was deemed by him to be under assessed. The VO had altered the list, of his volition, to correct the perceived inaccuracy before the hearing.

The appellant's representative submitted that the VO was impugning his own list and referred to *Burroughs Machines Ltd v Mooney (VO)* [1977] 1 EGLR 182, which he considered supported his argument that the VO should not increase an assessment until after this appeal had been determined by the VTE. The panel found that the circumstances, in the appeal before it, somewhat differed to the situation described within this judgment. In *Burroughs Machines Ltd v Mooney* a review of a property's assessment was initiated within a hearing adjournment. The panel was aware that the VO has a duty to maintain the accuracy of the list, which had been demonstrated via case law referred to within the VO's submission, *Valuation Office Agency v West London Aero Club* [2014]. The panel upheld the VO's revised assessment, based on the actual rent, as there was no compelling evidence to prove it was unreasonable.

The full decision can be read here.

Interesting VTE decisions—Non-Domestic Rating 2017

Is appeal property capable of beneficial occupation?

This appeal concerned the rateable value of a property shown in the list as offices and premises situated on a site which was previously used as a quarry.

The appellant sought a deletion or a nominal entry on the basis that there was no longer permission to use the appeal property as the planning permission was linked to the use of the quarry. The minerals in the quarry have been exhausted, quarrying has stopped, and the original planning permission for the use of the premises had therefore expired. He argued that the appeal property was not capable of beneficial occupation as it was not in use.

The Valuation Officer (VO) submitted that the planning restrictions related only to the extraction of minerals from the site and the disturbance of the land within specified areas. He therefore argued that the appeal property, which was a separate building on its own land, was still capable of use as offices.

Therefore, the issue before the panel was to consider if the appeal property was still capable of beneficial occupation and therefore remained a hereditament.

To be continued on Page 7

Interesting VTE decisions—Non-Domestic Rating 2017 continued...

For this appeal, the panel concluded that an office hereditament continued to exist because there had been no overt act which rendered it incapable of such use. The expiry of the existing planning permission was insufficient to support the appellant's case. The loss of planning permission merely meant that it could no longer be occupied in conjunction with the use of the quarry. It did not prevent the appeal property continuing to be capable of use as offices.

In appeals of this nature, it should be noted that the legal burden of proof rests with the appellant to prove their case and having regard to the evidence before it, the panel found there was no evidence of a specific restriction for use of the appeal property and was not persuaded that a requirement to apply for new planning permission was reason enough to delete the property from the rating list.

Read the full decision here.

Interesting VTE decisions—Non-Domestic Rating 2017

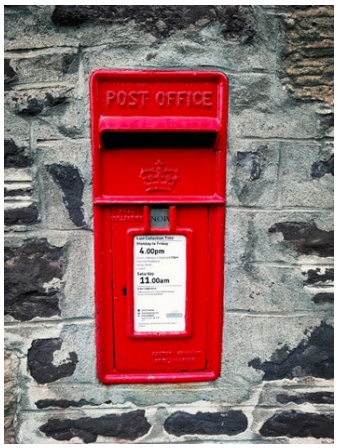
Does the ATM form part of Zone A assessment?

This appeal concerned a post office. Its assessment was increased from 7 September 2017 due to an extension and following the inclusion of the ATM in the host hereditament.

Prior to the hearing, and following an inspection of the appeal property, the parties had agreed revised measurements which resulted in a reduced rateable value. The only issue which remained outstanding was whether the value attributable to the ATM should be included in the post office assessment.

The appellant's representative submitted that the ATM was a fixed piece of equipment that the appellant had no control over. He stated that the court of appeal judgment, in which the Valuation Officer (VO) had referred to in its challenge decision, had since progressed to the Supreme Court (*Cardtronics UK Ltd and others v. Sykes and others (VO)* [2020] UKSC 21), where it was held that ATM's were not rateable.

The panel, being aware of this judgment, found that the Supreme Court had upheld the Court of Appeal's decision in respect of ATM's not being rateable as plant. Therefore, the panel agreed that the ATM itself was not rateable. However, the court ruled that the presence of an ATM should not be ignored when deciding if a separate hereditament exists and therefore the panel had to consider the area in which the ATM sat. In Paragraph 33 of the *Cardtronics v Sykes* judgment, Lord Carnwath stated the following:



"In principle, therefore, we consider that the presence of an item of non-rateable machinery, such as an ATM, should not be ignored when determining whether a separate hereditament exists. The statutory assumption applies only for the purpose of valuation and may not legitimately be applied in answering the logically prior question of whether there is or is not a hereditament which needs to be valued." (paras 124-126)

In the Court of Appeal, Lindblom LJ agreed in substantially similar terms (paras 45- 50). Since I agree with both, and without disrespect to Mr Kolinsky's attractive restatement of the arguments in this court, I am content to adopt their reasoning without further explanation.'

This judgment then went on to consider who was in rateable occupation, essentially, whether the principal occupier (of the store) remained in exclusive occupation of the whole hereditament. Lord Carnwath concluded that retailers were in paramount occupation of the whole premises, including the areas occupied by the ATMs.

The panel was bound by the Supreme Court decision and found that as the appellant was in paramount control, the VO was correct in including the area in which the ATM sat within the Zone A area of the appeal assessment.

Read the decision in full here.

Interesting VTE decisions—Council Tax Liability

Invalid Proposal

A proposal was served on the Listing Officer (LO) on the grounds that there had been a material reduction in the value of the dwelling, with the appellant seeking a one band reduction. The material reduction quoted was 'the property is half the listed size'. The LO determined that the proposal was not well founded and issued a decision notice to that effect.

At the hearing, a preliminary issue was raised in that the LO's representative challenged the validity of the proposal. He considered that the proposal was invalid for three reasons:

i) The layout of the appeal property had not altered since it had been built in 1986. Therefore, the material reduction quoted on the proposal form had not taken place.

ii) More than six months had expired since the appellant had become the taxpayer in respect of the appeal property.

iii) More than six months had expired since the Valuation List had been altered; the appeal property's assessment was reduced from band D to band C in 1994, which was backdated to 1 April 1993.

The appellant contended that the proposal should be held valid. He highlighted that the LO had not followed due process and had failed to issue an invalidity notice. He believed that due to the failure to serve an invalidity notice, the six months' time period allowed to lodge a valid proposal should be extended.

The proposal had originally been accepted as valid on the basis that there had been a material reduction in the value of the appeal dwelling. As such, an invalidity notice was not served within four weeks of receipt of the proposal. After considering the matter, the LO was of the opinion that the proposal had not been validly made as the cited material reduction had not taken place. The LO's decision notice explained the reasoning for considering the proposal was invalid.

The appellant had originally contended that the property had been subdivided. However, at the hearing he accepted that he had only provided the LO with a sketch of the ground floor of the premises. Whilst accepting that there had been no physical alteration to the appeal property since it had been constructed, the appellant reiterated that the proposal should be held valid as the LO had not followed the correct procedure due to the failure to serve an invalidity notice.

Whilst it was accepted that no invalidity notice had been served, the regulations allowed the Listing Officer to contend that the proposal was invalid at the hearing. The panel therefore rejected the appellant's argument that it should be deemed valid simply because of the LO's failure to serve a notice. The panel also upheld the LO's argument that the proposal was invalid as there had been no material reduction event and the appellant was out of time to make a proposal to challenge the accuracy of the entry.

Read the full decision here.

Interesting VTE decisions—Council Tax Liability

Class R exemption

Two council tax liability appeals challenged the billing authority's determination that the appellant was liable for council tax as the freehold owners of the land for both appealed list entries (1) and (2). The appellant was the freehold owner of the land which contains a residential caravan site in which the two subject caravan pitches were situated. The land was leased to a third-party company that operates the site.

Appeal property (1)

The authority held the appellant liable for the period 18 March 2019 to 16 January 2020. The list entry related to an unoccupied caravan pitch. The billing authority deemed the appellant liable as the freehold owner of the land.

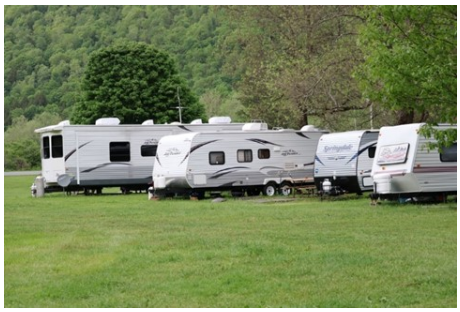
To be continued on Page 9

Interesting VTE decisions—Council Tax Liability continued...

Appeal Property (2)

The authority held the appellant liable for the period 1 December 2019 to 29 December 2019. This caravan pitch was unoccupied for part of the period and subsequently occupied by a vacant caravan.

The appellant argued it should not be considered liable as it did not operate the site or own any caravans. The authority maintained that the appellant held a material interest in the dwellings for the disputed periods. Therefore, it determined the appellant as the owner and held it liable in line with the hierarchy of liability stipulated in section 6 of the Local Government Finance Act 1992.



The panel held that for any period in which a pitch is unoccupied by a caravan, a Class R exemption is applicable. Section 4 of the Act dictates that dwellings exempt from council tax are not chargeable. Accordingly, the panel found that the billing authority was incorrect to hold any liability for a period where a Class R exemption was applicable. The first appeal was therefore successful.

With regard to the second appeal, the billing authority had determined the pitch was occupied by a caravan. The panel found that the billing authority had erred in its application of the law. The authority had failed to consider that when determining liability in respect of caravans, section 7 of the Act shall have effect in substitution for section 6 in relation to any chargeable dwelling which consists of a pitch occupied by a caravan. The billing authority had held the appellant liable for a period the pitch was occupied by a vacant caravan. Applying section 7(3) of the Act, the owner of a vacant caravan is liable. The panel was satisfied that the appellant had provided evidence to establish it was not the owner of the caravan situated on the second pitch and consequently it had been incorrectly held liable for council tax by the billing authority. This appeal was also allowed.

The full decision(s) can be read here.

Interesting VTE decisions—Council Tax Valuation

Dispute over size of subject property

The appeal before the panel was to consider the correct band for the appeal property. The appeal property was built by the appellant to a unique design. The appellant had disputed the Listing Officer's (LO) survey area. The difference in the parties' survey measurements was due to the fact that the first floor was separated into two parts, bedroom one being on one side of the property and bedroom two being on the other side of the property with a void area between both bedrooms. The only way to get from bedroom one to bedroom two was along a long walkway along the back wall, which was open to view the ground floor area. The space in between the two bedrooms was void space. The void area of the property was described by the LO as an atrium and considered a desirable feature of the property, which had been carefully designed by the appellant.

The size of a house for council tax purposes is determined by its reduced covered area. Although the atrium is not floor space which can be used to walk upon, the panel was not persuaded that this property should be measured to net internal area instead because of the presence of non-usable floor space. Such an approach would lead to inconsistency in how this property was valued in comparison with other houses.

The panel reviewed the details of how a property is measured using RCA. It was noted that RCA includes all areas except unconverted loft areas, integral garages, outbuildings, open balconies and internal areas with a head height of below 1.5m. The panel also noted that RCA is an external measurement, where a property is measured around the outside of the building and does not mention including or excluding any void areas within a property such as the appeal property, except for those mentioned above. The panel, therefore, accepted the measurements provided by the LO as being the correct RCA for the appeal property.

The full decision can be read here.

Interesting VTE decisions—Council Tax Invalidity

Relevant date on proposal

This appeal was against the invalidity notice issued by the Listing Officer (LO). The appellant had lived in the property for over six months and therefore could not submit a proposal as a new taxpayer, however she believed the band ascribed to the appeal property was incorrect and made a proposal on three other grounds.

The grounds were that the entry for the appeal property did not take into account a relevant decision of a local valuation tribunal or high court, that there had been a material reduction in the property, and that there had been a material increase in the property.

The appellant explained that she was making the proposal on these grounds with the overall goal of getting the opportunity to have the band reviewed.

While the appellant made the proposal on three grounds, the date she stated on the proposal as the effective date was in 1998 when she moved into the property. The material reduction "events" related to the future development of a nearby estate, which had not transpired at the relevant date.

The relevant valuation tribunal decision was said to relate to two nearby properties, where the appellant taxpayers had won their appeals. The evidence showed there were no previous decisions and the list entries had merely been reduced in 1998 and 2002 by agreement between the taxpayers and the Listing Officer, therefore the appellant was unable to make a proposal on the grounds that there had been a relevant tribunal decision.

The most interesting ground the appellant tried to have the band of the appeal property reviewed on the back of, was that a material increase in value had occurred. The LO can review a band where a material increase has occurred, but only following a relevant transaction. A material increase indicates that the value of the property would have increased as a result of works done. In this situation the band would be reviewed based on the physical state of the property at the relevant date which would have been the date of the relevant transaction. The appellant stated that in 2002 she had extended the property with a single storey extension and modernisations. She contended that in 1998 she purchased the leasehold for the property, and then in 2004 she purchased the freehold which constituted a relevant transaction.

It could be said that it was lucky for the appellant that she had stated the relevant date as April 1998 on her proposal, as this is when the panel had to consider the circumstances of the appeal, and in 1998 there had been no material increase to the appeal dwelling.

Based on this the proposal was found to be invalid and the appeal dismissed.

You can read the full decision here

VALUATION TRIBUNAL SERVICE

We welcome any feedback.

Contact us:
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Valuation in Practice is published quarterly; the next issue will be in August 2022