

# VALUATION TRIBUNAL FOR ENGLAND

**Referencer:**

*Local Government Finance Act 1992 - Sales Evidence – Comparable Properties – Material Increase – Relevant Transaction – Detached House – Appeal Allowed*

**Re:** Mr S Maybrey, 4 Barleycroft Green, Welwyn Garden City, Herts., AL8 6JY

Band G

Effective date: 27<sup>th</sup> Feb 2011

**Appeal:** 1950592103/017CAD

**Hearing on:** 22<sup>nd</sup> September 2011

**At:** Comet (Ramada) Hotel, Hatfield.

**Parties in attendance:** Mr S Maybrey (Appellant)  
Mr G Heritage Representing the Listing Officer  
(Respondent)

**Members:** Mr J Fullerlove (Chairman)  
Mrs F Higgin  
Mr K Ford

*The absence in this decision of a reference to any statement or item of evidence placed before it by the parties should not be construed as being overlooked by the Panel.*

**Introduction:**

1: The Chairman introduced the Proceedings. The independence of the Panel was emphasised and the procedure to be followed during the hearing explained.

2: When considering and arriving at its decision, it was for the Panel to decide where the greater weight of evidence lay and determine accordingly.

3: Mr Maybrey submitted an appeal to the Valuation Tribunal Service on 6<sup>th</sup> May 2011 which stated:

*“We have been advised by the previous owners that they purchased the property in 1995 for considerably less than £160000. This differs from the information provided by the Valuation office in their decision dated 5<sup>th</sup> April. We believe the property, in its form, would have been worth less than £160000 on 1<sup>st</sup> April 1991. The evidence supplied by the VOA of other properties sold around that date showed similar 4 bed houses being sold for £150000 in both 1992 and 1993. The VOA argument is based upon the house having been extended. The garage has indeed been converted, meaning more living space but losing the garage. Local estate agents have advised that given the premium on parking in the area, this would not have resulted in a significant increase in the value of the property. The loft has been converted and whilst this has resulted in some extra floor space, the height is very restricted and one room is not even large enough for a single bed. In my opinion, it is not correct to market this property as having 4 bedrooms. The property should be in Band F in line with all other properties in the road, bar one which is Band E.*

4: The following evidence of houses located in Barleycroft Green was provided:

Address	Size m sq	No of bedrooms	Sale Price £	Sale Date	Band	Notes
<b>4 Barleycroft Green</b>	<b>140</b> <b>184</b>	<b>3</b> <b>4</b>	<b>174000</b> <b>148000</b> <b>580000</b>	<b>24.8.94</b> <b>10.11.95</b> <b>8.2.11</b>	<b>F</b> <b>F</b> <b>G</b>	Extended from 140 m <sup>2</sup>
1 Barleycroft Green	131	4	152000	28.2.92	F	
17 Barleycroft Green	131	4	149995	15.10.93	F	

5: The Listing Officer explained that the subject dwelling had originally been extended in the 1970s (known as a material increase) and more recently (in 2000) the loft had been converted and the rear of the house had been extended outwards. The records held by the Valuation Office Agency (VOA) indicated that the dwelling had originally measured 99 m<sup>2</sup>. As a result of the VOA being made aware of the material increase in 2000 the Band of the subject dwelling had been reviewed as a result of the sale (known as a relevant transaction) to Mr Maybrey in February 2011.

6: Plans showing the location of Barleycroft Green within Welwyn Garden City were provided together with a plan showing the position of the subject dwelling and the dwellings considered to be comparable within Barleycroft Green. The Listing Officer highlighted the fact that 1 and 17 Barleycroft Green were both considerably smaller than the subject dwelling albeit situated on larger plots.

7: The Listing Officer explained that when dual tax relief came to an end in 1988 the property market went into decline, with values falling through the Antecedent Valuation Date (AVD) of 1<sup>st</sup> April 1991 and continuing until 1993/94. He considered that the values of bigger, higher value properties fell to a greater extent than those smaller properties of lower value.

8: The method of measuring properties was also explained and the Listing Officer confirmed that any area with a head height of less than 1.5 m was excluded from the measurements of the rooms in the loft space.

9: The Appellant explained that the 1994 sale on the subject dwelling was not an open market sale and the occupiers did not in fact change as a result of that sale. He expanded on the details of that sale and the reasons for the subject dwelling then selling in 1995 as a genuine open market transaction.

10: The Appellant considered that between 1991 and 1994 houses of a lower value were falling at a greater rate than those houses of higher value. He highlighted the evidenced sales of 1 and 17 Barleycroft Green which sold within 18 months of each other for similar prices.

11: The Appellant suggested that both of these comparable properties comprised 4 proper bedrooms whereas the 4<sup>th</sup> bedroom in the subject dwelling was very small. He believed that it was appropriate to consider properties from within Barleycroft Green and

described this area as a microcosm, being fairly unique and different to any of the surrounding roads.

### **Decision and Reasons:**

12: The Panel was aware that Band G covered a range of values, £160001 to £320000 at the Antecedent Valuation Date (AVD) of 1<sup>st</sup> April 1991 and Band F covered a range of values £120001 to £160000 at the same date.

11: The Council Tax (Situation and Valuation of Dwellings) Regulations SI 1992/550 (amended by SI 1994/1747) stated:

*'the value of any dwelling shall be taken to be the amount which, on the assumptions mentioned in paragraphs (2) and (3), the dwelling might reasonably have been expected to realise if it had been sold in the open market by a willing Vendor on 1<sup>st</sup> April 1991 (known as the Antecedent Valuation Date – (AVD)).*

*The assumptions are made to place all valuations on a common footing, the main assumptions are:-*

- a) that the sale was with vacant possession;*
- b) that the interest sold was the freehold or, in the case of a flat, a lease for 99 years at a nominal rent (The actual lease term is ignored);*
- c) that the size, layout and character of the dwelling and the physical state of its locality, were the same as at the relevant date;*
- d) that the dwelling was in a state of reasonable repair;*

*Any significant change to the dwelling between 1<sup>st</sup> April 1991 and 1<sup>st</sup> April 1993 (or a later date depending on why the alteration is being made) being reflected in the valuation banding.'*

When a property was sold, Particulars Delivered were sent to the Commissioners of Inland Revenue for Stamp Duty purposes and this evidence was analysed in accordance with the statutory definition of market value i.e.

- 1. The sale was achieved in the open market with a willing vendor,
- 2. Vacant possession was given on completion,
- 3. The tenure was not significantly different (in value terms) to that stated in the Regulations,
- 4. The state of repair of the property accorded to the statutory definition i.e. a reasonable state of repair,
- 5. The sale reflected the property's value at the date of the transaction and did not include any element which was attributable to any value for an alternative use or for any development value other than for minor development permitted under the General Development Order.

13: From the above, the Panel agreed that the best evidence was that of actual sales of similar types of properties in Barleycroft Green, occurring on, or close to the AVD.

14: From the location plan provided by the Listing Officer, the Panel noted the position, layout and plot size of the subject dwelling in comparison to 1 & 17 Barleycroft Green. Both of these comparable properties were well situated on larger plots and completely detached from any other property. The Panel noted that these comparables were smaller than the subject dwelling but agreed the location and situation of each of these

dwelling would, to an extent, negate any effect on value created by the subject dwelling which had been extended to increase its accommodation.

15: The Appellant had outlined details of the August 1994 sale of the subject property and the Listing Officer could not agree or disagree that this sale was an open market transaction. As it was evident that the 1994 sale was between connected parties the Panel did not place great weight on this particular piece of evidence.

16: The Panel noted the Feb 1992 sale on 1 Barleycroft Green and the October 1993 sale on 17 Barleycroft Green (a difference of £2005 in approximately 20 months). This evidence supported the Appellant's view that the decline in values was not so significant in properties of this type.

17: The Panel accepted that there were differences between the houses within Barleycroft Green itself, both in 1991 and now. It was agreed that the subject dwelling was larger than either of the comparables but the Panel accepted that a property extended by converting the garage space and extending to the rear and also creating a room in the loft space, would not increase the value of the subject dwelling to the same degree as a property which had been originally built to a size of 184 m<sup>2</sup>. The subject dwelling did not benefit from a garage, either inside or outside its curtilage and was linked to the neighbouring property.

18: From the above, the Panel determined that the subject dwelling would not have attracted a value above the threshold of Band G, had it existed in its current form at the AVD and would be of similar value to the comparables of 1 & 17 Barleycroft Green. The alterations made to the dwelling were not of such significance to warrant an increase in the Band from F to G.

19: The appeal was therefore allowed.

**Orders:**

20: Under the provisions of Regulation 38 (2) and (9) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 the VTE orders the Listing Officer to alter the List within two weeks of the date of this order to show a Council Tax Band of F with effect from 27<sup>th</sup> February 2011.

**Date:** 3<sup>rd</sup> October 2011

**Tribunal Officer:** Miss J Schofield

*Ref: JS/mb*