

# VALUATION TRIBUNAL FOR ENGLAND

**Referencer:**

*Council Tax Banding Appeal – Council Tax (Situation and Valuation of Dwellings) Regulations 1992 (SI 1992/550) [as amended] – Adjoining Annexe – Comparables – House Price Indices – Appeal Dismissed*

**Re:** Jianmei Wang (owner)  
8 Ashley Close, Welwyn Garden City, Herts AL8 7LH

**Appeal:** 1950566538/017CAD

**Hearing on:** Thursday 3 March 2011

**At:** Comet (Ramada Jarvis) Hotel, St Albans Road West, Hatfield AL10 9RH

**Parties in attendance:** Jianmei Wang (Appellant)  
Mr G Heritage – VOA Listing Officer's representative  
(Respondent)

**Members:** Mrs M J Bines (Chairman)  
Mr B D Bartman  
Mr D B Hardy

*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 was explained.
- 2 When considering and arriving at its decision it was for the Panel to decide where the greater weight of evidence lay and to determine accordingly.
- 3 The matter before the Panel arose from an appeal made by Jianmei Wang which was received by the Valuation Tribunal Service on 20 July 2010. Ms Wang was seeking a reduction in the Council Tax banding of the subject property from Council Tax Band G to Band F.
- 4 Council Tax Band F spanned the range of values exceeding £120,000 but not exceeding £160,000 and Council Tax Band G the range of values exceeding £160,000 but not exceeding £320,000.

**Summary of Listing Officer's Case:**

- 5 Representing the VOA Listing Officer, Mr Heritage provided his written submission and supporting documentation and photographs.

- 6 Mr Heritage described the subject property as a four bedroom, two bathroom detached house, 170 sq.m in size. The property was located in a small cul-de-sac and, in his opinion, in a very pleasant location.
- 7 The property had an adjoining annexe that had been banded in Council Tax Band A effective from 28 January 2010 and which, at the time of his inspection in November 2010, had been tenanted. There was no dispute that the annexe was a self-contained unit of accommodation.
- 8 Mr Heritage contended that having the self-contained annexe did not have a detrimental effect on the value of the main dwelling and any disadvantages were out-weighed by the advantages of being able to generate an income from tenants or to house a relative.
- 9 Referring to the use of house price calculators, Mr Heritage stated that they were not the most reliable guide to property values in a specific location and were not used as a tool by the VOA Listing Officer for valuing properties for Council Tax purposes. The sales would have been drawn from a very wide region, in the subject case the region selected was the 'UK' and from a wide range of differing properties.
- 10 In support of his contention that the subject property was correctly banded in Council Tax Band G, Mr Heritage referred to his sales evidence. 3 Ashley Close was a three bedroom detached bungalow, 169 sq.m in size which had sold on 3 May 1991 for £190,000 and was banded in Council Tax Band G. Mr Heritage accepted that the bungalow was not directly comparable to the subject property but considered that it showed the level of value achieved in the location closer to the statutory valuation date of 1 April 1991.
- 11 6 Ashley Close was a three bedroom detached house, 161 sq.m in size which had sold on 20 November 1991 for £192,000 and was banded in Council Tax Band G. Mr Heritage stated that the property market had been in decline at that time and had continued to fall until approximately 1994/95. He contended that the value of 6 Ashley Close would have been approximately £200,000 in April 1991.
- 12 In conclusion, Mr Heritage requested the Panel to uphold Council Tax Band G in respect of the subject property.

### **Summary of Appellant's Case:**

- 13 The Panel was provided with copies of Ms Wang's original submission.
- 14 Ms Wang explained that at the time the subject property and adjoining annexe were purchased in September 2009 the entire property was banded in Council Tax Band G.
- 15 In May 2010 she was notified by the VOA Listing Officer that the annexe had been separately banded in Council Tax Band A, effective from 28 January 2010. Ms Wang contended that the Council Tax banding of the main dwelling should be reduced to Band F to reflect the fact that without the annexe the value of the subject property would have decreased significantly.

- 16 The entire property was purchased for £635,000 and, assuming that the value of the house excluding the annexe was £450,000, by reference to the Nationwide House price Calculator without the annexe the value of the subject property in 1991 would have been £153,262 placing it in Council Tax Band F.
- 17 Ms Wang agreed that house price indices were a rough guide to value but contended that her research had shown that when the annexe was separated out from the main dwelling, the value of the subject property was a borderline F/G Band.
- 18 Ms Wang did not consider it fair that the subject property was being compared with detached properties that had a single Council Tax Band when her own property had been ascribed two Council Tax Bands. Her neighbours had exclusive rights to their entire property whereas, since the annexe had been separately let, both properties now shared the entrance hall and rear garden and one set of recycle/waste collection services provided by the Council.
- 19 Ms Wang stated that she would argue that the subject property was now a semi-detached house and by reference to semi-detached houses in the neighbourhood its value would fall within the range of values for Council Tax Band F.

#### **Decision and Reasons:**

- 20 When arriving at its decision the Panel was obliged to have strict reference to the relevant legislation. *Regulation 6(1) and (2) of the Council Tax (Situation and Valuation of Dwellings) Regulations 1992 [as amended]* provided that the value of any dwelling shall be taken to be the amount which it would, subject to certain assumptions, reasonably have been expected to realise had it had been sold in the open market by a willing vendor on 1 April 1991.
- 21 Where no actual April 1991 sale existed for a property the Panel was aware that the dwelling should, where possible, be valued by reference to other similar properties in the locality which had sold on or close to the statutory valuation date of 1 April 1991.
- 22 The Panel did not consider that the use of house price calculators to calculate the April 1991 levels of value carried any great weight of evidence. The Panel was of the opinion that the figures produced were very much a generalisation and could result in distorted estimates of value in a particular area.
- 23 Whilst the Panel fully understood Ms Wang's argument that the subject property was now effectively a semi-detached house, it did not consider that evidence of any weight had been submitted to support her contention that the value of the subject property at the April 1991 date would have fallen within the range of values for Council Tax Band F.

- 24 The Panel found more persuasive the evidence of actual sales presented by Mr Heritage and noted that the values achieved in May and November 1991 for the two properties in Ashley Close that were smaller than the subject property were far in excess of the threshold values between Council Tax Band F and Band G. Further, the Panel was aware that it was generally accepted that the housing market had been in a state of decline at that time with property values falling significantly through until 1994/95.
- 25 In conclusion, the Panel was satisfied that 8 Ashley Close, Welwyn Garden City had been correctly banded in Council Tax Band G and dismissed the appeal accordingly.

**Date: 9<sup>th</sup> May 2011**

**Clerk's Name:** Ms S Pallett

SP/KS