

THE VALUATION TRIBUNAL FOR ENGLAND



Council tax valuation appeal; material increase; band G in dispute; detached house; sales evidence; comparable properties; appeal dismissed.

Re: 9 Molly Millars Lane, Wokingham, Berkshire, RG41 2RT

APPEAL NUMBER: VT00001388

BETWEEN: Mr A Granovsky Appellant

and

Ms D Bunyan, Listing Officer Respondent

PANEL: Mrs X Holt (Senior Member), Mr M Collery

CLERK: Mrs L Horne

REMOTE HEARING ON: Wednesday 26 May 2021

APPEARANCES: Mr M Stewart, representing the appellant
Mr L Dalli, representing the Listing Officer

Summary of decision

- 1 Appeal dismissed. The panel confirmed the banding of the appeal property at band G, with effect from 8 September 2019.

Introduction

- 2 The President of the Valuation Tribunal for England (VTE) is required to make sure arrangements are in place and make such statements and Directions so as to ensure that business before the Tribunal is conducted in accordance with The Local Government Finance Act 1988, Schedule 11, Part 1, paragraph A17(1) and The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and by virtue of Part 2 regulation (5) (arrangement for appeals) and regulation (6)(3)(g) (appeal management powers) the VTE may determine the form of any hearing.

- 3 Therefore, in pursuance of Regulation (6)(3)(g) the VTE has incorporated “remote hearings” as part of that definition and for the time being as the default option until it is safe to return to normal working. The Tribunal’s Consolidated Practice Statement has been amended to reflect this.
- 4 This appeal is brought in respect of a proposal received by the Listing Officer on 13 September 2019, in which Mr Granovsky challenged the decision to increase the band of the appeal property from band E to band G. The proposal was made on the grounds that there was no justification for the increase, the appeal property already had the highest band on the street at band E, and there had been no changes to the property since the purchase two years ago.
- 5 The Listing Officer issued a decision notice on 11 November 2019, which stated that after a review of the information held, there would be no change to the band. In response, Mr Granovsky submitted an appeal to the Valuation Tribunal, which was received on 9 February 2020. Mr Stewart was subsequently appointed to act on his behalf.
- 6 The appeal property is a detached house built between 1930 and 1945. When the property entered the valuation list at band E on 1 April 1993, it was recorded by the Listing Officer as a three bedroom detached house with two living rooms, bathroom and a single garage, with a reduced covered area (RCA) of 101m².
- 7 Improvements were made following planning permission in 2004 for a two-storey rear extension, and single-storey side extension. Following the appellant’s purchase of the property on 15 December 2017, the Listing Officer reviewed the band to reflect that the property is now a four bedroom detached house with three living rooms, three bathrooms and a single garage with a RCA of 201m².
- 8 The valuation bands which reflect capital values as at the antecedent valuation date (AVD) of 1 April 1991 are set out in section 5(2) of the Local Government Finance Act 1992, with the relevant bands in relation to this appeal being:
- Band E – values exceeding £88,000 but not exceeding £120,000;
Band F – values exceeding £120,000 but not exceeding £160,000;
Band G – values exceeding £160,000 but not exceeding £320,000.
- 9 In this appeal, the relevant date for consideration of the physical state of the dwelling and its locality is 15 December 2017, the date of the relevant transaction (the date the property was sold).

- 10 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 it being overlooked by the panel.

Issue

- 11 The issue before the panel is the correct banding for the appeal property.

Evidence and submissions

- 12 The bundle provided by the Listing Officer contained the parties' respective cases and supporting documents and included: location plans and layout plans of the appeal property, photographs and details of comparable properties.
- 13 On behalf of the appellant, Mr Stewart referred to the information contained within the originating proposal and appeal form, and provided photographs and details of properties which he contended demonstrated that band G was excessive.
- 14 Mr Dalli confirmed that he was appearing on behalf of his colleague who had prepared the Listing Officer's submission. In consideration of the sale prices of the appeal property, together with sales evidence in respect of comparable properties, it was the opinion of the Listing Officer that the appeal property would have achieved a sale price in excess of £160,000 if it had sold on 1 April 1991.

Decision and reasons

- 15 The appeal before the panel has arisen due to there being a "material increase" in the value of the appeal property, followed by a "relevant transaction". The panel thought it was helpful to set out the enabling legislation, which had not been detailed in the Listing Officer's case. Section 24(4) of the Local Government Finance Act 1992 provides:

'(4) The regulations may include provision that no alteration shall be made of a valuation band shown in the list as applicable to any dwelling unless

- (a) since the valuation band was first shown in the list as applicable to the dwelling –
 - (i) there has been a **material increase** in the value of the dwelling and a **relevant transaction** has been subsequently carried out in relation to the whole or any part of it;
 - (ii);
 - (iii) ‘

- 16 Section 24(10) of the 1992 Act defined 'material increase' and 'relevant transaction' as :

'material increase' in relation to the value of a dwelling, means any increase which is caused (in whole or in part) by any building, engineering or other operation carried out in relation to the dwelling, whether or not constituting development for which planning permission is required.'

'relevant transaction' means a transfer on sale of the fee simple, a grant of a lease for a term of seven years or more or a transfer on sale of such a lease.'

- 17 When the appeal property entered the valuation list at band E in 1993, it was a three bedroom detached house of 101m². The previous owners received planning permission to make improvements in 2004. The addition of a two-storey rear extension and a single-storey side extension resulted in an increase in size to 201m².
- 18 The panel was therefore satisfied that a material increase in value had been made prior to the relevant transaction undertaken by the appellant and therefore both limbs of the test were satisfied thereby enabling the Listing Officer to review the subject band.
- 19 The question before the panel was whether the Listing Officer had correctly increased the assessment of the property by two bands from band E to band G with effect from 8 September 2019.
- 20 The panel first referred to the sales and comparable evidence presented by the Listing Officer in support of an increase to band G.
- 21 In the Listing Officer's Decision Notice dated 11 November 2019, reference was made to the following:
- 129 Barkham Road, Wokingham, RG41 2RS, a detached four bedroom house smaller than the appeal property in band G.
 - 265 Barkham Road, Wokingham, RG41 4BY, a detached five bedroom house larger than the appeal property in band G.
 - The sale of the appeal property in 1992 for £105,000.
- 22 In his appeal to the Tribunal, Mr Granovsky disputed the relevance of the properties in Barkham Road as he considered that it was a more desirable location. This was a point conceded by the Listing Officer, and so further comparable properties were provided in support of band G in his submission to the Tribunal.

- 23 The following sales evidence was scheduled in the Regulation 17 Notice:
- 9 Molly Millars Lane, the subject property as a three bedroom detached house of 101m² had sold for £105,000 on 20 September 1992, and £165,000 on 15 May 1998.
 - 42 Luckley Wood, RG41 2EW, a detached four bedroom house of 179m² which sold for £192,000 on 28 January 1994.
 - 11 Luckley Wood, RG41 2EW, a four bedroom detached house of 178 m² which sold for £185,000 on 8 June 1994.
 - 32 Luckley Wood, RG21 2EW, a three bedroom detached house of 183m² which sold for £168,000 on 31 July 1995.
- 24 In support of a tone at band G, the following comparable properties were provided:
- 1 Meadow Road, RG41 2TE, a four bedroom detached house of 222m².
 - 6 Rotherfield Avenue, RG41 2EX, a four bedroom detached house of 177m².
 - 17 Arthur Road, RG41 2SS, a four bedroom detached house of 181m².
- 25 Mr Dalli highlighted the sale of the appeal property in 1992 for £105,000, one year after the AVD. He submitted that it was generally accepted that the property market was falling in the early 1990s and that the sale in 1992 would have been at a lower level than that which could have been achieved at the AVD. It also demonstrated that before the property was extended, it was achieving a value towards the top end of band E.
- 26 The panel then turned to the comparable properties presented by Mr Stewart. He provided photographs and details of four properties, and cited their effective floor area (according to Energy Performance Certificates or Rightmove), his estimate of the RCA, distance from the subject and relevant transactions.
- 27 In the Listing Officer's rebuttal, the RCA measurements were provided, and remarks made as to why they were not comparable to the appeal property.
- 28 The information provided by the parties in respect of Mr Stewart's comparable properties can be summarised as follows:

39 Commons Road, RG41 1JJ

Described by Mr Stewart as a four bedroom detached house in band F with an internal measurement of 177m² as at 17 August 2020. He estimated the RCA to be around 194m². The date of the last relevant transaction was stated as 2 December 2020.

Mr Dalli confirmed that the records show this as a three bedroom property of 194m², and a band review is therefore necessary.

312A Barkham Road, RG41 4DA

Described by Mr Stewart as a four bedroom detached house in band F with an internal measurement of 269m² as at 12 October 2017. He estimated the RCA to be around 295m². The date of the last relevant transaction was stated as 21 August 2019.

Mr Dalli confirmed that the records show this as a three bedroom detached house, significantly smaller at 150m². A report has been raised to review the band.

Oak Lodge, Bearwood Road, RG41 5BT

Described by Mr Stewart as a five bedroom detached house in band F with an internal measurement of 222m². He estimated the RCA to be around 243m². The date of the last relevant transaction was stated as 19 November 2014.

Mr Dalli confirmed that this was previously recorded as a three bedroom detached bungalow of 105m² in band E. Following an increase in the size of the property to 252 m², the Listing Officer undertook a review and increased the band from E to F with effect from 6 May 2003. Mr Dalli stated that the property was to be reviewed further, as the Listing Officer disagreed with band F.

28 Lowther Road, RG41 1JD

Described by Mr Stewart as a five bedroom detached house in band E with an internal measurement of 268m² as at 23 May 2018. He estimated the RCA to be around 294m². The date of the last relevant transaction was stated as 3 January 2019.

Mr Dalli confirmed that the records show this as a five bedroom detached house, significantly smaller at 223m². A report has been raised to review the band, both for the increase in size and as the original band E is disputed.

- 29 In view of the fact that all of the properties cited by Mr Stewart required a band review due to either extensions/alterations or incorrect information held by the Listing Officer, the panel could not attach any weight to them in support of a reduction in band for the appeal property. The panel found that it was unfortunate that the bands had not been reviewed, given that there had been relevant transactions in most cases, however, this could be due to the fact that the Listing Officer relied upon the Billing Authority to notify when a property had undergone extensions/alterations.

- 30 The panel found the sales of the appeal property the most compelling evidence in support of band G. Given that it had sold for £105,000 in 1992 and £165,000 in 1998 when it was a three bedroom detached house of 101m², the panel held that it was not unreasonable to assume that it would have achieved a value over £160,000 on 1 April 1991 as a four bedroom detached house of 201m².
- 31 The panel found further support for band G with reference to the Listing Officer's sales evidence and comparable properties.
- 32 While an increase of two bands was uncommon, the panel held that as the appeal property had doubled in size, this did not appear to be unreasonable. At 201 m² it was larger than all of the Listing Officer's comparable properties, with the exception of 1 Meadow Road.
- 33 In appeals of this nature, the burden of proof rests on the appellant to illustrate that the current band was incorrect. In the appeal before it, the panel held that it had been provided with insufficient evidence to demonstrate that the increase to band G was excessive.
- 34 Accordingly, having regard to the above conclusions, the panel confirmed that the appeal property, in its extended condition, was correctly placed in band G, with effect from 8 September 2019. The appeal was therefore dismissed.

Date: 21 June 2021

Appeal Number: VT00001388