

THE VALUATION TRIBUNAL FOR ENGLAND



Council tax valuation appeal; detached house; physical change in the locality; material reduction; location; sales evidence; comparable property evidence; appeal dismissed.

RE: 17 Woodlands, North Shields, Tyne & Wear NE29 9JT

APPEAL NUMBER: VT00008072

BETWEEN:	SC	Appellant
	and	
	Ms A Hitchings (Listing Officer)	Respondent

PANEL: Mr S Kandola (Senior Member)
Ms N Chesterman (Member)

CLERK: Miss F Willson

REMOTE
HEARING ON: 14 November 2022

APPEARANCES: The appellant
The appellant's daughter who presented on behalf of the appellant
Ms A Pearson (on behalf of the Respondent)

Summary of decision

1. Appeal dismissed. The panel confirmed band F for 17 Woodlands, North Shields, Tyne & Wear NE29 9JT (appeal property).

Introduction

2. The appeal arose from a proposal made by the appellant on 4 May 2021 on the grounds that there had been a material reduction in the value of the dwelling. The appellant sought a one band reduction to the appeal property's entry from band F to band E. The material reduction was the extension and change of use of the property at the rear of the appeal property (Preston Towers) which could be seen from the garden and the rear windows of the appeal property. The Listing Officer (LO) determined that the proposal was not well founded and issued a decision notice to that effect on 29 June 2021. The appellant made an appeal to this Tribunal which was received on 6 August 2021.
3. The Council Tax bands 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 £68,000 but not exceeding £88,000

Band F – values greater than £120,000 but no more than £160,000;

4. The appeal property is a four bedroom detached house with two reception rooms, a kitchen, a bathroom and a single garage. It is situated in North Shields, Tyne and Wear and has been in band F since 1 April 1993. The reduced covered area (RCA) of the appeal property is 206m². The appellant has been the owner of the property since 1972.
5. In order to assist the appellant and with the agreement of both parties, the panel varied its model hearing procedure and invited the LO's representative to present her case first.
6. The appellant requested that her daughter present her case on her behalf. Ms Pearson on behalf of the LO confirmed that she had no objection. The panel therefore found that it was in the interests of justice to hear the case and both sides were content with the appellant's daughter representing her.
7. This tribunal decision document is not and does not purport to be a verbatim record of proceedings, but the parties can be assured that all of the evidence presented was fully considered by the panel before coming to its decision. Consequently, the absence of a reference to any statement, or item of evidence, should not be construed as it having been overlooked.

Issue

8. The issue before the panel was the correct banding of the appeal property.

Evidence and submissions

9. The appellant's bundle of evidence included her submissions, details of the appeal property, photographs of the rear view from the appeal property and a copy of their appeal form.
10. The appellant submitted that due to the change of use and extension of Preston Towers there had been a material reduction in the value of the appeal property and requested a reduction from band F to band E.

11. On behalf of the LO, Ms Pearson provided a copy of the proposal, photographs, a layout plan and details of the appeal property, details of comparable properties, location plans, a copy of the Regulation 17 sales evidence and extracts from the relevant case law.
12. Ms Pearson contended that the change of use and extension of Preston Towers was not band significant and that the appeal property should remain in band F.

Decision and reasons

13. The panel had regard to The Council Tax (Alteration of Lists and Appeals) (England) Regulations 2009 (SI 2009 No.2270). The panel had particular regard to Regulation 3(1) which stated:

‘3 (1) No alteration shall be made of a valuation band shown in a list as applicable unless-

(a) Since the valuation band was first shown in the list as applicable to the dwelling-

(ii) subject to paragraph (2), there had been a material reduction in the value of the dwelling;’
14. The panel had regard to the definition of a “material reduction”, which was found in s.24 (10) of the Local Government Finance Act 1992, namely:

““material reduction”, in relation to the value of a dwelling, means any reduction which is caused (in whole or in part) by the demolition of any part of the dwelling, any change in the physical state of the dwelling’s locality or any adaptation of the dwelling to make it suitable for use by a physically disabled person;”
15. The panel was required to determine whether a material reduction had taken place due to a change in the physical state of the dwelling’s locality. The relevant date for the consideration of the physical state of the appeal property and its locality was the date the material reduction “event” occurred or was believed to have occurred. The appellant was unaware of the exact date and had stated that Preston Towers was extended in the late 1980’s or early 1990’s and was converted into flats from approximately 2019.
16. The appellant’s daughter explained that the appeal property was significantly affected by the change of use from care home to flats. The windows of Preston Towers faced onto the appeal property and its garden. When the property was a care home those rooms were only bedrooms and so were only in use when the occupier was going to bed. Now that it was flats some of those windows were living accommodation and so the appeal property is now overlooked during the daytime.
17. The panel noted the fact that the rooms overlooking the appeal property were in some cases living rooms but did not find that this was band significant. It therefore put little weight on this argument.
18. The appellant’s daughter stated that Preston Towers had been extended by two windows and a doorway upon conversion to flats and this brought the building closer to the boundary of the appeal property. This caused the view to the rear of the appeal property to be further blocked by Preston Towers.

19. The panel was aware that the view from a property did have an impact on the value of the property and hence on the band it was placed in. The panel found that the extension was not band significant as the main part of Preston Towers had been built over a hundred years prior and would therefore have been in existence at the AVD.
20. The appellant's daughter drew the panel's attention to the comparable properties put forward by the LO. She explained that in her opinion they were not truly comparable with the appeal property. In relation to 34 Woodlands the property was 14m² larger than the appeal property and at the time of the sale in 1999 it had been refurbished to the highest standard and so commanded a much higher price.
21. The panel understood that when valuing a property for council tax purposes there was an irrefutable assumption that the property is in a 'reasonable state of repair'. This meant the actual state of the property would not be taken into account when banding a property. This assumption is at regulation 6(2)(e) of the Council Tax (Situation and Valuation of Dwellings) Regulations 1992. The panel therefore put little weight on this argument.
22. In connection with 16 Woodlands the appellant's daughter explained that the property was in a very poor condition and required modernisation which included a change to the layout and a new staircase. This work had now been carried out by the present owners. Ms Pearson confirmed that there was an improvement indicator on the address to review the band once a sale had taken place.
23. The panel determined that the LO could not review the band of a property after improvement works have been carried out until after a relevant transaction had taken place. This meant that the property would have a review of its band once a sale had taken place.
24. Ms Pearson submitted that Preston Towers had been built pre 1900 and there had, in her opinion, been no significant increase in its size since council tax began on 1 April 1993. The changes outlined in the planning permission for the property were mainly internal and would not therefore be band significant.
25. Ms Pearson drew the panel's attention to the following sales evidence of detached houses in the vicinity of the appeal property:

Address	Band	Size	Sale details	Remarks
*17 Woodlands	F	206m ²		4 bedrooms 2 reception rooms 1 bathrooms
26 Woodlands	E	135m ²	£94,000 Oct 1993	3 bedrooms 2 reception rooms 1 bathroom
34 Woodlands	F	220m ²	£140,000, Apr 1999	5 bedrooms 3 reception rooms 1 bathroom

*appeal property

26. Ms Pearson submitted that the comparable properties were in the vicinity of the appeal property. In the case of 26 Woodlands it was 71m² smaller than the appeal property and sold close to the AVD for a price well within the band E range of values. This supported that the significantly larger appeal property would have sold within the band F range of values if sold at the AVD.
27. In connection with 34 Woodlands this property was only 14m² larger than the appeal property and sold when the property market had returned to prices close to those at the AVD within the midrange of band F. This supported the slightly smaller appeal property being in band F. This, Ms Pearson submitted, supported that the appeal property is correctly banded in band F.
28. The panel found no evidence to suggest that there had been any significant changes to affect the value of the appeal property at the date of the proposal. In order to succeed in relation to this appeal the appellant would need to show that the value of the appeal property had reduced enough to place it into a lower council tax band and the panel found that no evidence had been supplied to support this. The appeal was therefore dismissed.

Date: 13 December 2022

Appeal number: VT00008072

Right of appeal

Any party who is aggrieved by the Tribunal's decision has the right of appeal to the High Court on a question of law. Any such appeal should be made within four weeks of the date of this decision notice.