

Statement of Reasons

Relative to an Appeal

By

Elgincroft Ltd

In respect of

Factory, 2 Old Quarry Street, Cumbernauld G68 9NB

This appeal proceeded on the basis of a material change in circumstances; namely, the change of use of the appeal subjects from a factory to a leisure centre which had taken place on 1st April, 2008.

There was no dispute between the parties that this constituted a material change affecting the value of the subjects.

The dispute between the parties concerned the valuation of the appeal subjects. The parties' proposed valuations proceeded on the basis of the comparative method and the Committee accepted that this is the correct method of valuation. The parties agreed and the Committee also accepted that the appeal subjects required to be valued with regard to their actual physical state.

The committee was of the view that the Appellant's approach was flawed. Firstly, the comparisons referred to by the Appellants at 5c Grange Road, Livingston and Unit1/2 Eldon Street, Fort Matilda Industrial Estate, Greenock were not valid comparisons as there were sufficient comparisons within the valuation area. Secondly, they sought to value the appeal subjects by comparison to other subjects solely related to their use and without regard to their location or size. The Appellant's remaining comparison at 60 Hamilton Road although within the same valuation area, differed to the appeal subjects in respect of the nature of the building; it was a converted town hall and not an industrial shed; it was located in a town centre and not in an industrial area and it did not benefit from the same level of parking as the appeal subjects.

The Committee considered that the Assessor's approach was more comprehensive. It was appropriate to attempt to establish the tone of the roll for the subjects with regard to not only the use to which they had been put but also their location and size. At the year 2005 revaluation, the appeal subjects had been valued by the application of a rate of £40 per square metre which rate had been agreed and applied to all subjects within the Westfield Industrial Estate in which the appeal subjects was located. The Appellants had not challenged this valuation. Accordingly, the tone of the roll for its location was £40 per square metre. An analysis of tone levels with regard to the size of subjects within the Westfield Industrial Estate also produced a rate of £40 per square metre relative to subjects of the size of the appeal subjects.

There were eleven other subjects within the valuation area which were in use as leisure centres and which had been valued as such. Five were located in industrial

areas; three were in buildings previously in retail use and three had been converted from public service buildings. An analysis of all eleven demonstrated that of the three which had been purpose built, these were in the nature of industrial sheds and that therefore the inference to be drawn was that the hypothetical tenant would prefer subjects of this nature. The Committee were of the view that the best comparisons to the appeal subjects were those located in industrial areas. These had a range of a rates between £29.83 to £55.46. The Committee accepted that the best comparison of those was the subjects at 52 Wilson Place, East Kilbride. It was clear therefore that from an analysis of available comparisons with regard to size, use and location that a rate of £40 per square metre was the tone of the roll for the appeal subjects.

The committee were of the view that it was appropriate to value the improvements which had been made to the appeal subjects in fitting them out for use as a leisure centre and accepted that the Assessor's approach in this regard was correct.

Accordingly, the Committee upheld the Assessor's proposed net annual value of £147,000 which had been spoken to at the hearing by the Assessor and properly explained by him and dismissed the Appeal.