

Statement of Reasons

Relative to an Appeal

By

Mr George Blackie

In respect of

Shop, 46 High Street, Carluke, ML8 4AS.

The Committee were satisfied that the correct valuation of the Appeal subjects should conform to the terms of Section 6 (8) of the Valuation and Rating (Scotland) Act 1956 to the effect that the net annual value should be "the rent at which lands and heritages might reasonably be expected to let from year to year if no grassum or consideration other than the rent were payable in respect of the lease and if the tenant undertook to pay all rates and to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the lands and heritages in a state to command that rent."

The Appellant's reference to the increase in the net annual value at revaluation and the previous net annual value was felt by the Committee to be irrelevant and accordingly, in considering the appeal the Committee ignored this reference. The process of revaluation involved a completely fresh start and the Assessor is not bound by the levels, methods or schemes of valuation used in this connection with previous Valuation Rolls. See *Armour on Valuation for Rating*, 5th Edition, paragraph 2-06 and the cases referred to therein particularly, *The Assessor for Lanarkshire v McKenzie* 1958 SC 565 and *The Assessor for Edinburgh v Walls* 1973 SLT 50 at page 52. In the view of the Committee, it was not proper for them to have regard to the previous valuation or to the amount of the increase which had taken place at the 2005 revaluation.

The Committee accepted that as the present appeal was against the 2005 revaluation of the Appeal Subjects, the appropriate level of value is the value of the Appeal Subjects as at 1st April, 2003.

The reduced area of the Appeal Subjects as calculated by the Assessor was not challenged by the Appellant, and accordingly, was accepted as correct by the Committee.

The Committee accepted that it was appropriate to value the appeal subjects by reference to the level of rents and agreed values of comparable subjects. Accordingly, in order to support his proposed Zone A rate, the Assessor sought to rely on the rental evidence available in respect of seven comparison properties. These comprised five shops at 74, 70/68, 58, 40 and 17 High Street, Carluke and a restaurant and betting office both at 14 High Street, Carluke. The rentals in respect of the restaurant and betting office were included because the Assessor felt that their location was such that they would be capable of commanding commercial rentals.

The Committee were satisfied that these properties represented valid comparisons to the appeal subjects. They were all located in the vicinity of the appeal subjects being in the same street. Accordingly, the Committee were satisfied that the character and situation of these properties were comparable to that of the appeal subjects.

The Committee were not persuaded by the Appellant's arguments that the comparison properties did not form valid comparisons as the trade carried on from these subjects was different to that carried on from the appeal subjects. The Committee were satisfied that in assessing the value of the appeal subjects, it was not appropriate to have regard to the particular trade operated from the subjects; see Armour on Valuation for Rating, paragraph 19-21. Further, the Committee did not consider that the comparison properties should be rejected because of any difference in their size to that of the appeal subjects. The zoning method of valuation and the application of quantum and inverse quantum in that process took account of such differences. See Armour on Valuation for Rating, paragraph 19-25 and 19-26.

The Committee noted that the Zone A rent rate had been derived from an analysis of the rents passing in respect of the seven comparison properties. 74 High Street, Carlisle had a Zone A rent rate of £193 in respect of a rent struck in December, 2004. 70/68 High Street, Carlisle had a Zone A rent rate of £170 in respect of a rent struck in October, 2003. 58 High Street, Carlisle had a Zone A rent rate of £178 in respect of a rent struck in April, 2003. 40 High Street, Carlisle had a Zone A rent rate of £98 in respect of a rent struck in January, 2003. 17 High Street, Carlisle had a Zone A rent rate of £164 in respect of a rent struck in November, 2003. The restaurant at 14 High Street, Carlisle had a Zone A rent rate of £180 in respect of a rent struck in March, 2002 and the betting office at 14 High Street, Carlisle had a Zone A rent rate of £168 in respect of a rent struck in January, 2003. Accordingly, in considering this basket of rents, the Committee felt that the Assessor's proposed Zone A rate of £165 per square metre was justified.

The Assessor's Zone A rate of £165 was also supported by the fact that appeals lodged in respect of subjects at 9, unit 1/14, 17, 19, 30/36, 31A, 33, 42, 45, 47, 51, 61, 62, 64/66, 70 and 76 High Street, Carlisle had been withdrawn and agreed at that rate by agents acting on behalf of the Appellants in respect of those subjects. There was accordingly a degree of acquiescence in the Assessor's proposed rate.

Accordingly, the Committee upheld the proposed valuation of the Assessor spoken to at the hearing and which had been properly explained to the Committee and dismissed the Appeal.