

Statement of Reasons

Relative to an Appeal

By

Mr Nadim Arshed

In respect of

Shop, 137 Maxwellton Avenue, East Kilbride.

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 three comparison properties. These comprised three shops at 133, 135 and 139 Maxwellton Avenue, East Kilbride.

The Committee were satisfied that these properties represented valid comparisons to the appeal subjects. They were immediately adjacent to the appeal subjects and the properties at 135 and 139 were adjoining the appeal subjects. Accordingly, the

Committee were satisfied that the character and situation of these properties were identical 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.

The Committee noted that the Zone A rent rate had been derived from an analysis of the rents passing in respect of the appeal subjects and the three comparison properties. The rent in respect of the appeal subjects was struck in February, 2001 and was a stepped rent increasing in each year for a period of five years. An analysis of the devalued rent over the full term of the lease produced a Zone A rent rate of £102. There had been two passing rentals struck in respect of the property at 133 Maxwellton Avenue, East Kilbride in the period prior to revaluation; one in March, 2003 and one in April, 2004. An analysis of these rentals had produced Zone A rent rates of £88 and £189 respectively. Similarly, there were two passing rentals in struck in respect of the property at 135 Maxwellton Avenue, East Kilbride; one in May, 2002 and one in May, 2005. An analysis of these produced Zone A rent rates of £95 and £110 respectively. The passing rent in respect of 139 Maxwellton Avenue, East Kilbride had been struck in February, 2003 and produced a Zone A rent rate of £108. The Committee accepted the Assessor's view that the rents in respect of 133 Maxwellton Avenue, East Kilbride were anomalous and did not reflect general pattern of rents. Accordingly, in considering the basket of rents, the Committee felt that the Assessor's proposed Zone A rate of £100 per square metre was justified.

Having considered the whole matter, the Committee were satisfied that the Assessor had valued the appeal subjects properly and had explained his valuation satisfactorily to the Committee. They affirmed the valuation of £4,300 being the valuation contended for by the Assessor at the hearing.