

Status: Point in time view as at 01/01/2006.

Changes to legislation: Rates (Northern Ireland) Order 1977, PART I is up to date with all changes known to be in force on or before 29 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 12

BASIS OF VALUATION

PART I

GENERAL RULE

1. Subject to the provisions of this Schedule, for the purposes of this Order the net annual value of a hereditament shall be the rent for which, one year with another, the hereditament might, in its actual state, be reasonably expected to let from year to year, the probable average annual cost of repairs, insurance and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes or public charges (if any), being paid by the tenant.

2.—(1) Subject to sub-paragraph (2), in estimating the net annual value of a hereditament for the purposes of any revision of the valuation list, regard shall be had to the net annual values in the valuation list of comparable hereditaments which are in the same state and circumstances as the hereditament whose net annual value is being revised.

(2) Sub-paragraph (1) shall not apply to any hereditament for whose valuation special provision is made by or under Part IV or any of the succeeding Parts of this Schedule, or to any hereditament whose net annual value falls to be ascertained by reference to the profits of the undertaking or business carried on therein.

3.—(1) In estimating the net annual value of a hereditament, regard may be had to—

- (a) the capital value of that hereditament; and
- (b) the capital values of other hereditaments of the same general character for which rents are known or have been estimated for the purposes of paragraph 1.

(2) In this paragraph “capital value” in relation to a hereditament means the price which a willing seller would reasonably expect to realise for the fee simple absolute in possession in the hereditament, in its actual state and with vacant possession, at the time by reference to which the estimate of net annual value falls to be made, on the assumption that there was then an adequate supply of similar properties available to meet a reasonable demand.

[^{F1}3A.—(1) In estimating the net annual value of a relevant hereditament during a deemed completion period, the actual state of the hereditament shall be taken to be a state of reasonable repair excluding any repairs which a reasonable landlord would consider uneconomic.

(2) In this paragraph—

“building” has the same meaning as in Article 25B;

“deemed completion period” means the period—

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- (a) beginning with the day on which the building is deemed to be completed by virtue of paragraph (2) of that Article; and
 - (b) ending on the day on which the building becomes capable of rateable occupation;
- “relevant hereditament” means a hereditament which comprises a building which is deemed to be completed by virtue of that paragraph.]

F1 2004 NI 4

4. Where the net annual value of a hereditament is fixed, wholly or partly, having regard to the volume of trade carried on at the hereditament or the quantity of minerals or other substances extracted from it, the volume or quantity to be taken into account for the purposes of a valuation shall be the probable volume or quantity for the first year with respect to which that valuation will be in force.

[^{F2}5. Regulations may provide that in applying paragraphs 1 to 4 in relation to a hereditament of a prescribed description, prescribed assumptions (as to the hereditament or otherwise) are to be made.]

F2 1996 NI 25

6. Regulations may—
- (a) provide that in arriving at a net annual value under paragraph 1 prescribed principles are to be applied; and
 - (b) make provision for the preservation of such principles, privileges and provisions for the making of valuations on exceptional principles as apply for the purposes of this Order.

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