

NON DOMESTIC REVALUATION 2003

CLASS 241

**MARKETS
(OTHER THAN LIVESTOCK MARKETS)**

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1.0 DESCRIPTION

- 1.1 This sub class covers all markets held on private or publicly owned land which does not constitute the public highway, thoroughfare or footpath.
- 1.2 Such markets differ widely in character and mode of operation and it is extremely difficult to categorise them in a distinct way. However they will exhibit one or more of the following characteristics:
- most will operate on one or perhaps two days per week.
 - trading will be confined to a definable area of land (which may include buildings) which constitutes the hereditament.
 - stallholders may erect their own stalls on any available pitch or use pre-erected stalls or more permanent kiosk type shops or a mixture of these within the same market, or operate from trading vehicles.
 - the market may be open air, covered or partially covered.
 - a "rent" charge (stallage) or licence fee is paid to the market operator for the right to trade on the day in question though more formal payment arrangements may exist where more permanent trading facilities are in use - and where the question of separate assessments can arise. The market operator may be a tenant or an owner/occupier. Some will be pr
 - Council operated.
 - the market may attract stallholders who "do the rounds" of the local markets or may have a regular "clientele" of traders particularly in the case of specialised markets.
 - Markets may be retail or wholesale.
- 1.3 What are commonly known as "street markets" are excluded from consideration here. They do not fall within this class and arise as the result of the exercise of "market rights" in market towns around the Province. In such cases the market rights constitute the rateable hereditament and the treatment of these is dealt with under Rights and Tolls. See separate Practice Note.

2.0 DISTRICT RESPONSIBILITIES

- 2.1 Inspection and survey updating is the responsibility of each District as is the issue and processing of Forms of Return.

3.0 BASIS OF VALUATION

3.1 4th Revaluation Basis

The method adopted for 4th Revaluation is basically a comparative one where markets were valued by reference to prevailing rental levels for similar land and buildings. In the case of land a price per m² was applied to the site area based on local commercial land rental values. As regards covered markets with permanent buildings included within the site separate prices per m² should be applied to the buildings and to the remaining site area available for stalls. The adopted prices are to be derived from the analysis of local rental evidence for similar sites/buildings. In addition allowances were made to reflect the various advantages inherent in the subject hereditament.

Where markets were found to be held under lease the circumstances of the letting were examined to determine if the rent passing could be adjusted to the N.A.V.

It was identified that each market, its site and trading patterns are unique and it needs to be treated on its own circumstances etc.

3.2 Historical Background

The NI Lands Tribunal when considering the Nutts Corner market (VR/64/1977) fixed its Net Annual Value by reference to the rental value of similar adjacent land in alternative use adjusting for characteristics of the subject land which favoured its use for a market. It is worth noting that in its judgement the Tribunal stated "it is necessary to say that no assistance was derived from the evidence regarding rentals, assessments, tolls or stall fees for other markets some of which were purpose built or covered and most were local authority markets in town centre's. The state and circumstances of these markets was too different to allow any useful comparison to be made". The "profits method" was rejected by the Tribunal in favour of evidence of actual lettings of other (airport) land.

3.3 Basis To Be Adopted For Revaluation

There are many difficulties in assessing these types of market for rating purposes. In addition to the fact that few are rented, a considerable number of them are run by either private owner/occupiers or local District Councils. So the usefulness of available accounts is questionable because of, on the one hand, the "cash" nature of the business and on the other the "public service" element to the District Council operations where the degree of commerciality may be in doubt. The diverse nature of property comprised in these hereditaments - in terms of size, layout, facilities, and more importantly the locational factor strongly suggests that there is no clearly defined homogeneous market for properties for use as markets. Therefore, while the rental approach is to be preferred for

Revaluation it will not be possible to prepare a rental base from which all un-let markets can be assessed (in the same way as offices, shops etc.). Rather each individual unlet market should be valued by reference to valuation evidence relating to similar property in the neighbourhood which may be used for other purposes but which might also be suitable for use as a market.

Such an approach recognise's the fact that the market operator is normally just one of several competing users likely to be in competition for any given property for a variety of commercial uses.

In the majority of cases the liability for rates will fall upon the market operator as opposed to the individual trader/stallholder. However where an individual stallholder/trader occupying a more permanent type of structure within the market confines is considered to be in 'paramount control' of his unit an individual assessment may be appropriate.

Any markets which are leased should of course be examined to establish if the current rental can be adjusted directly to N.A.V. having firstly established that it was an arms length transaction.

4..0 FORMS OF RETURN

- 4.1 Forms of Return (FOR) will be issued to all privately operated markets. District Council's will be expected to provide all relevant information direct to the valuer concerned.
- 4.2 The FOR's will request information relating to the operators tenure where the market is leased. Information regarding the average number of weekly stallholders per various grades of stall/space and the rentals charged to stallholders. The collection of such information will facilitate establishment and maintenance of List "tone".
- 4.3 Each District will be responsible for issuing and receiving FORs.

A specimen FOR for this sub-class of market is shown in Appendix I.

5.0 VALUATION APPROACH

5.1 Unlet Markets

- 5.1.1 In most cases markets will be valued by reference to prevailing rental levels for similar land and buildings in the neighbourhood.
- 5.1.2 In the case of an open market a price per m² should be applied to the site area of the market based on local commercial land rental values.
- 5.1.3 In the case of covered markets or open markets with permanent buildings included within the site separate prices per m² should be applied to the buildings and to the remaining site area available for stalls. Again the prices are to be derived from the analysis of locally prevailing rental evidence for similar sites/buildings.

Appropriate allowances will be made to reflect the various advantages/ disadvantages inherent in the subject hereditament.

5.2 **Let Markets**

- 5.2.1 If any markets are found to be held under lease the circumstances of the letting must be examined carefully to determine if they can be adjusted to N.A.V.

Particular care needs to be exercised where the landlord is a District Council.

Where the actual rent is considered unsuitable as a basis for valuing a market rental recourse may be had to the guidelines stated in 8.1.

- 5.2.2 It is clear from all of the above that each case needs its own investigation.

APPENDIX 1

Please supply the following information:

1.	a.	Name of Market Operators
	b.
	c.	Name of Occupier
	d.
		Daytime Telephone Number
		I/We are Landlord(s)/Tenant(s) (Delete either)

Whether you are a Tenant or Landlord of the market premises please state:

2.	a.	Commencement Date of Lease
	b.	Length of Lease (eg 3, 10, 20 years)
	c.	Rent Review every Years (eg 3, 5, 7 years)
	d.	Current Rent Payable £.....
	e.	Per
	f.	From when Date of last rent review.
	g.	Name and address of your Landlord/Tenant (delete either)

	Does the rent includes rates? Yes/No
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Continued on reverse

Complete the following table regarding all types, sizes and charges in the market:

3. Type	No	Average Size Eg 15' x 9'	Daily Charge
Outdoor Pitches			
Indoor or Covered			
Outdoor Fixed Stalls			
Indoor Fixed Stalls			
Outdoor or Covered Vehicular Pitches			
Others			

4. Are any Pitches/Stalls/Buildings within the market let on a more permanent basis?	Yes/No
If yes, how many?
On what basis? (yearly, quarterly - on lease/license)

5. Additional information which you want to give.

I confirm that to the best of my knowledge the above information is correct.

Signature:

Date:

Telephone Number if different form 1c above