

**LANDS TRIBUNAL FOR NORTHERN IRELAND**  
**LANDS TRIBUNAL AND COMPENSATION ACT (NORTHERN IRELAND) 1964**  
**BUSINESS TENANCIES (NORTHERN IRELAND) ORDER 1996**

**IN THE MATTER OF AN APPLICATION**

**BT/27/2014**

**BETWEEN**

**NI TRUCKS LIMITED – APPLICANT**

**AND**

**ROADSIDE MOTORS LIMITED DIRECTORS PENSION SCHEME – RESPONDENT**

**Re: 6 Carn Court Road, Portadown**

**Lands Tribunal – Henry Spence MRICS Dip Rating IRRV (Hons)**

**Background**

1. The property at 6 Carn Court Road (“the reference property”) comprises a vehicle repair workshop, warehouse and trade counter with a first floor store/kitchen. The building is of steel portal frame construction with block walls and upvc coated metal cladding to the upper walls and roof. The workshop to the left hand side of the property has four roller shutter doors, each 4.0 metres wide by 4.75 metres high. The trade counter warehouse has its own roller shutter door. The building is set back to the rear of the site and there is a substantial concrete surfaced hardstanding to the front. The property is secured with a post and chain link wire fence and to the front there is a planted landscape area with grass verge. Prior to hearing the parties had agreed the following gross internal areas for the buildings:

<b>Ref</b>	<b>Use</b>	<b>Area sq ft</b>	<b>Area sq m</b>
A1	Workshop/Stores	6,606	613.72
A2	Lean to Plant Room	352	32.70
A3	1F Offices/Kitchen (Net)	380	35.30
<b>Total</b>		<b>7,338 sq ft</b>	<b>681.72 sq m</b>

2. The reference property is located on the Carn Court Road in Portadown close to the Carn Road and Carn/Seagoe junction of the M12 motorway which connects Portadown and Craigavon to the M1 motorway. Carn Court Road is a commercial road which leads north from Carn Road. Other occupiers within the immediate vicinity include a variety of car showrooms which overlook the M12 motorway.
3. NI Trucks Limited (“the applicant”) occupy the reference property under the terms of an original lease dated 31<sup>st</sup> December 1996 made between Cecil Haffey & Son Limited and Dencourt Trucks Limited. The building was constructed in 1996 to the original parties specification.
4. Dencourt Trucks Limited assigned the lease to Lisdoon Haulage Limited (which subsequently changed its name to NI Trucks Limited) in an assignment dated 31<sup>st</sup> March 2004. The lease demised the premises for an original term of 10 years from 1<sup>st</sup> January 1997. The initial rent was £26,000 per annum which was increased to £30,000 per annum at rent review on 1<sup>st</sup> January 2002. The rent was further increased to £40,750 on subsequent review on 1<sup>st</sup> November 2007 and this remains the current rent passing.
5. Prior to hearing the parties had agreed the principal terms of the new lease:

<b>Term:</b>	5 years
<b>Lease Commencement:</b>	1 <sup>st</sup> September 2013
<b>Demise:</b>	The existing entire premises
<b>Other terms:</b>	Similar to existing terms subject to final drafting

6. The rent payable under the terms of the proposed new lease had not been agreed and this was the issue to be decided by the Tribunal.

## Procedural Matters

7. Mr Richard Coghlin BL instructed by Johns Elliot, solicitors represented the applicant. Mr Andrew Brown BL instructed by MacCorkell, solicitors represented the respondent. The Tribunal also received expert opinion evidence from Mr Gareth Johnston on behalf of the applicant and Mr Thomas Magee on behalf of the respondent. Mr Johnston and Mr Magee are experienced chartered surveyors and the Tribunal is grateful to them for their agreed report on facts and detailed expert reports.

## Position of the Parties

8. Mr Johnston considered the current rental value of the reference property to be £24,000 per annum made up as follows:

Ref	Use	Area sq ft	Rate £ psf	Rent £ pa
A1	Workshop/Stores	6,606	£3.00	£19,818
A2	Lean to Plant Room	352	-	-
A3	1F Offices/Kitchen (Net)	380	£3.00	£1,140
A4	Additional Yard (0.24 acre)	10,454	£0.30	<u>£3,136</u>
<b>Total</b>				<b>£24,094</b>
				<b>Say £24,000 pa</b>

9. Mr Magee had assessed the rent:

Building area	7,338 sq ft @ £4.11 per sq ft	£30,159
Surplus site area	15,333 sq ft @ £0.49 per sq ft	<u>£7,513</u>
	Total	£37,672
End allowance to reflect specification and convenience of one site at 7.5%		<u>£2,825</u>
<b>Open market rental value</b>		<b>£40,497</b>
		<b>Say £40,750</b>

10. Immediately prior to hearing, however, the parties agreed:

- i. The rental value of the additional yard area
- ii. The rental value of the “lean to”
- iii. The devaluation of the comparable at 8 Carn Court Road.

11. Based on this agreement both parties submitted revised rental assessments post hearing.

Mr Johnston:

Ref	Use	Area sq ft	Rate £ psf	Rent £ pa
A1	Workshop/Stores	6,606	£3.00	£19,818
A2	“Lean to” Plant Room	352	£1.75	£616
A3	1F Offices/Kitchen	380	£3.00	£1,140
A4	Additional Yard (0.295 acre)	12,850	£0.35	<u>£4,497</u>
<b>Total</b>				<b>£26,071</b>
				<b>Say £26,070 pa</b>

Mr Magee:

Description	Area sq ft	Rate £ psf	Rent £ pa
Workshop/Stores	6,606	£4.11	£27,150
“Lean to” Plant Room	352	£1.75	£616
1 <sup>st</sup> Floor Offices/Kitchen	380	£4.11	£1,561
Additional Yard (0.295 acre)	12,850	£0.35	<u>£4,497</u>
			<b>£33,824</b>
End allowance of 7.5%			<u>£2,536</u>
<b>Open market rental value</b>			<b>£36,360 pa</b>

**Statute**

12. Article 18 of the Business Tenancies (Northern Ireland) Order 1996 gives the Lands Tribunal the statutory authority to assess the rent under the new tenancy:

**“Rent under new tenancy**

18.—(1) The rent payable under a new tenancy granted in pursuance of an order of the Lands Tribunal shall be such as may be agreed between the landlord and the tenant.

(2) In the absence of agreement the rent shall be such as may be determined by the Lands Tribunal to be that at which, having regard to the terms of the tenancy (other than those relating to rent), the holding might reasonably be expected to be let in the open market by a willing lessor, there being disregarded—

(a) any effect on rent of the fact that the tenant has or his predecessors in title have been in occupation of the holding;

(b) any goodwill attached to the holding by reason of the carrying on thereof of the business of the tenant (whether by him or by a predecessor of his in that business);

(c) any effect on rent of any improvement—

(i) carried out by the tenant or a predecessor in title of his; or

(ii) where the tenant or a predecessor in title of his has remained in occupation of the holding during two or more tenancies, carried out by him or that predecessor in title during a tenancy other than the current tenancy;

other than in pursuance of an obligation to the immediate landlord;

...”

**Discussion**

13. As part of their agreed report on facts the experts had submitted a schedule comprising some twenty comparable properties. It was the interpretation and relevance of this comparable evidence which the experts disagreed on and this was the subject of considerable debate during the hearing.

**Schedule of Comparables**

14. For convenience the Tribunal has adopted the schedule as set out and agreed by the experts but omits any information which the Tribunal feels is irrelevant. Comparables 2, 3, 10 and 14 had been submitted in relation to the pricing of the surplus yard. This was agreed, however, prior to hearing and these comparables have been omitted.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
1	3 Carn Court Road, Portadown	N/A	Sale price £600,000	7,049 sq ft built area. Site area 1.39 acres	Sold – 1 Apr 2015 Was subject to bidding interest by two parties. Purchased by adjoining occupier

Mr Johnston did not consider this sales evidence helpful in determining the rental value of the reference property. Mr Magee corrected the report on facts and advised the Tribunal that this was in fact a sale for £570,000 completed on 1<sup>st</sup> April 2015. As a capital transaction some 19 months after the subject valuation date he also considered the comparable to be of limited relevance.

The Tribunal agrees with both experts and considers this comparable to be of no assistance in determining the rental value of the reference property.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
4	Unit 1, 6 Falcon Road, Boucher Road, Belfast	10 yrs from 1 <sup>st</sup> Dec 2014	Y1 £15,625 pa Y2 £24,472 pa	GIA 5,242 @ £4.38 = £22,960 Mezz 665 @ £2 = £1,330 Total - £24,300 Site 0.319 acres	Modern trade counter property. Break option for tenant at the end of Yr 5 FRI – let to gym.

Mr Johnston noted that this property was of a similar size to the reference property but conceded that it was in a completely different location. For that reason he considered this evidence to be of limited assistance. Mr Magee considered this comparable demonstrated that the reference property had a generous site area in comparison, but he did not draw any further conclusions.

The Tribunal finds this comparable to be of no assistance for the following reasons:

- i. It was in a completely different location and neither valuer had carried out any analysis as to the relativity between rental values in Boucher and Portadown.

- ii. The property was let to a gym operator and it was of a different character to the reference property.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
5	Unit 8, Enterprise Crescent, Ballinderry Road, Lisburn	5 yrs from 1 <sup>st</sup> Dec 2014	Y1 £20,000 pa Y2 £25,000 pa Y3 £26,000 pa Y4 £27,000 pa Y5 £28,000 pa (Av £25,000 pa)	Analysis was not agreed	

Mr Johnston considered this comparable to be helpful. He carried out his own analysis (which was not agreed) to arrive at a pricing of £2.86 per sq ft on the warehouse, office, showroom and £1 per sq ft on the mezzanine. Mr Magee's opinion was that this comparable had little or no relevance in establishing a rate per sq ft for the reference property, due mainly to its geographical position and lack of prominence to a main road.

The Tribunal agrees with Mr Magee and finds this evidence to be of no assistance as the property was in a completely different location and no evidence was available to the Tribunal in relation to the relativity between rental values of warehouse properties in Lisburn and Portadown.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
6	21A Carn Road, Portadown	10 yrs from Dec 2014	£95,000 pa	WH 28,634 sq ft Office 2,855 sq ft Site 2.16 acres	Previous rent £110,000 pa

Mr Johnston noted that the rental devalued to £3.01 per sq ft and considered that this evidence "carried some weight" but conceded that as it was four times larger than the reference property it could not be a direct comparable. Mr Magee considered this comparable to be of no relevance as it was considerably larger and lay outside the Carn Court area.

Due to its size in relation to the reference property the Tribunal finds this comparable to be of limited assistance but notes the overall pricing of £3.01 per sq ft for a significantly larger property.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
7	38 Mallusk Road, Mallusk	5 yrs from Nov 2014	£40,000 pa	7,497 sq ft @ £3.50 per sq ft Sales yard 0.57 acres @ £0.58 psf	Self-contained site of 1.07 acres. 89m frontage to Mallusk Road. Tenant installed 3 roller shutter doors plus site lighting and other fit out.

Mr Johnston considered this comparable to be helpful as it was of a similar size and use to the reference property but he conceded that there was a material difference in location. Mr Magee noted the similarities with regard to the reference property but he carried out his own analysis to reflect the tenants improvements to give a pricing of £6.24 per sq ft and he considered that this comparable fully supported his valuation of the reference property.

The Tribunal notes the similarities between this comparable and the reference property but considers it to be of very limited assistance:

- i. Mr Johnston considered Mallusk to be a better warehouse location than Portadown. Mr Magee considered the locations to be similar but neither valuer explained in any detail how this Mallusk comparable, located some distance from the reference property, could be adjusted to arrive at a rental value for the reference property.
- ii. The analysis of the rental value of the comparable was disputed, Mr Johnston suggesting a price per sq ft of £3.50, whilst Mr Magee had devalued at £6.14 per sq ft.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
8	Unit 3, Carn	10 yrs	£17,090 pa	8,545 sq ft @	Part older building



Industrial Estate, Portadown	from 6 Oct 2014	£2.00 = £17,090 pa Site area 0.452 acres	Lower headroom. Tenant obliged to carry out improvement works.
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Mr Johnston considered this comparable to be relevant as the letting was for a warehouse in the proximity of the reference property. He considered it similar in terms of size and location but conceded that the quality of this comparable was inferior. Mr Magee also considered this comparable to be of inferior quality and noted that the site area was smaller, resulting in no turning space for commercial vehicles. He also considered that the unknown cost of tenant repairs cast doubt over the rental analysis. In all the circumstances he considered this comparable to be of no assistance.

The Tribunal generally agrees with Mr Magee and finds this comparable to be of limited assistance but notes the pricing of around £2.00 per sq ft for this inferior property.

Ref	Address	Term	Rent £ pa	Headline rent Analysis £psf	Comments
9	50 Silverwood Road, Lurgan	10 yrs from Sept 2014	£52,500 pa	Site area 1.55 acres Warehouse and offices devalue @ £2.68 per sq ft	Asking rent had been £70,000 pa.

Mr Johnston noted that this modern building was three times larger than the reference property but whilst he considered it not to be a direct comparable, in his opinion it provided helpful sector market information. Mr Magee considered this comparable to be of no assistance due to its location and the layout of the premises.

The Tribunal agrees with Mr Magee and finds this comparable to be of no assistance as there is no evidence available to the Tribunal as to the rental relativity between the Lurgan and Portadown locations.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>11</b>	Site 6 Carn Industrial Estate, Portadown	9 mths from 25 Nov 2013	£8,100 pa	3,387 sq ft @ £2.39 psf Site area 0.26 acres	Older building, single skin roof. Min headroom 12 ft.

Mr Johnston considered this comparable to be helpful as it was in close proximity to the reference property but noted the differences in quality and rental term. He expected the reference property to be worth more as it was better quality. Mr Magee considered this comparable to be of no assistance due to its inferior specification and location.

The Tribunal generally agrees with Mr Johnston and notes the pricing of £2.39 per sq ft for an inferior property.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>12</b>	Units 2 & 3 Pennybridge Business Park, Ballymena	10 yrs from 12 Nov 2013	£40,000 pa	10,050 sq ft @ £4.02 psf Shared site	Initial rent free of 6 months plus £7,000 as dividing wall was not required. Tenant Break Option at 5 years 6 months rent free if not exercised.

Mr Johnston considered this comparable to be of little assistance due to its distance from the subject location.

Mr Magee was not overly concerned at the rate per sq ft on this comparable in relation to the reference property, rather he had inserted this evidence to demonstrate what he considered to be the relationship between length of term and rent free period. In his opinion this comparable demonstrated that a ten year lease would command an additional six months' rent free in favour of the tenant.

The Tribunal notes Mr Magee's assertion but finds this comparable to be of no direct assistance as there was no evidence as to the relativity between warehouse rental levels in Ballymena and Portadown.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>13</b>	10 Falcon Way Adelaide Industrial Estate, Boucher Road, Belfast	10 yrs from 1 Sept 2013	Y1 £15,000 pa Y2 £30,000 pa (Av £27,000 pa)	GF 10,646 sq ft @ £2.15 IF 1897 sq ft @ £2.15 Site area 0.61 acres	Break option for tenant at the end of year 5. 6 months free reflected in Yr 1 Customer and staff parking. rent free if not Private hospital.

In Mr Johnston's opinion this comparable was relevant as it was the only transaction that coincided with the effective and relevant renewal date of the reference property and it was therefore a barometer of the market at that time. As a modern property in Boucher Road he considered it to be worth more than the reference property. Mr Magee agreed that the comparable shared the same valuation date as the reference property but in other respects he considered there was little similarity. He also noted that it was a larger building on a smaller site and in a very different location. He also directed the Tribunal to comparable 4 situated nearby but which showed a distinctly higher rate per sq ft.

The Tribunal agrees with Mr Magee and finds this comparable to be of no assistance as it is in a completely different location and there is no rental evidence available as to the relativity between rents in the respective locations.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>15</b>	Unit 1 Pennybridge Business Park, Ballymena	10 yrs from 1 Jan 2013	£36,000 pa (discounted by 50% for first 2 years)	9,000 sq ft @ £4.00 psf Shared site	Open plan finish.

Mr Johnston found this comparable to be of no assistance due to its distance from the reference property. Mr Magee considered this comparable to be useful in establishing a relationship between length of term and rent free period but drew no other conclusions.

The Tribunal finds this comparable to be of no direct assistance due to the fact that there was no evidence available as to the rental relationship between the respective locations.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>16</b>	8 Carn Court Road, Portadown	10 yrs from 1 Nov 2012	£27,500 pa (discounted by 50% for first 2 years)	6,345 sq ft @ £4.33 psf Site 0.58 acres	Min eaves height 12 ft.

Immediately prior to hearing the experts had agreed the rental analysis of this comparable at a pricing of £4.11 per sq ft.

Mr Johnston noted this property was comparable in size and was located adjacent to the reference property. He considered, however, there were material physical differences with the reference property, which was in character a warehouse on one side and a workshop on the other side, and the comparable property which was a showroom with warehouse behind. Mr Johnston also noted that the property was not openly marketed and he did not consider it to be a typical letting. He provided the Tribunal with some detail as to the background of the letting which he considered relevant. In his opinion the occupier was “likely” to have paid more than the typical tenant to secure the letting. Mr Magee considered this to be his favoured comparable as it was located adjacent to the reference property and was similar in size. The letting occurred some 10 months prior to the valuation date but he did not consider that this diluted the weight that it carried. He advised the Tribunal that he was directly involved in negotiating the letting.

The Tribunal agrees with Mr Magee and considers this comparable to be the most relevant in assessing the rental value of the reference property, due to its similar size and proximity.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>17</b>	8 Carn Industrial Estate, Portadown	5 yrs from 1 Oct 2012	Y1 £14,000 pa Y2 £17,500 pa (Av £16,800 pa)	6,136 sq ft @ £2.73 psf Site 0.276 acres	Stepped rent 3 mths rent free

Mr Johnston noted that this property was similar in size to the reference property and he considered it to be of similar quality. He did concede that it occupied a smaller site and it was in a less prominent location but otherwise he considered the comparable to be of some relevance. Mr Magee considered this comparable to be of no assistance due to its inferior location and restricted site area.

The Tribunal agrees with Mr Johnston and finds this comparable to be of relevance due to its size, specification and proximity to the reference property.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>18</b>	6 Carn Court Road, Portadown (subject premises)	N/A	Sale price £450,000	7,338 sq ft Site 1.022 acres Let at £40,750 Effectively no fixed term	Sold 31 Jan 2011

This transaction related to the sale of the reference property to the current landlord and Mr Johnston did not consider it to be of relevance in assessing rental value. Mr Magee also did not consider this to be useful in assessing the rental value of the reference property.

The Tribunal finds this evidence to be of no assistance.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
<b>19</b>	Unit 1, 2 Diviny Drive, Carn, Portadown	25 yrs from 1 May 2004	£68,000 pa	13,315 sq ft @ £5.11 psf Site area N/A	Tenant paid £254,061 at start of lease being agreed costs of extras to make

suitable for use as  
lorry workshop

Mr Johnston did not consider this letting to be of relevance as the date of letting was some 9 years prior to the valuation date. Mr Magee considered that this comparable demonstrated the extras required to convert a standard warehouse and offices to a lorry workshop facility should be taken into account when valuing the reference property.

The Tribunal notes Mr Magee's comments but agrees with Mr Johnston and considers this dated comparable to be of no direct assistance.

<b>Ref</b>	<b>Address</b>	<b>Term</b>	<b>Rent £ pa</b>	<b>Headline rent Analysis £psf</b>	<b>Comments</b>
20	21A Carn Road, Portadown	N/A	Sold £650,000 Nov 2013	31,849 sq ft office and warehouse	

Mr Magee had inserted this comparable. He drew no direct conclusions from it other than to compare the sales transactions with the sales transactions relating to comparables 1 and 18.

Mr Johnston considered this evidence to be of no assistance in assessing the rental value of the reference property, nor does the Tribunal.

15. In conclusion the Tribunal finds that comparable 16 (8 Carn Court Road) and comparable 17 (8 Carn Industrial Estate) provide the most relevant evidence with regard to assessing the open market rental value of the reference property.

#### **Comparable 16, 8 Carn Court Road**

16. Mr Johnston considered it was "likely" that the current tenant of 8 Carn Court Road had paid more than the open market rent to secure the letting as it had a particular special interest in acquiring the property in late 2012. This issue was the subject of much debate between the experts. Mr Johnston had submitted evidence to the Tribunal which he considered demonstrated his assertion that the current tenant had a special interest in acquiring the property but the Tribunal finds this evidence to be speculative rather than fact based. Mr Magee advised the Tribunal that he had been directly involved in negotiating the letting. He

confirmed that the tenant had been professionally represented and he considered the agreed rent to be the open market rental value of the property. In his opinion that there was nothing in the negotiations that lead him to believe the tenant had paid more than the open market rent. In light of Mr Magee's firsthand knowledge of the transaction and the lack of factual evidence to the contrary, the Tribunal considers that the rent of £4.11 per sq ft reflects the open market rental value of 8 Carn Court Road.

17. This comparable is of similar size to the reference property and is located adjacent to it. Mr Johnston considered it to be of higher quality and specification as it was a showroom in character while the reference property comprised a warehouse with trade counter. He did not, however, submit any market evidence as to the respective rental differentials between showrooms and warehouses in the locality. Mr Magee did not consider the showroom to be of superior quality and he did not draw any distinction with the reference property. The Tribunal finds the showroom premises to be of a slightly higher quality and despite the lack of market evidence considers that a 10% market differential would be appropriate in the circumstances. This gives a pricing on the reference property of £4.11 less 10% which equates to £3.70 per sq ft.

#### **Comparable 17, 8 Carn Industrial Estate**

18. The experts were agreed that this comparable was of similar size and quality to the reference property. Mr Johnston did, however, concede that it occupied a much smaller site of 0.276 acre and that it was in a less prominent location. Mr Magee also considered the comparable to be in a less prominent location within the same general locality but in his opinion it had a particularly restricted site. Neither expert provided any market evidence as to the differential between the respective locations and Mr Magee provided no market evidence as to the effect of the restricted site. Assessing the reference property at £3.70 per sq ft would give a differential of approximately 35% with this comparable. This seems reasonable reflecting the inferior location and particularly restrictive site of the comparable in relation to the reference property.

19. The Tribunal also notes the rental pricing on comparison 6 (21A Carn Road, Portadown) at £3.01 per sq ft for a property which was four times larger than the reference property. It would be normal practice that a significantly smaller property of a similar quality would let for a higher price per sq ft in the open market. The Tribunal therefore considers that a pricing of £3.70 per sq ft on the reference property would be reasonable in relation to the rental value of this considerably larger comparable at £3.01 per sq ft.

### **End Allowance**

20. In his assessment of the rental value of the reference property Mr Magee considered that a 7.5% end allowance was warranted to reflect the large site and built specification of the reference property. Mr Johnston did not consider that an uplift was warranted. In his opinion the rate per sq ft applied to the additional site was the uplift and there was no justification for a second uplift. Mr Magee advised the Tribunal that the end allowance was “the most subjective part” of his valuation and he did not submit any market evidence to substantiate the uplift.

The Tribunal agrees with Mr Johnston, there was no evidential basis for the 7.5% end allowance as proposed by Mr Magee.

### **Conclusion**

21. In conclusion the Tribunal assesses the rental value of the reference property:

<b>Ref</b>	<b>Use</b>	<b>Area sq ft</b>	<b>Rate £ psf</b>	<b>Rent £ pa</b>
A1	Workshop/Stores	6,606	£3.70	£24,442
A2	“Lean to”	352	£1.75	£616
A3	1F Offices/Kitchen	380	£3.70	£1,406
A4	Additional Yard (0.295 acre)	12,850	£0.35	<u>£4,497</u>
<b>Total</b>				<b>£30,961</b>

**Say £31,000 pa**



The Tribunal therefore determines the rent in accordance with Article 18 of the Order at £31,000 pa. This rent is to be effective from the commencement date of the new lease, 1<sup>st</sup> September 2013, as agreed by the parties.

**ORDERS ACCORDINGLY**

**5<sup>th</sup> August 2015**

**Henry M Spence MRICS Dip.Rating IRRV (Hons)  
Lands Tribunal for Northern Ireland**

**Appearances:**

**Applicant/Tenant – Mr Richard Coghlin BL instructed by Johns Elliot, solicitors.**

**Respondent/Landlord – Mr Andrew Brown BL instructed by MacCorkell, solicitors**