

Appeal No. VA01/2/037

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Michael Guiney

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Map Reference 36, 36ab & 37 Oliver Plunkett Street, Ward: Centre A, UD:
Centre East, County Borough of Cork

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairman

John Kerr - MIAVI

Member

Maurice Ahern - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 28TH DAY OF MARCH, 2002

By Notice of Appeal dated the 9th day of August 2001, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £600 (€761.84) on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; "In our opinion the current rateable valuation assessment is excessive and inequitable having regard to the provisions of the Valuation Acts and on other grounds also".

1. This appeal came before the Tribunal by way of an oral hearing held in the District Court premises, Cork on the 9th of November 2001. At the hearing the appellant was represented by Mr. Edward Hanafin ASCS MRICS of Lisney. The respondent was represented by Mr. Frank Twomey a district valuer in the Valuation Office.
2. In accordance with the rules of the Tribunal the valuers exchanged and forwarded a written précis and valuation to the Tribunal before the hearing which they adopted as being their evidence in chief given under oath at the oral hearing.
3. The property which is the subject of this appeal is a part three storey part two storey department store which is somewhat dated both in appearance and fit out. All floors are in retail use with some stock storage at first floor level.
4. The premises are situated on the south side of Oliver Plunkett Street in that section between Morgan Street and Cook Street. The primary access to the property is from Oliver Plunkett Street with a service access on Morgan Street.
5. Oliver Plunkett Street is within the primary retail and commercial area of Cork and the Penneys Store is situated on the opposite side of the street and the GPO is nearby.
6. The accommodation is agreed and is as follows:

Ground Floor	SQ.M.
Retail Use	550
Cash Office	7
First Floor	
Retail Use	545.3
Store and Office	37.8
Second Floor	
Retail Use	145.4
Total Net Floor Area	1290.5

The Zoning of the ground floor area is agreed as being

Zone A	114.6m ²
Zone B	114.6m ²

Zone C	114.6m ²
Remainder	211.2m ²
Frontage to Oliver Plunkett Street	18.8m

7. The property is held under lease on a full repairing and insuring basis for a term of 99 years from the 17th January 1968. The lease provides for upward only rent reviews at 14 yearly intervals and the current rent agreed in 1996 is £72,250 per annum.
8. The property was listed for revision by the appellant on the basis that the existing rateable valuation of £600 fixed in 1969 was excessive. No change was made at either revision or first appeal stage and it is against this latter decision that the appeal to this Tribunal lies.
9. At the hearing Mr. Hanafin contended for a rateable valuation of £375 (~~€476~~) calculated as set out below.

Floor	Description	Zone	Sq.m	£psm	Total
Ground	Retail	A	114.6	162.80	£18,657
		B	114.6	81.40	£9,328
		C	114.6	40.70	£4,664
		Rem	211.2	20.28	£4,283
	Cash Office		7.0	32.28	£226
First	Retail		545.3	32.28	£17,602
	Store/Office		37.8	21.52	£813
Second	Retail		145.4	26.9	<u>£3,911</u>
				Total	£59,484
Rateable Valuation of .63% = £375 (€476)					

In support of his valuation Mr. Hanafin introduced two comparisons one of which is the Penneys store on the opposite side of the street. Details of the comparisons are set out in Appendix 1 attached to this judgement.

10. In evidence Mr. Hanafin highlighted what he considered to be a number of deficiencies in the building which he had taken into account when arriving at his opinion of Net Annual Value.
 - Dated design and fit out

- Awkward shape with numerous columns which interfere with the optimum use of the building
- Split level retail space at first floor level with low ceiling height in places
- Absence of escalator and lifts to upper floors
- The passing rent of £72,250 which if adjusted for inflation from November 1988 to January 1966 is equivalent to £59,500
- The present rateable valuation of £600 is equivalent to an annual rent in excess of £95,000 per annum.
- The Penneys Store on the opposite side of the street is a modern premises with air conditioning, escalators and lifts

11. Under examination Mr. Hanafin did not accept the proposition put to him that he was relying upon the rent passing and disregarding the tone of values in Oliver Plunkett Street. On the contrary he had regard to the tone he said but had made allowances to reflect inherent drawbacks of the building as already referred to. In relation to the Penneys store he had agreed this valuation at first appeal stage but not the analysis as put forward by Mr. Twomey.

12. Mr. Twomey in his evidence contended for a rateable valuation of £600 (€761.84) calculated as set out below.

Ground Floor:

Zone A	114.6 sq.m.	@	£320 p.s.m.	£36,672
Zone B	114.6 sq.m.	@	£160 p.s.m.	£18,336
Zone C	114.6 sq.m.	@	£80 p.s.m.	£9,168
Balance	211.2 sq.m.	@	£50 p.s.m.	£10,560
Cash Office	7.0 sq.m.	@	£50 p.s.m.	£350

First Floor:

Retail	545.3 sq.m.	@	£50 p.s.m.	£21,812
Store and Office	37.8 sq.m.	@	£35 p.s.m.	£1,323

Second Floor:

Retail	145.4 sq.m.	@	£27 p.s.m.	£3,925
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Total	£102,146
NAV £102,000 @ .63%	R. V. £642 (€761.84)

In support of his valuation Mr. Twomey introduced three comparisons as set out in Appendix 2 attached to this judgement.

13. Under cross examination Mr. Twomey agreed that the Penneys premises were superior but said that he had taken this into account in arriving at his opinion of the Net Annual Value of the subject. In his opinion the Penneys store was the best comparison as it was a department store and directly opposite to the subject property. As regards to his other comparisons, number 2 occupied an inferior location on Oliver Plunkett Street whilst comparison number 3 was considerably smaller and with an unusual shape and extensive corner front.

14. **Findings**

The Tribunal has carefully considered all the evidence introduced and arguments adduced by the parties and has carefully examined the details of the comparisons put forward by both valuers and makes the following findings:

- 1) Of all the comparisons introduced the Penneys store on the opposite side of the street is the most helpful insofar as it is of a similar use. The fact that it is a common comparison indicates its importance in this appeal.
- 2) It is common case that the Penneys store is superior to the subject in terms of fit out and layout. It also has the benefit of air-conditioning in the retail areas with escalators and lifts serving the first floor level.
- 3) The Tribunal is of the opinion that Mr. Twomey did not make sufficient allowance for the inherent drawbacks of the subject property whilst Mr. Hanafin has tended to overstate the case particularly as far as the ground floor is concerned.
- 4) There is a considerable difference in value between the valuers regarding the valuation of the retail space at ground floor level and a lesser difference at first floor level and none at all as far as the retail space at second floor level is concerned.

- 5) In department stores where there is an escalator and or lift the differential between the retail floors is somewhat reduced. Where these services are absent as in the subject property due allowance must be made.
- 6) The Tribunal prefers Mr. Twomey's devaluation of the Penneys store and accepts that the appropriate Zone A level for Oliver Plunkett Street at this point in the street is in the order of £340 per sq.m. However having regard to the somewhat dated layout of the subject property and its outmoded fit out this figure must be reduced, and corresponding allowances made for the remainder of the ground floor accommodation.
- 7) In relation to the first floor both valuers value the first floor accommodation in Penneys at £64.56p per meter. Mr. Twomey valued the first floor of the subject at £50 per sq.m. whilst Mr. Hanafin valued it at £32.28 pence per sq.m. Having regard to the fact that the first floor in Penneys is a better quality space and has the benefit of escalator and lift services whilst the subject has none, the Tribunal considers the £50 per sq.m. adopted by Mr. Twomey to be on the high side.

Determination

Having regard to the foregoing the Tribunal determines the Net Annual Value of the property to be £555 i.e. €705 calculated as set out below.

Ground Floor	M²	£psm	£
Retail Zone A	114.6	290	£33,234
Zone B	114.6	145	£16,617
Zone C	114.6	72.5	£8,305
Remainder	211.2	36	£7,603
Cash Office	7	say	£250
First Floor			
Retail	545.3	33	£17,995
Store and Office	37.8	22	£832

Second Floor

Retail	145.4	27	£3,925
Total			£88,764
Net Annual Value Say			£88,000
Rateable valuation	@	.63%	= £555
		i.e.	€705