

Appeal No. VA08/3/003

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Catriona O'Donnell

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2191381, Beauty/Hair Salon at Lot No. 63/A-Riverfront House/1, Main Street, Letterkenny, Letterkenny Urban, Letterkenny UD, County Donegal

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Brian Larkin - Barrister

Member

Michael F. Lyng - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 8TH DAY OF DECEMBER, 2008

By Notice of Appeal dated the 24th day of June, 2008, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €88.00 on the above described property.

The Grounds of Appeal are set out in the Notice of Appeal, a copy of which is at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing which took place in the Radisson Hotel, Letterkenny, Co. Donegal on the 6th day of November, 2008. The appellant, Ms. Catriona O'Donnell, represented herself, assisted by Mr. Desmond Murphy, BL, instructed by Browne & Co., Solicitors, Letterkenny. Mr. Murphy confirmed that there was no legal issue in the case and that Ms. O'Donnell had not notified the Tribunal or the respondent that she was having legal representation until 5th November. He said that in those circumstances Ms. O'Donnell would give evidence herself.

Mr. Tomas Cassidy, BSc (Property Management & Valuation Surveying), District Valuer in the Valuation Office, represented the respondent. Mr. Michael Keogh, Appeal Officer, Valuation Office, also attended. Mr. Keogh confirmed that the respondent had no objection to the late appearance of Counsel for the appellant given that it was accepted that the only issue was quantum.

At the hearing, both parties, having taken the oath, adopted their précis as being their evidence-in-chief.

The Property

Location and Description

The subject property is a new ground floor retail unit used as a hair salon. It is located on Pearse Road, Letterkenny, 150 metres from the junction with Oldtown Road which links Pearse Road with Lower Main Street. It is finished to a good standard, has air-conditioning, suspended ceilings, fluorescent lights and timber floors. The floor area of the property, measured on a net internal basis, is 118.50 sq. metres.

Tenure

The property is understood to be held on a five-year lease from August 2006 with a current passing rent of approximately €22,000.

Valuation History

The property was revised in August, 2007 at a valuation of €88. An appeal to the Commissioner of Valuation, lodged on 30th November, 2007, resulted in no change to the valuation. On 24th June, 2008 the appellant appealed that decision to the Valuation Tribunal.

Appellant's Case

Ms. Catriona O'Donnell, having taken the oath, outlined to the Tribunal that her salon was not located in a retail area but she felt it was being valued as if it were. She felt that her property should be compared to other hairdressers on Pearse Road where she is located. She stated that B-Bobs salon on the same road was paying about €3,200 in rates compared to the subject property paying €6,200. The Chairperson of the Tribunal explained to Ms. O'Donnell how rateable valuations are calculated and that they are based on rental values as at November, 1988. Ms. O'Donnell then asked if Mr. Cassidy would have the area of B-Bobs and Mr. Cassidy clarified for the Tribunal that the valuation on B-Bobs salon was fixed in 1991 at first appeal stage, by agreement with an agent, on an area of 73.76 sq. metres valued at €17 per sq. metre giving an RV of €1,253.17. He said that that property is located about 0.5 miles nearer town than the subject property.

Ms. O'Donnell also stated that she had two office units in her floor space which she had hoped to let to help her with overheads but these units are still unoccupied. She accepted the Chairperson's explanation that the Revision Officer must value all parts of the subject property.

In regard to Mr. Cassidy's comparisons, Ms. O'Donnell agreed that his Comparison No. 1 is located close to the subject and about half its size and valued at €65 per sq. metre. His Comparisons No's 2 and 3, she said, had better locations than the subject but both are closed now.

Respondent's Case

Mr. Cassidy stated that the subject property was located on Pearse Road, Letterkenny. It is a ground floor retail unit being used as a hair salon. He assessed its rateable valuation of the as follows:

Hair Salon 118.50 sq. metres @ €150 per sq. metre = €17,775

RV @ 0.5% = €88.88

RV Say €88

Mr. Cassidy stated that his assessment was made by reference to the values of comparable properties appearing on the Valuation List and in line with the basis adopted for other revised properties in the same rating area. In regard to his comparisons, he stated that his first

comparison was in close proximity to the subject, in similar circumstances and about half the size of the subject. His second comparison was similar in size but was marginally better located on Oldtown Road and he had introduced his third comparison to give an idea of what rents are being paid in Main Street. In reference to B-Bobs, he said this property has been extended since it was valued and has not been revised. He said it had been valued as a workshop and probably had a basic internal finish when first valued.

Details of Mr. Cassidy's comparisons are at Appendix 2 hereto.

Cross Examination

Mr. Cassidy accepted that Lower Main Street is not as good a location as Main Street from a footfall point of view, but he would not agree that Pearse Road is a bad location. The Retail Park, which is in close proximity to Pearse Road, has a positive effect on businesses in that area, he said.

Determination

The Tribunal having considered carefully all the evidence and arguments adduced by the parties make the following findings:

1. Of the comparisons introduced by the parties the most relevant is the respondent's Comparison No. 1 – Harkin's Barber. It is located 2 doors away from the subject and, at 46.08 sq. metres, is 40% of the size of the subject and is valued at €165 per sq. metre as against €150 per sq. metre on the subject.
2. The Tribunal finds that insufficient allowance was made for quantum in respect of the subject property.

In the light of these findings the Tribunal determines the rateable valuation of the property concerned to be €75 calculated as set out below:

118.5 sq. metres @ €130 per sq. metre = NAV €15,405

Say €15,000

RV @ 0.5% = €75

And the Tribunal so determines.