Appeal No. VA11/5/056

AN BINSE LUACHÁLA

VALUATION TRIBUNAL

AN tACHT LUACHÁLA, 2001

VALUATION ACT, 2001

Neelu White **APPELLANT**

and

Commissioner of Valuation **RESPONDENT**

RE: Property No. 515148, Retail (Shops) at 53/54 George's Street Lower (first floor), Dun Laoghaire, County Dublin.

B E F O R E
Maurice Ahern - Valuer, IPAV **Deputy Chairperson**

Patrick Riney - FSCSI, FRICS, ACI Arb **Member**

Joseph Murray - BL **Member**

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 5TH DAY OF JANUARY, 2012

By Notice of Appeal dated the 6th day of July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €17,960.00 on the above described relevant property.

The grounds of appeal are set out in the Notice of Appeal and in a letter attached to the Notice of Appeal, copies of which are attached at Appendix 1 to this judgment.

This appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 18th day of October 2011. At the hearing, the appellant was represented by Mr. Donal McNally of Donal McNally Architects, B.Arch (Hons), MRIAI, Dip Construction Law (TCD). He was also accompanied by Mr. Laurence White, who gave evidence on behalf of the appellant. The respondent was represented by Mr. Liam Diskin, BSc (Hons) Property Management & Investment, BSc (Ord) Property Valuation & Estate Agency, a valuer in the Valuation Office.

In accordance with the rules of the Tribunal, the parties had prior to the commencement of the hearing exchanged their précis of evidence and submitted same to this Tribunal. At the oral hearing, both parties, having taken the oath, adopted their submissions as their evidence-in-chief at the oral hearing.

Location

The subject property is a first floor over a retail/office type property. It is currently in use as a beauty salon. The property is situated above numbers 53 and 54 Lower George's Street, Dun Laoghaire, Co. Dublin, with the main access via an entrance on the right of number 53.

The Property Concerned

The property consists of the first floors of two terraced retail units in the centre of Lower George's Street, Dun Laoghaire, one of which is currently vacant. The subject property is finished to a general good standard throughout, with internal partition walls segregating different areas of the salon. It is entered from an alcove doorway fronting on to George's Street Lower, along a corridor to a rear staircase and up a return stairs. There iss no off-street car parking or external service yard associated with the subject property.

The agreed floor area of the subject property is 71.84 square metres.

Tenure

The subject property is understood to be held under a leasehold for 20 years, with provision for five yearly rent reviews. The annual rent of €19,000 per annum exclusive was set at arbitration in late 2008.

Basis of Valuation

In the revaluation of properties in this rating authority area, valuation levels were derived from the analysis of available market information of comparable properties and applied to the subject property.

The valuation of this property, on appeal to the Commissioner of Valuation, was determined by reference to the values of comparable properties stated in the Valuation List in which the property appears, in accordance with Section 48(3) of the Valuation Act of 2001.

Rating History

The property was the subject of a revaluation as one of all rateable properties in the Dun Laoghaire/Rathdown county council area.

A Valuation Certificate (Proposed) was issued on the 10th of December 2010. The property had a value of €5,350 and no representations were submitted regarding the subject property.

A Final Valuation Certificate issued on the 10th of December 2010 with a value of €17,960. A first appeal was lodged on the 8th of February 2011 by Donal McNally of Donal McNally Architects. The first appeal was concluded and the valuation remained at €17,960. An appeal was lodged to the Valuation Tribunal on the 6th of July 2011 by Donal McNally of Donal McNally Architects.

Appellant's Case

In representing his client, Mr. Donal McNally pointed out the beauty salon had been operating since about 1993. In June 2011, due to lack of business, his client Ms. Neelu White, was forced to completely relocate the business to Dublin city centre and the subject property had been lying idle since.

Mr. McNally referred to his submission in detail and made the following general observations:

1. The subject property is in mediocre condition and there was evidence of rain water penetration from the front parapet gutter, running the length of the Lower George's Street frontage, which had damaged the internal plasterwork.

2. The electrical wiring is predominantly surface fixed. There is no central heating and the plumbing was not insulated and it was also subject to leakage and freezing.

3. The building was not thermally insulated.

4. The subject property had a poor street frontage/presence at ground floor level, with a limited door display area. He also pointed out that Ms. Neelu White paid Dun Laoghaire-Rathdown County Council the sum of €600 per annum for a licence to display an advertising board on Lower George's Street.

5. The access route from the main street to the subject property was difficult, being as it is along a corridor to a rear staircase and return.

6. There was no parking on the street outside the subject property.

7. The business's location, on the first floor of a period property, limited any scope to extend the floor area of the property.

Mr. McNally also made a number of other points which included the following:

1. He pointed out the subject property had been valued on its use as a retail unit, stating this was erroneous while the current use of the premises is as a beauty salon.

2. Given the business's location on the first floor of a period property, access was limited to the ambulant and able bodied. This restricts the client/customer base of the property and decreases its value relative to similar properties in the general area.

3. The use of the subject property differs substantially from that for which it is valued. The four treatment rooms within the subject property constitute the income revenue component of the business. The remaining space is back-up (reception and administration). There is a 50/50 split between the two. This differs from a retail use which would have a higher percentage of its floor area generating an income from the business.

4. There is a large amount of competition in the Dun Laoghaire area and the hypothetical tenant would factor this into his rental bid. He would be less attracted to this unit as it is separated from the best part of the town centre and enjoys much lower footfall.

In dealing with his comparable evidence, Mr. McNally pointed out that a similar property at 8 Cumberland Street, Dun Laoghaire, Co. Dublin (Property No. 522641) had been valued at €100 per square metre at first floor level. This was a similar property to the subject and only located circa 200 metres away.

Cross-examination of appellant

In reply to enquiries and questions raised by Mr. Liam Diskin and the Tribunal, Mr. McNally confirmed or stated that:

1. A lot of the points that had been made by him could apply to similar properties in the area.

2. The valuations submitted by the respondent were relating to values around September 2005, whereas his comparison in Cumberland Street referred to a more recent valuation.

3. While he accepted the layout of the subject property was primarily for the tenant's use, he pointed out that many other businesses may require a similar layout.

4. He accepted that his comparison, i.e. 8 Cumberland Street, Dun Laoghaire, Co. Dublin, related to both the ground and first floor areas, which he understood has been valued at circa €100 per sq. metre, and was also located in a similar position to the subject.

Evidence of Mr. Laurence White

Mr. Laurence White took the oath. He advised that the appellant is a qualified beauty therapist and he gave some details in relation to the nature of work carried on at the subject premises. He stated that in order to attract business to the property, the appellant had found it necessary to erect an advertising/sandwich board outside the premises. This had been agreed with the local authority at a cost of circa €600 per annum.

Respondent's Case

Mr. Liam Diskin took the oath and adopted his précis as his evidence-in-chief.

He pointed out the subject property comprised a beauty salon at first floor level and that the property was in a retail category, as specified under the Valuation Office procedures.

The agreed floor area was 71.84 sq. metres and he referred to a block plan submitted by him on page 5 of his submission.

He stated that in general first floor office areas in this location have been valued at €250 per sq. metre and he made a number of general observations:

1. The property is in good condition throughout.

2. It has good profile on to Lower George's Street.

3. The access is from a recessed entrance to the right of No. 53 Lower Georges's Street.

Mr. Diskin pointed out that his four comparisons were all located on Lower George's Street, Dun Laoghaire, Co. Dublin and made the following detailed observations:

<u>Comparison No. 1</u>

Lewis Hohn Williams Insurance, First Floor, 57-58 George's Street Lower, Dun Laoghaire, Co. Dublin. This property is located only circa 30 metres from the subject property on Lower George's Street and had been valued at €250 per sq. metres.

<u>Comparison No. 2</u>

Waxperts, First Floor, 78 George's Street Lower, Dun Laoghaire, Co. Dublin. Mr. Diskin stated this was a corner unit on Lower George's Street/Marine Road, located circa 120 metres from the subject property and had been valued at €250 per sq. metre.

Comparison No. 3

The World Café, First Floor, 56 George's Street Lower, Dun Laoghaire, Co. Dublin. Mr. Diskin stated this property was located only circa 25 metres from the subject property and had also been valued at €250 per sq. metre.

Comparison No. 4

The Tailoring Co., First Floor, 86 George's Street Lower, Dun Laoghaire, Co. Dublin. Mr. Diskin stated this property was located on two floors above shop/office accommodation and was only circa 50 metres from the subject property. It had also been valued at €250 per sq. metre at both levels, one and two.

Cross-Examination of the Respondent

Responding to various questions asked by Mr. McNally and the Tribunal, Mr. Diskin maintained the following:

1. In regard to comparison no. 3, he was not aware as to whether the business was still trading or not.

2. In regard to comparison no. 4, he pointed out that while this company may have ceased trading, the property is still listed in the Valuation List.

3. He emphasised that all of his comparisons were relating to valuations as of September 2005. While he accepted that valuations/rates were a factor for any business, he pointed out there were also many other factors affecting the potential of all businesses.

4. He accepted that disabled persons would find it difficult to access the subject property.

Summation by the Parties

Both Mr. McNally and Mr. Diskin provided brief summations of their respective arguments, reiterating the salient points noted above.

Findings

The Valuation Tribunal thanks the parties for their efforts, their written submissions, arguments and contributions at the hearing and finds as follows:

1. The appropriate method of valuation for this property is on the basis of the analysis of available market information of comparable properties, within the same rating authority area, in accordance with Section 48(3) of the Valuation Act 2001.

2. The recessed entrance to the subject property is a disadvantage to any potential business users.

3. None of the four comparisons submitted by the respondent were contested at either representation or first appeal stages.

4. The respondent's comparisons 2 and 4 are located in higher profile locations than the subject property.

Determination

Having regard to all the evidence adduced, and to the foregoing findings, the Valuation Tribunal determines that the subject property be valued as follows:

71.84 sq. metres @ €200 per sq. metre

NAV €14,368

And the Tribunal so determines.