

Appeal No. VA96/3/039

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

Noel Mahon

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: House and Post Office at Map Ref: 4GA, Townland: Parke, ED: Bellavary, RD: Castlebar, Co. Mayo

Quantum - Differential between domestic and commercial valuation

B E F O R E

Fred Devlin - FRICS.ACI Arb.

Deputy Chairman

Con Guiney - Barrister at Law

Deputy Chairman

Brid Mimmagh - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF APRIL, 1997

By Notice of Appeal dated the 26th day of July 1996 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £20 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

- "1. The valuation is excessive and inequitable.
2. The valuation is bad in law."

The Property:

The subject property is located in a rural area and beside the local national school. It consists of a bungalow built in the early 1970's and acquired by the present occupier for £11,000 in 1976. An extension at the rear measuring 216 sq.ft. was subsequently added and is now used as a sub-post office. The entire property was first valued in 1994 at a rateable valuation of £20 arising from a request from Mayo County Council to "Value post office". Of this figure £5 is attributable to the post office and regarded as commercial, with the balance being domestic. The accommodation comprises four bedrooms, kitchen, sitting room, utility, bathroom and post office.

Written Submissions:

A written submission was received on the 20th March 1997 from Mr. Desmond Killen, FRICS, FSCS, IRRV, a Fellow of the Society of Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited.

In his written submission, Mr. Killen stated that the dispute related solely to the non-domestic portion of the premises assessed at rateable valuation £5. The Appellant accepted a rateable valuation of £15 in respect of the remainder. Mr. Killen proposed a rateable valuation of £2.50 on the premises which he devalued as follows:-

Rent applied @ £10 p.w./£500 p.a. i.e. Agreed area 20 sq.m. (216 sq.ft.)
 216 sq.ft. @ £2.29 = £495 @ 0.5% = £2.50.

A written submission was received on the 14th March 1997 from Mr. Stephen Dervan, a Valuer in the Valuation Office since 1985.

In his written submission, he described the property and proposed a rateable valuation as follows:-

"(1)	Post Office	216 sq.ft. @ £5 or £20 p.w.	Say	£1,000
	House			<u>£3,000</u>
				<u>£4,000</u>
				RV @ 0.5% = £20.
(2)	Estimated Capital Value	Say	£50,000	
	NAV @ 8%		£ 4,000	
	RV @ 0.5%		£20."	

Mr. Dervan said that there was a limited amount of direct comparable evidence in the general area which had been revised since 1989 under the NAV system. However, he offered three comparisons as follows:-

1. **Michael Barrett, On 2A, Leckneen, ED: Turlough**
House and Post Office
RV £15 (Domestic £13). Valued 1990.
A temporary post office in the occupiers sitting room, prior to construction of an extension to accommodate the post office.
2. **Cassie Canning, 27, Bellavary, ED: Bellavary**
House and Post Office
RV £9. Valued 1959.
3. **John and Martin Roche, 11a.12AB, Ross West, ED: Pontoon**
House and Post Office
RV £3.50. Valued 1962.

Oral Hearing:

At the oral hearing held on the 26th day of March 1997 the Appellant was represented by Mr. Des Killen, FRICS, FSCS, IRRV, a Director of Donal O'Buachalla & Company Limited. The Respondent was represented by Mr. Stephen Dervan, a Valuer in the Valuation Office.

Having adopted his written submission as his evidence in chief given under oath, Mr. Killen made the following contentions.

1. The subject hereditament comprised a modern bungalow with a small extension at the rear now used as a sub-post office.
2. The total gross area of the property is 1,528 sq.ft. of which 216 sq.ft. comprises the sub-post office.
3. The rateable valuation of the entire is £20 and it is agreed that £15 is in respect of the area solely in residential use.
4. The rateable valuation of £5 attributable to the sub-post office represents a net annual value of £1,000 equivalent to a rent of £4.63 psf as against £2.39 psf on the residential space.
5. Having regard to the location and nature of the property there is no justification for such a wide differential in rates per square foot applied to the residential and non-residential areas.

Mr. Dervan having taken the oath adopted his written submissions as his evidence in chief and made the following observations.

1. The operation of a sub-post office is under the control of An Post which carefully examines the location to ensure that there is not an oversupply of outlets. Hence, a sub-post office has an intrinsic value which must be reflected in net annual value.
2. Whilst the comparisons contained in his submission are of little assistance they were the best that could be found following an extensive examination of the valuation records.

Determination:

It is the function of this Tribunal to determine the net annual value of the subject hereditament as a single unit of occupation in accordance with the provisions of *Section 11 of the Valuation (Ireland) Act 1852* as amended by *Section 5 of the Valuation Act 1986*.

Having regard to the above, to the evidence and arguments adduced at the hearing and in the absence of any evidence of rental value, the Tribunal prefers Mr. Killen's valuation approach and accordingly determines the net annual value of the hereditament to be £3,600, giving a rateable valuation of £18. In accordance with the evidence £15 is attributable to the section solely in residential use.