

Appeal No. VA97/4/012

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

Colm O'Rourke Sports

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Map Reference 5A.6.7A Unit 16, Navan Shopping Centre, Abbeyland South (pt. of), UD: Navan, Co. Meath
Quantum

B E F O R E

Liam McKechnie - Senior Counsel

Chairman

Barry Smyth - FRICS.FSCS

Member

Michael Coghlan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 21ST DAY OF OCTOBER, 1998

By Notice of Appeal dated the 22nd day of July 1997 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £74 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "with the rate in the pound already increased from £27.22 to £28.58 it means that the rates bill increases from £1,306.56 to £2,114.92. This is hardly reasonable in view of an inflationary figure of 3%. An increase of this magnitude represents 54%. An increase up to 10% would be reasonable.

The appeal proceeded by way of an oral hearing which took place on the 19th December 1997 at the offices of the Valuation Tribunal, Ormond Quay, Dublin 7. The appellant Mr. Colm O'Rourke presented his own case in this matter and the respondent was represented by Mr. Desmond Doyle B.Comm, Valuer in the Valuation Office.

Both Mr. O'Rourke and Mr. Doyle having taken the oath adopted as their evidence in chief their respective written submissions which had previously been exchanged by them and submitted to the Tribunal.

Agreed Facts

This is a shop unit in Navan shopping centre which was constructed in the early 1980's. The shop extends to approximately 86.9 m² (935 sq.ft.) with a mezzanine floor of approximately 37.4 m² (403 sq.ft.) added in 1995. The shop was purchased in 1987 for approximately £100,000 and the cost of the mezzanine in 1995 was approximately £30,000.

Matters at Issue

Mr. O'Rourke stated that the increase in rateable valuation from £48 to £74 represented an increase of 54% with an inflation running at less than 2%. Furthermore the commercial rate has increased from £27.22 to £28.58 in the pound. Thus the annual rates bill increases from £1,306.50 to £2,114.92 an increase of £808.36 per annum.

This is a sports shop and competition in sports shops and in the town generally has become more intense. Lifestyle sports are located only four doors away and Staunton Sports, an agent for a British consortium "Inter Sport" are located 50 metres from the shopping centre. As a result margins are now much tighter.

The property has been refurbished and modernised at Mr. O'Rourke's expense. Mr. O'Rourke offered no comparative evidence or an estimate of N.A.V. or R.V. but stated that he would have no objection to paying a more modest increase to that proposed. Mr. Doyle outlined the valuation history of the centre and noted that it was originally valued after completion on the old metre squared basis. Subsequently a new shop was constructed and let and this was valued on

the N.A.V. basis in 1995. This left the original shops out of line and the urban district council applied for revision of the entire. Of the twenty seven shop units revised, only eight were appealed and of these seven remained unchanged. A minor adjustment was made to unit 1.2 (Dover Investments). All were revised on the basis of £25 p.s.f. Zone A in the 1996/4 revision.

Mr. Doyle provided five comparisons all in Navan Shopping Centre and all had N.A.V.'s based on a rent of £25 p.s.f. Zone A. On an overall floor area basis these rents varied from £14.92 p.s.f. to £22.77 p.s.f. with three units in the range of £16.04 to £16.50 p.s.f. overall.

In addition Mr. Doyle provided information on the few passing rents in the centre (the majority of units are owner-occupied). Two of the comparisons dated from August and September 1995 and show rents of £30.46 p.s.f. and £27.34 p.s.f. overall and a further unit dated from 1997 shows a rent of £32.00 p.s.f. overall.

In his assessment of N.A.V. of the subject unit Mr. Doyle applied £25.00 p.s.f. to the Zone A area of 334 sq.ft., £12.50p.s.f. to the Zone B of 317 sq.ft. and £6.25 p.s.f to the Zone C of 284 sq.ft. with £2.00 p.s.f. applied to the mezzanine of 403 sq.ft. The overall rent of the ground floor amounts to £15.93 p.s.f. These figures are consistent with the comparisons provided.

Determination

The appellant has offered no opinion of N.A.V. or R.V. as appropriate for the subject premises but has made the case that the increase in rateable valuation combined with the increase in the municipal rate is excessive. The respondent on the other hand has provided a number of comparisons both of N.A.V.'s and open market rents within the shopping centre of which the subject premises forms part.

The Tribunal must consider the N.A.V.'s, open market rental values, and the tone of the list of rateable valuations of similar units in the locality. The respondent has provided all the preceding.

Under the circumstances while the Tribunal has some sympathy with the increased annual costs to be incurred by Mr. O'Rourke and also the increased competition which he faces, it has no option but to state that in its opinion the rateable valuation of £74 is reasonable and therefore to affirm the Commissioner's decision and affirm this rateable valuation at £74.