

Appeal No. VA88/0/369

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

Mullins Gift Craft

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: 28-32 O'Connell Street Upper, Co. Dublin

B E F O R E

Hugh J O'Flaherty

S.C. Chairman

Mary Devins

Solicitor

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF MARCH, 1989

By notice of appeal received in the Tribunal Offices on the 26th day of August 1988, the appellants appealed against the respondent's decision fixing the Rateable valuation of the above described hereditament at £290.

The property, a modern, ground floor retail unit is one of eleven units in Findlater House, which is a purpose built development of shops and offices. The shop is located on a corner site with

frontage onto O'Connell St. and Cathal Brugha St. The building is constructed with concrete brick walls, solid floors and flat concrete roof.

The premises were first valued in 1981 at £380. On appeal the valuation was reduced to £310. The property was again listed in 1987. No change was made in the valuation and the occupier appealed to the Commissioner of Valuation. Following an inspection of the property, Mr James F Gormley, B.Agr.Sc., on behalf of the Commissioner of Valuation, spoke to Mr Eamonn O'Kennedy, Valuer who represented the appellants and was directed by him to contact Mr Thomas Mullins. Following discussion with Mr Mullins the R.V. of £310 was reduced to £290. Copy letters dated 29th February, 1988 and 20th June 1988 respectively, from T. Mullins Limited to Commissioner of Valuation, were attached to Mr Gormley's written submission and are reproduced herewith.

At the oral hearing which took place on 6th February, 1989, Mr Eamonn O'Kennedy, B.Comm, Valuer appeared on behalf of the appellant. The Commissioner of Valuation was represented by Mr James Gormley, B.Agr.Sc. a Chartered Valuation Surveyor with 14 years experience in the Valuation Office.

Mr O'Kennedy elaborated on his written submission dated 6th February 1989 and pointed out that the current rent of the premises is £18,000 p.a., and that this rent was reviewed as recently as February 1988. He also made reference to the considerable decline in trade in the business in recent years and suggested that the decline was due largely to the unfavourable location of the premises, part of which fronts on to Cathal Brugha St., a secondary retailing area.

Mr Gormley, in his written submission dated 24/11/88 and again in the course of the oral hearing, argued that the current rent of £18,000 p.a. did not represent full market value as the

landlord was anxious to retain the appellant as a 'quality tenant' and was therefore prepared to accept a "concessionary rent".

He offered certain comparisons, among them, Thomas Mullins, 36 O'Connell St., - a second, similar type property owned by the appellant and situated on the corner of O'Connell St. and Parnell St. The R.V. of this property is £150 which represents 1/180 of the estimated N.A.V. of £12,000. Mr Gormley's estimate of the N.A.V. of the subject premises, notwithstanding the current rental figures available, is £25,000.

Mr Thomas Mullins appeared at the oral hearing and described in some detail the considerable trading difficulties he has experienced in the subject premises. He felt that the difficulties were due almost entirely to its unfavourable location. The property was put up for sale in July 1988. Not only were no offers received, no one actually turned up at the public auction. Mr Mullins felt that the high burden of rates was a deterrent to potential purchasers. Of the eleven units in the development six are now vacant and these six units all have frontage onto Cathal Brugha St. As an indicator of the influence of location, Mr Mullins pointed out that his second shop at 36 O'Connell St., trading in identical goods, had suffered only a 20% decrease in turnover for the period 1985-1989, whereas the turnover in the subject premises had suffered a 66% decrease in the same period.

Both parties seemed to accept the appellant's second business at 36 O'Connell St. as a valid comparison. Mr Gormley pointed out that the approximate letting value for adjoining, similar type properties was in the region of £18 per sq. ft., but that some deduction would be made for the property at 36 O'Connell St. since the main portion of it fronted on the Parnell St., and it has only a narrow frontage onto O'Connell St.

The Tribunal accepts Mr Mullins' evidence as to the decline in trade generally and the difficulty in disposing of the property. While taking note of the evidence of the actual rental value of the property, it has also taken into account the provisions of section 5 of the Valuation Act, 1986.

In all the circumstances the Tribunal has come to the conclusion that the correct R.V. for the hereditament herein is £265.