

Appeal No. VA90/2/063

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

**Peter A. Mulligan**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop, offices and stores at Lot No. 31, Royal Exchange A 2 Ward, Wellington Quay, County Borough of Dublin

Quantum - Passing rent, tone of the list

**B E F O R E**

**Padraig Connellan**

**Solicitor (Acting Chairman)**

**Brian O'Farrell**

**Valuer**

**Veronica Gates**

**Barrister**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 30TH DAY OF JANUARY, 1991**

By notice of appeal dated 26th day of July 1990, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £34 on the above described hereditament.

The grounds of appeal as set out in the notice of appeal are that:

"the premises is in a designated area. Also when I committed myself to a 35 year lease at £5,000.00 p.a. I did not realise how vulnerable the building was to being burgled. We

have been broken into 5 times resulting in extensive damage to doors, windows, light fittings etc and being a very high risk area it is impossible to get insurance. I cannot foresee my business surviving with high rates and would therefore be grateful for consideration for further reduction."

### **The Premises**

The property is situated on Wellington Quay and is located in an Urban Renewal Designated Area. It is a two storey terraced building to the front with a single storey lean-to at the rear. The front portion of the property is constructed of brick walls and slated roof. The lean-to at rear is constructed of concrete walls and corrugated asbestos roof. The two storey building comprises a shop on the ground floor with offices overhead, and the single storey building is used as a store. There is a 35 year lease from April 1989 with 5 year reviews F.R.I. terms at a rent of £5,400 p.a.

The accommodation is as follows:-

<u>Ground floor</u>	Front shop	140 ft <sup>2</sup>
	Rear shop	157 ft <sup>2</sup>
	Store	55 ft <sup>2</sup>
<u>First floor</u>	Offices	239 ft <sup>2</sup>

### **Valuation History**

Prior to the 1978 revision the property was described as House, Shop & Yard. R.V. £23.00. In 1978 the R.V. was increased to £50 to take account of improvements to shop, the addition of a workroom at the rear and the conversion of the first floor to offices. The description was altered to Shop, Offices & Workroom. On appeal to the Commissioner, the R.V. was reduced to £42.00. In 1989 the property was listed for revision by the local authority and following this revision the R.V. remained unchanged at £42.00. The appellant was aggrieved by this revision and appealed

to the Commissioner of Valuation who reduced the valuation to £34.00. It is against this amount that this appeal lies to the Tribunal.

### **Written Submissions**

The appellant indicated that he would be relying on his grounds of appeal as set out in his notice of appeal above. A written submission was received on the 15th January, 1991 from Mr Tom Cuddihy B.Agr.Sc., a district valuer in the Valuation Office on behalf of the Commissioner of Valuation in which he described the property and outlined the valuation history. Mr Cuddihy said that the rateable valuation on the subject is in line with other recently revised properties in the area i.e. the valuation is approximately .63% of the net annual value. Mr Cuddihy attached a detailed list of comparisons which are attached as Appendix "A" to this judgment. He said that the rental level per square foot also compares favourably with adjoining properties. He said that the property is situated in a secondary commercial district while it has the advantage of being located in an Urban Renewal Designated Area which is undergoing gradual redevelopment at the present time. He said that the property is in a structurally sound condition but is in need of re-decoration. He said that there was some leakage of rain through the roof at the lean-to at rear and that there is also a drainage problem with the toilet in this portion of the premises.

Mr Cuddihy outlined his calculation of the rateable valuation and said that in arriving at the rateable valuation particular regard was had to the relationship of rateable valuations to central levels for recently revised comparative properties in the area. The basis of his calculation of the rateable valuation is as follows:-

Category	Area (f <sup>2</sup> )	Rent/f <sup>2</sup>	Lease Rent	N.A.V.	N.A.V. to
Shop (Front)	140	£20			
Shop (Rear)	157	£10			
Store			£5,400	£5,400	0.63%
Offices (1st Floor)	55	£ 2			
	239	£ 4			

The comparisons attached by Mr Cuddihy are -

- |    |                |                                    |             |
|----|----------------|------------------------------------|-------------|
| 1. | 15 Temple Bar  | Shop                               | R.V. £27.00 |
| 2. | 15A Temple Bar | Shop (gd fl) &<br>Offices (1st fl) | R.V. £32.00 |
| 3. | 15 Crown Alley | Ho Shop & Stores                   | R.V. £75.00 |

Mr Cuddihy said that the comparative information shows that older properties of similar use in the immediate area are generally let at the following rents per ft<sup>2</sup>:

Shops	£15 to £20 per ft <sup>2</sup>
1st floor office/stores	£ 4 to £ 7 per ft <sup>2</sup>

The relationship of rateable valuation to net annual value breakdown at 0.63% of net annual value in each case.

### **Oral Hearing**

The oral hearing took place in Dublin on the 18th January, 1991 at which the appellant appeared on his own behalf and Mr Tom Cuddihy appeared for the respondent. Both gave evidence, as outlined in the written submission of the respondent and in the Notice of Appeal of the appellant.

Mr Mulligan, at the outset, said that the written submission of the respondent was fair and reasonable but because of a number of factors has had great difficulty in subletting the shop on the ground floor and found it impossible to obtain insurance against burglary. These factors are (1) the premises is located in a very poor trading and a designated area, (2) that because of a laneway and a flat roof at the rear of the building access to the building can readily be gained and (3) the premises is situate in a "high risk" area for breaking, entering and larceny and he has suffered five break-ins in the recent past. He stressed that he uses the upper floor as an office and has attempted over a period of time to sublet the shop but without success. Ultimately, having failed to let it as a shop, he has let it as a small art gallery at the weekly rent of £45.00. It appears also that, because of the vulnerability of the building, exhibitors are reluctant to leave their exhibits in the premises overnight thus adversely affecting the success of the venture. Finally, after saying that the antique shop next door does very little trade, he said that the flat roof to the rear is leaking and the building is in very poor decorative order.

Mr Cuddihy outlined the valuation history stating that the R.V., following appeal to the Commissioner, was reduced to £42.00 in 1987. He stated that the rent of the subject premises compares favourably with comparable properties located in Temple Bar and Crown Alley, both a short distance away. He also said that premises in these two streets enjoy less "visibility" than the subject property and that the latter is in good structural condition. He held the view that the trading location was reasonable and better than either Crown Alley or Temple Bar in that regard.

### **Determination**

The Tribunal has come to the conclusion, having regard to the facts disclosed in evidence and in the written submissions and having regard to all the circumstances that the net annual value of the premises is £5,000 and therefore determines that the rateable valuation be reduced to £31.00.

