

Appeal No. VA90/2/080

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

Erco Lighting (Ireland) Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Showroom, Offices, Stores & Yard at 189 Harolds Cross Road, Rathmines, Dublin
County Borough of Dublin
Quantum - Location, improvements

B E F O R E
Henry Abbott

Barrister Chairman

Veronica Gates

Barrister

Padraig Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 28TH DAY OF NOVEMBER, 1990

By Notice of Appeal dated the 24th July 1990 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £85 on the above described hereditament. The grounds of appeal are that the valuation is excessive and inequitable having regard to the provisions of the Valuation Act.

The Property

The property comprises of a ground floor showroom for the sale of lighting equipment together with 1st floor offices and rear storerooms at 289 Harolds Cross Road, Dublin 6. It is a two-storey, georgian style, corner premises with a two storey modern extension to the rear and an enclosed rear garden with side entrance from Brighton Square.

The main building is constructed with brick and mixed masonry walls, red bricked to the front elevation and smooth rendered to side and rear elevations, a timber framed and plate glass shop front and timber framed display window to Brighton Square, timber sliding sash windows on first floor, part solid concrete and part suspended timber floors, PVC gutters and downpipes, a double apex natural slate roof and front red bricked parapet.

The rear extension is of a modern concrete block construction with a flat asphalt roof on timber trusses, part solid concrete, part suspended timber floors and access to the rear enclosed garden.

Valuation History

The subject property was revised in 1977 when it was described as a shop, office, stores and yard and was valued at £85. The valuation was appealed and reduced to £70. In 1989 Dublin Corporation listed the property for revision and a new rateable valuation of £90 resulted. The description was changed to showroom, offices, stores & yard. On 1st appeal the rateable valuation was reduced to £85 and it is against this determination of the Commissioner of Valuation that the appeal now lies before the Tribunal.

Written Submissions

A written submission was received on the 16th November 1990 from Mr. Colman Forkin, an appeal valuer on behalf of the Commissioner of Valuation. In this Mr. Forkin said that the premises was purchased for £80,000 in November 1987 and that approximately £25,000 was

spent on improvements to the building. He said the property is in excellent condition and in a good location with street frontage onto both Harolds Cross Road and Brighton Avenue.

Mr. Forkin calculated the rateable valuation as follows:-

Ground floor

Showroom 720 sq ft @ £12.00 psf = £ 8640

Store/Showroom 327 sq ft @ £ 5.00 psf = £ 1635

1st floor

Offices 427 sq ft @ £5.00 psf = £ 2135

Kitchen/Store 360 sq ft @ £2.50 psf = £ 900

£13,310

Estimated Net Annual Value £13,500. Using .63% as the percentage by which to convert NAV to rateable valuation Mr. Forkin arrived at a rateable valuation of £85.

He devalued this rateable valuation as follows:-

Showroom 67 m² @ 80p = £53.60

Store/showroom 30 m² @ 40p = £12.00

Offices 40 m² @ 40p = £16.00

Kitchen/store 33 m² @ 15p = £ 4.95

£86.55

Mr. Forkin attached two comparisons:

No. 1 242 Harolds Cross Road - a T.V. Rental shop R.V. £95

No. 2 306 Kimmage Road Lower - a shop, showroom, stores & yard.

Details of both of these comparisons are attached as Appendix A to this judgement.

A written submission was received on the 15th November 1990 from Mr. Peter O'Flynn of Messrs. Druker, Fanning & Partners on behalf of the appellant. Mr. O'Flynn said that the property is situated in a location which is more traditionally recognised as a residential area. He said that when commuting from the city centre the premises is almost totally hidden due to the boundary of Harolds Cross Motors extending well beyond the subject property. This, he said, severely reduced visibility and thus its attraction as a commercial outlet. He said that there is a very small pedestrian flow passing this property.

Mr. O'Flynn said that the appellant purchased the premises in November 1987 for £80,000 and he has spent £25,000 on fitting out the premises to the special requirements of his particular business. He attached details of the following comparisons:

1. 52.53 Lower Rathgar Avenue, Dublin 6.
2. 243/245/247 Harolds Cross Road.

The details of these are attached to Appendix B of this judgement.

He said that the NAV of the property is £11,000 and accepting the general ratio applied by the Commissioner of Valuation by which rateable valuation is calculated from NAV he reckoned that the rateable valuation would be £69.

Oral Hearing

At the oral hearing which took place on 19th November 1990 Mr. Peter O'Flynn represented the appellant and Mr. Forkin represented the respondent.

While Mr. O'Flynn admitted that the appellant bought the property for a sizeable sum and spent £25,000 on it he said that the improvements to the property would not be suitable for any purpose other than the appellants business.

Mr. Forkin said that Mr. O'Flynn used gross areas in his comparisons and that this distorted the rate per square foot, for example he said that in the comparison 52/53 Rathgar Avenue he said that the shop area was 443 sq ft not 946 sq ft. Similarly with regard to Mr. O'Flynn's comparison 243/245/247 Harolds Cross Road the floor area was 345 sq ft and not 520 sq ft. Mr. O'Flynn said that he obtained the figures from his own firm's files. The Tribunal hopes that, in future, any differences in facts appearing in the precis of evidence will be sorted out between the parties before the hearing.

While the Tribunal is willing to consider the reduction of rateable valuation in circumstances where the general economic activity of a particular area has declined, the subject property seems to enjoy a favourable commercial position for the business carried on therein. While a neighbouring grocery shop has closed down and Mr. O'Flynn suggested that the closure was due to a decline in shopping in the area, it appears that the subject premises does not depend merely on a passing trade but sells mainly commercial lighting. The market for commercial lighting would not primarily depend on the passing trade but would depend on the build-up of a fixed list of clientele and customers from a large area. Such customers would not necessarily be depending on easy pedestrian access to the building. Another means of showing that the valuation of the premises should not necessarily relate to the acquisition cost together with the cost of improvements is to show by accounts of the firm occupying the subject premises that business has suffered non cyclical downturn. Mr. O'Flynn did not offer any such figures in relation to the firm occupying the subject property. By reason of the absence of such trading figures the Tribunal may only conclude that there is in fact no significant downturn affecting the commerciality of the subject premises.

The Tribunal has been impressed with the comparison of 242 Harolds Cross Road known as Doyle's T.V. Rental Ltd., consisting of a shop, stores and yard valued at £95 in 1989 and also by the premises known as 306 Kimmage Road Lower occupied as a furniture showroom. Having

regard to the foregoing comparisons and the other comparisons offered by the valuers in the case the Tribunal finds that the rateable valuation fixed at £85 is appropriate and accordingly dismisses the appeal.