

Appeal No. VA90/2/082

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

Coral Leisure (Ireland) Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Betting Office (pt) 145, Parnell Street (including 27a North Great Georges Street, Co. Dublin

Quantum - Designated area, rent passing and improvements

B E F O R E

Henry Abbott

Barrister Chairman

Padraig Connellan

Solicitor

Veronica Gates

Barrister

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

By Notice of Appeal dated the 24th day of July, 1990 the appellants appealed against the determination of the respondent fixing the rateable valuation of the above described hereditaments at £40.

The grounds of appeal as set out in the Notice of Appeal are that the valuation is excessive and inequitable having regard to the provisions of the Valuation Acts.

The Property

The premises is located on the North side of Parnell Street at the corner junction with North Great Georges Street. The premises comprise a ground floor lock-up shop unit which forms part of a larger 4 storey building and is held on a 35 year lease with 5 years reviews from the 1/11/1978 at a rent of £4,200 per annum. It is occupied by Coral Leisure (Ireland) Limited who carry out a bookmaking business there.

Valuation History

The recent valuation history is that the premises was listed by Dublin Corporation in 1989 to value a new shop front and internal improvements. On revision by the Valuation Office the valuation was increased from £34 to £40. This was appealed to the Commissioner of Valuation and having considered his appeal valuer's report he affirmed the rateable valuation at £40. It is against this valuation that the appeal lies to the Tribunal.

Written Submissions

On the 16th November, 1990 a written submission was received from Mr Jim Gormley B.Agr.Sc. ARICS, a chartered valuation surveyor, on behalf of the respondent. In this submission Mr Gormley deals with the details of the premises, the tenure and valuation history. Mr Gormley calculated the net annual value of the premises to be £6,550 on the following basis.

Rent passing 1/11/1983 (Unimproved State)	£4,200
Add 10% for rental growth from 31/8/1983 to 1/11/1988	<u>£ 420</u>
	£4,620
Total improvements £23,000 (allow £11,000 as tenants fixtures and fittings)	

Balance £12,000 (£23,000 - £11,000 = Improvements which add to the letting value and which are rateable. Annualised over 10 years period at 10%		
= <u>£12,000</u>		
6.144 =		<u>£1,953</u>
		£6,573
<u>Net annual value</u>	Say	£6,550

Mr Gormley then calculated the rateable valuation at £40 on the basis of applying a percentage of 0.63 between net annual value and rateable valuation. He supplied three comparisons whose valuation, he says, compares favourably with the subject premises. The comparisons are all on the same street and carry out the same business:-

1. Mecca Racing Ltd (Betting Office) 1988 Revision
NAV £9,660 x 0.63% = £60
2. Edwin McWilliam (Betting Office) 1985 Revision
NAV £7,870 x 0.66% = £52
3. G.C. Hackett (Betting Office) 1988 Revision
NAV £7,000 x 0.63% = £44.

Details of the comparisons supplied by Mr Gormley are attached at Appendix "A".

On the 13th November, 1990 a written submission was received from Mr Peter G. O'Flynn, M.I.A.V.I., a valuer with Messrs Druker Fanning & Partners, on behalf of the appellant. In this submission Mr O'Flynn describes the premises and said that since the development of the Ilac Centre and the surrounding areas, the end to the west of O'Connell Street has improved to the detriment of the side on which the subject property is situate. He said that the current rent is £4,200 per annum and in accordance with the terms of the Lease, the Lessee is responsible for

payment of rates, internal and external repairs, to contribute to the Landlord each year a sum equal to one half of the premium paid by the Landlord in insuring the entire premises, and to use the premises only for business purposes. Mr O'Flynn outlined the accommodation as follows:-

Ground Floor

Betting shop	303 sq. ft.
Office	80 sq. ft.
Store (small kitchen and w.c. to rear)	20 sq. ft.
Total net floor area	403 sq. ft.
 Frontage to Parnell Street	 12' 6"

All principal services, including mains water and drainage, electricity and telephone, are supplied and connected to the premises.

Mr O'Flynn said that the property is situate in an area that has deteriorated in both stature and importance as a retail area over the past number of years. He said that many of the adjoining premises in this area are either available on the open market or permanently closed and derelict. He said that the surrounding area is undesirable and the tenant experiences continuous problems with break-ins and vandalism to his property.

Mr O'Flynn attached the following comparisons:-

147 Parnell Street, Dublin 1 where in the rent is £7,500. 148/149 Parnell Street, Dublin 1 in which he analysis the rent at £7,500.

91 Parnell Street, Dublin 1 in which he analysis the rent at £6,000.

On this basis Mr O'Flynn calculated the rent per sq. ft. on the properties as follows:-

Property	Rent	Sq. Ft.	Rent per sq. ft.
147 Parnell St	£7,500	1,233	£ 6.08
148 Parnell St	£7,500	700	£10.70
149 Parnell St	£4,500	350	£12.85
91 Parnell St.	£6,000	488	£12.30

He then said that in his opinion a fair rateable valuation for the subject premises is £27. This he calculated as follows:-

Shop	- 303 sq. ft. @ £11.85 per sq. ft.	£3,590.55
Office	- 80 sq. ft. @ £ 6.50 per sq. ft.	£ 520.00
Store	- 20 sq. ft. @ £ 4.50 per sq. ft.	<u>£ 90.00</u>
Total		£4,200.55
Say		£4,200.00

Accepting the general ratio applied by the Commissioner of Valuation, i.e. .63% of net annual value he calculated the rateable valuation as follows:-

NAV £4,200	x	.63%	=	R.V. £26.46
Say				R.V. £27.00

Oral Hearing

At the oral hearing which took place on the 19th November, 1990 Mr Peter O'Flynn represented the appellant and Mr Jim Gormley represented the respondent. Mr O'Flynn elaborated on his written submission which is summarised above and said that the subject property is situate on the wrong side of Parnell Street and in a designated area. Mr Gormley said that designated areas were slow to take off as planning permissions for improvements had to be sought and the necessary capital found. He said that this area will eventually benefit from being a designated area and that short term lettings made in such an area awaiting revitalisation distort rents. Mr Gormley said that he had supplied rateable valuations of similar bookmaking businesses in the same street and that the subject property was low in comparison to these.

Mr O'Flynn argued that the rent for the subject property was £4,500 and that Mr Gormley had taken a greater net annual value. Mr Gormley explained that in calculating the net annual value he had annualised half of the improvement expenditure, over a ten year period, and had added this to the rent passing. An allowance of 10% had also been made for rental growth since 1983.

Mr Gormley said that in allowing £11,000 of the improvement expenditure towards fixtures and fittings, which are not rateable items, he was being generous to the appellant.

The Tribunal having considered the written submissions of both parties and the oral evidence has concluded that the most relevant comparisons are the bookmakers premises in the same street.

The properties put forward as comparisons by Mr Gormley are similar properties carrying out the same business in the same street and have been recently revised. The Tribunal is of the opinion that the rateable valuation of the subject property by comparison is very reasonable. The Tribunal therefore determines that the rateable valuation of £40 on the subject property be upheld.