

Appeal No. VA90/3/070

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

Don McGreevy

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Lot 52 Cahernamart, Bridge Street, U.D. Westport, Co. Mayo

B E F O R E
Mary Devins

Solicitor (Acting Chairman)

Brian O'Farrell

Valuer

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 14TH DAY OF MARCH, 1991

By notice of appeal dated the 28th day of September, 1990, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £55 on the above described hereditament.

The grounds of appeal as set out in the notice of appeal are that the valuation is excessive, inequitable and bad in law.

The Property

The property consists of a two storey building of masonry walls and slate roof. The front elevation has a new shop front and the remainder has the old brick finish with steel framed windows. The accommodation consists of a fancy goods shop with toilet on ground floor; display area cum store, office, kitchenette and toilet on the first floor. It is located in Bridge Street, Westport.

Valuation History

The property was first valued in 1855 as "House, out office and small garden" at £9.00 and increased on appeal to £12.00. At the 1929 revision the description was changed to "House (shop)" with a rateable valuation of £26. In 1989 the hereditament was listed for revision by the Urban District Council and following the revision the description was changed to "Shop" and the valuation was increased to £55. This valuation was appealed to the Commissioner of Valuation who made no change at first appeal stage. It is against this decision that the appeal now lies with the Tribunal.

Written Submissions

A written submission was received from Mr Patrick J. Nerney BE Chtd. Eng. MIEI. MIAVI., Rateable Valuation Consultant, Valuer and Auctioneer on behalf of the appellant. Mr Nerney said that the premises were bought for £58,000 in May/June 1988. He said that internal renovations including removal of partitions and repositioning stairway were carried out at a cost of £10,000. He said the valuation was increased from £26 to £55 on the 1989 revision and remained unchanged following first appeal. Mr Nerney then outlined how a fair valuation of £40 might devalue on the subject premises as follows:-

Front half of shop	59 sq. m. @ 25p = £14.75
Rear half of shop	58 sq. m. @ 20p = £11.60

First floor	<u>120</u> sq. m. @ 12p = <u>£14.40</u>
237	£40.75 <u>Say £40</u>

He said that this has been arrived at by direct comparison with appellant's newsagents shop on a corner location at the junction of Bridge Street and The Mall and making due allowance for different locations and quality of buildings. Mr Nerney supplied details of the comparison and how that valuation would devalue. Details of this are attached in Appendix "A". Mr Nerney said that in his opinion the net annual value of the subject premises at the relevant date was £150 per week or £7,800 per annum. He said in arriving at this he took into account the following matters.

1. Premises are old and of irregular shape.
2. Purchase price and expenditure were moderate.
3. First floor is limited to use in conjunction with ground floor due to lack of separate entrance.
4. Location and building quality are inferior and premises are smaller than No. 42.
5. Valuation on No. 42 Bridge Street is recent and a general revaluation of Urban District of Westport has not been carried out from 1985 to the present.
6. Westport is a coastal town with a limited hinterland to the west.
7. Town is dependent on tourism with the result that volume of trade for the greater part of the year in premises such as the subject is small.

A written submission was received on the 7th March, 1991 from Mr Noel Lyons, B.Comm, a valuer in the Valuation Office on behalf of the respondent. In this Mr Lyons outlines the description of the building, the valuation history and said that the valuation was calculated on an estimate of net annual value of the premises in accordance with Section 11 of the 1852 Valuation (Ireland) Act and Section 5 of the Valuation Act, 1986. Mr Lyons said there is some disadvantage in not having a back entrance and yard, that the first floor is a fully fitted out shop

unit - mainly for toys, that access to the first floor is from the shop only. Mr Lyons said that the shop which is located in part of the best shopping area in Westport could be used for many other retailing purposes. Mr Lyons said that he felt the purchase price of £58,000 was a "bargain" and that the premises were worth more. He said that expenditure improvements amounted to £12,000 which was incurred in fitting a new shop front, moving the stairs from the centre of the floor to the side and fitting a new concrete floor. Mr Lyons said that the rateable valuation as being calculated from an estimate of net annual value and he supplied five comparisons to support his contention that the proper ratio between rateable valuation and net annual value was 0.5%. Mr Lyons said that in arriving at an estimate of net annual value he used information on open market rents to establish rental levels for the ground and first floor. Mr Lyons supplied details of six comparisons to support his calculation of net annual value. He then outlined his method of calculation of the rateable valuation as follows:-

Estimate of net annual value at November 1988

Ground floor shop net 1257 sq ft @ £6.00 = £ 7,542

First floor shop/store net 1295 sq ft @ £2.75 = £ 3,561

£11,103

Say £11,000

Rateable Valuation

Estimate of NAV £11,000 x 0.5% = £55.00

Oral Hearing

At the oral hearing which took place in Galway on the 12th March, 1991, the appellant was represented by Mr Patrick J. Nerney, BE, Chtd. Eng. MIEI, MIAVI. Mr Noel Lyons, Valuer, of the Valuation Office appeared on behalf of the respondent.

Mr Nerney stated that the best comparison was on a corner location at the junction of Bridge Street and The Mall. He stated that the comparable property had a turnover in excess of £200,000 p.a. more than the subject property. Both properties were owned by the same owner. He also stated that the subject premises would be difficult to sub-let because there was no separate access to the first floor. He stated that the position of the staircase in the shop itself made this impossible. Mr Nerney said that for retail rentals in rural areas it is difficult to improve on the rent in proportion to size.

Mr Noel Lyons stated that in the comparison offered by Mr Nerney, while being much bigger than the subject premises, the shop area of the comparison was much smaller. Mr Lyons gave the Tribunal a breakdown of his figures.

Ground floor 1141 sq. ft. @ £6.00 = £ 6,846

Storage 1119 sq. ft. @ £2.75 = £ 3,077

2nd floor 796 sq. ft. @ £1.00 = £ 796

£10,719 R.V. £54.

Findings

The Tribunal accepts Mr Nerney's point that smaller units let more easily than larger ones in rural areas and, therefore, feels that the ground floor of the subject premises could be sub-divided for rental purposes. Both parties seem to agree that a figure of £6 could reasonably be expected for ground floor premises. The Tribunal feels that because of the size of the subject premises, the short tourist season and the very limited hinterland that a reasonable net annual value would be in the sum of £9,000, therefore the Tribunal fixes the rateable valuation at £45.

