

Appeal No. VA92/2/020

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

**Michael Oates**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop and Store (ground floor and mezzanine) at Lot No. 11B.12B Main Street, Town of Roscommon, Townland of Ardnamagh (part of), E.D. Roscommon Urban, Co. Roscommon  
Quantum

**B E F O R E**

**Paul Butler**

**S.C. (Acting Chairman)**

**Brian O'Farrell**

**Valuer**

**Joe Carey**

**P.C. M.I.A.V.I.**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 9TH DAY OF SEPTEMBER, 1992**

By notice of appeal dated the 23rd day of March, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation on the above described hereditament at £100.

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 building was constructed by the Bank of Ireland in 1875. It is in the classic bank style with the cut stone facade on the ground floor and a large Manager's residence on two floors overhead and to the rear. The premises comprises a shop on the ground floor, a small store, office, kitchenette and toilet at a higher level and a store on mezzanine. Location at Main Street adjoins Market Square. The Appellant bought the ground floor and the mezzanine for £85,000 in 1984. He also bought the upper two floors which are separately valued as residential accommodation for £23,000. The ground floor front and the mezzanine over were used as shop while the rear portion of the ground served as a store. Improvements works were carried out in 1989 at a cost of £6,000 which altered the shop front, extended the shop into the existing rear store, removed the access stairs to the mezzanine and closed off the floor. A new stairway was fitted in small rear store to gain access to the mezzanine store.

### **Valuation History:**

The property was first valued in 1877 at £53.35 and this figure remained unchanged until 1982 when as a result of the bank moving to new premises the subject property was first valued separately as a newsagency at £35. The remainder of the former bank was valued at this time at £55. In 1984 a request to divide rating was received from the County Council although this division had already taken place in 1982. The result of the revision was a reduction in R.V. from £35 to £26. The area of the shop is 590 ft<sup>2</sup>. The property was again revised in 1990 and the valuation was increased from £26 to £100. It is against this valuation that the appeal now lies with the Tribunal.

### **Written Submission:**

A written submission was received on the 1st September, 1992 from Mr. Patrick J. Nerney, Rateable Valuation Consultant, Valuer and Auctioneer on behalf of the Appellant. In the submission Mr. Nerney gives a description of the property and the valuation history. Mr. Nerney

in his submission sets out details of his calculation of Net Annual Value and Rateable Valuation as follows:-

Net Annual Value

Shop - front	500 sq ft @ £12.00	£6,000
- rere	725 sq ft @ £ 5.00	£3,625
Kitchenette and off	100 sq ft @ £ 2.00	£ 200
Mezzanine	493 sq ft @ £ 1.00	<u>£ 493</u>
		£10,318

R.V.

Nett Annual Value £10,400 @ 0.4% = £42

Mr. Nerney states that in arriving at this valuation he considered the following factors:-

- 1) The alteration in the subject premises has been very minimal and yet the valuation was increased from £26 in 1985 to £100 at present. In fact the only difference is that the ground floor shop now incorporates the former ground floor store and also the former mezzanine shop has reverted to storage use and is less accessible than heretofore.
- 2) The front shop is now relative to overall depth and the head room in the front portion of the shop is low due to the mezzanine over.
- 3) The shop is larger than the majority of shop units which are let in the town and this can be a disadvantage as operating costs can be higher and competition in the town being keen this can be a difficulty for a business.

A similar type of business opened on the opposite side of Market Square within the past two years. There is limited carparking and Roscommon like all other towns in the county are experiencing difficulties in relation to falling employment over the past number of years. Instances of vacant shops in the town were cited in the submission. Taking everything into account Mr. Nerney states that the fact that the revising valuation of £26 fixed as recently as 1985 included the prime part of the premises. It is submitted that a four-fold valuation is not warranted at this time. Five comparisons of shop units in the Main Street are cited in Mr. Nerney's submission. These are attached to this judgment as appendix A.

A written submission was received on the 10th August, 1992 from Mr. Christopher Hicks, a valuer with the Valuation Office on behalf of the Respondent. In his written submission Mr. Hicks supplies details of the subject property and the valuation history. He also give details of the calculation of rateable valuation:-

Ground floor	1500 ft <sup>2</sup> @ £9.75	= £14,625
Mezzanine	500 ft <sup>2</sup> @ £2.00	= <u>£ 1,000</u>
	N.A.V.	£15,625
	@ .63%	£98.44
	R.V.	£100

In the calculation of the R.V. Mr. Hicks states in his written submission that in order to estimate a rent on a known or occupied property comparative rental evidence must be evaluated. In this case the prominence of the location and the striking external appearance make this a unique retail outlet. Mr. Hicks refers to comparisons set out in the submission but states that they are smaller units at the extreme edge of the prime retail area and that the rents of approximately £18 per square foot are probably not sustainable. In Mr. Hicks opinion the most compelling evidence of

rental value for the shop is the owner's own opinion of £300 per week. This figure appears honest and accurate and it would be reasonable for a valuer to consider it.

The written submission contains a summary of all properties on the west side of the Main Street and are attached as Appendix "A". Mr. Hicks also supplied the Tribunal with an analysis of rateable valuations in County Roscommon. This document is attached hereto as Appendix "B".

### **Oral Hearing:**

The hearing took place in Galway on the 8th September, 1992. Mr. Patrick J. Nerney appeared on behalf of the Appellant and Mr. Christopher Hicks appeared on behalf of the Respondent. Mr. Nerney on behalf of the appellant stated that the structure of the shop changed after 1989 when construction work was completed on the building. Previous to that time the shop area comprised c. 500 sq. ft on the ground floor with further shop space of c. 500 sq. ft. on the mezzanine floor, which was approached via a stairway from Main Street. To the rear of the shop there was 1,000 sq.ft storage area. After the alterations, which cost c. £6,000, the shop was extended into the storage area increasing the shop area to c. 1,500 sq. ft. but the front stairway to the Mezzanine floor was removed and a new stairway erected to the mezzanine floor from the rear of the shop. This effectively altered the usefulness of the mezzanine floor which now is used only for storage.

These above areas were agreed by the valuers at the oral hearing.

Mr Christopher Hicks on behalf of the respondent maintained that this building was the latest premises in the town having been built by the Bank of Ireland in 1875 to high specification and well maintained over the years. Mr Hicks also referred to the Curocity Shop at No. 76 Main

Street, Roscommon, which is a similar type shop of some what equivalent dimensions viz. area of 1,400 and in which a similar type business is conducted.

Mr Hicks said he would rely on the rental valuation submitted by the owner Mr Oates which was in the sum of £300 per week or £15,626 per annum.

While the Tribunal has never undertaken to find a precise ratio of R.V./N.A.V. and while uniformity of any theoretical ratio between county and county is not absolutely necessary for the proper implementation of the rating code, the Tribunal does consider that the postulation of a higher ratio of 0.63% for Roscommon amidst other counties estimated at 0.5% carries with it risks of anomalies which might be best avoided by seeking, as much as possible, to have uniformity within this group of counties. This is especially so having regard to the small rateable base in County Roscommon, and the diversification of small urban centres constituting this base.

### **Findings**

The Tribunal is conscious of the prominent situation of the subject premises and feels that these premises enjoy some benefit from adjacent car parking in the square. However, the Tribunal is aware of the economic climate and the increased competition. Taking all of these factors into consideration the Tribunal is of the opinion that a fair rateable valuation for the premises would be £80 and so determines.