

Appeal No. VA92/2/031

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

**Kevin Peoples and Xtravision Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop and Yard (in common) at Lot No. 75a/2 Letterkenny Urban, Co. Donegal  
Quantum

**B E F O R E**

**Henry Abbott**

**S.C. Chairman**

**Padraig Connellan**

**Solicitor**

**Veronica Gates**

**Barrister**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 20TH DAY OF MAY, 1992**

By notice of appeal dated the 25th day of March, 1992 the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £40.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that no account is taken of Net Annual Value in determining the rateable valuation assessment of this hereditament.

### **THE PROPERTY**

The property is located in Letterkenny occupying an end-of-terrace position in a parade of retail outlets having frontage to Pearse Road, a by-pass road in the town of Letterkenny. It is about 100 yards north of the junction of Pearse Road and St. Oliver Plunkett Road. The property comprises a double front of ground floor shop unit of concrete construction under a flat roof with a full display window to front elevation. Windows and doors are of aluminium construction, flooring is tiled and a suspended ceiling is fitted. The agreed internal ground floor area excluding W.C. is 1200 square feet. The subject property is used as a lock-up shop for the sale and hiring of video tapes. The property is held under a 21 year full repairing and insuring lease from December 1989 at an annual rent of £7,000. There is provision for 5 yearly rent reviews. The lessee is liable for payment of rates, contributing towards insurance, a service charge and internal repairs.

### **VALUATION HISTORY**

The property forms part of a larger development which was constructed in the early 1980's and valued as offices. The offices were subsequently divided and in 1990 the Urban District Council listed the property for revision in order to value the individual units. The valuation of the subject unit was fixed at £70 but on appeal to the Commissioner of Valuation was reduced to £40. It is against this determination of the Commissioner of Valuation that the appeal now lies with the Tribunal.

### **WRITTEN SUBMISSIONS**

A written submission was received on the 7th May, 1992 from Mr. Patrick Mc Carroll, Chartered Surveyor Auctioneer and Estate Agent of Market Place, Carndonagh, Co. Donegal on behalf of the appellant. In this Mr. Mc Carroll describes the property and its location and the tenure of the lease. He says that the use to which the premises can be put is as a retail shop for the sale and

hire of video tapes and also for the rental of video recorders and players. Mr. Mc Carroll then outlines his estimation of the Rateable Valuation as follows:

Rental Value		£7,000
Less 15% to make relative to Nov. 1988	£1,050	
Less 5% due to restrictive covenant	<u>£ 350</u>	<u>£1,400</u>
Net Annual Value		£5,600
	$£5,600 \times 0.5\% =$	£28

A written submission was received on the 12th May, 1992 from Mr. John Colfer A.R.I.C.S. of the Valuation Office, an associate member of the Institute of Chartered Surveyors on behalf of the respondent. In this Mr. Colfer comments on the appellants grounds of appeal saying that the rateable valuation on the subject property is in line with the valuations of recently revised properties in this area as detailed in Section 6 of the Valuation Act 1986. He said that in determining the Rateable Valuation of £40 regard was had to the rent reserved under the lease of the subject unit and in particular to general rental levels of shop units in the area. Mr. Colfer then set out his calculation of the Rateable Valuation of the subject property as follows:

Front Shop	420 ft <sup>2</sup> @ £11.00	=	£4,620
Mid Shop	420 ft <sup>2</sup> @ £ 5.50	=	£2,310
Rear Shop	360 ft <sup>2</sup> @ £ 2.75	=	<u>£ 990</u>
	(Devalues £6.60 p.s.f. overall)		£7,920
	@ 1/200 = £39.60	Say	£40.00

Mr. Colfer attached comparisons as follows:

- (1) Lot No. 57a/1 Pearse Road, R.V. £36.00
- (2) Lot No.s 65f/1 and 65f/2 Pearse Road, R.V. £30.00

Agreed for each unit.

(3) Lot No. 57b Pearse Road, R.V. £30.00

### **ORAL HEARING**

The oral hearing took place here at Letterkenny Urban District Council Chamber on Tuesday the 19th day of May, 1992.

Mr. Patrick Mc Carroll who is a Chartered Surveyor Auctioneer and Estate Agent appeared for the appellant. Mr. John Colfer who is an Associate Member of the Institute of Chartered Surveyors with over 12 years experience in valuation appeared for the respondent.

Both parties tendered the statements of evidence contained in the precis of evidence already delivered.

The debate of the issues relating to quantum centred around the respondent's comparison No. 1 which is immediately adjacent to the subject premises and known as 57a/1 Pearse Road. This comparison consists of a shop and yard in common, and, the rateable valuation thereof was decided at 1st appeal in 1990 at £36. The appellant argued that whereas the respondents had reduced the N.A.V. in calculating the R.V. in relation to comparison No. 1 and (also the other comparisons) the respondent did not take the same approach in valuing the subject premises, and instead actually increased the N.A.V. over the passing rent in order to establish the basis for valuation.

The Tribunal was moved to consider that the comparison with these two adjacent properties was most vital to the determination of the appeal, and, requested both parties to agree a notional valuation for the subject premises using the same techniques on a purely mathematical basis, and applying them to the subject premises as they were applied to comparison No. 1. The resultant

figure was agreed to be £31. This figure compares reasonably with the adjusted figure of £28 put forward by Mr. Mc Carroll in his precis.

The Tribunal, however, is not disposed to fixing the Rateable Valuation in the range of these levels having regard to the fact that the subject premises is a larger premises than comparison No. 1. The subject has also the benefit of being on the corner in an end-of-terrace location. Also the Tribunal are impressed by the comments of Mr. Colfer that the overall devaluation for the premises at an R.V. of £31 using the assumptions common to each of the submissions was £4.66 which did not greatly exceed the overall devaluation of Lot No. 4. This is a work shop type unit situated to the rear of the subject unit with no road frontage.

Having regard to all the foregoing considerations, and all the comparisons and evidence offered, the Tribunal finds that the appropriate Rateable Valuation of the subject premises is £37.