

Appeal No. VA92/3/002

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

Day's Bazaar Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: House Shop & Yard at Lot No. 15.16 Oliver Plunkett Street, E.D. Mullingar North Urban,
Co. Westmeath
Quantum

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Mary Devins

Solicitor

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 7TH DAY OF DECEMBER, 1992

By notice of appeal dated the 4th day of May, 1992, Mr. Patrick J. Nerney, Valuation Consultant appealed on behalf of the appellant against the determination of the Commissioner of Valuation in fixing a rateable valuation of £100 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 subject property comprises a bookshop, a newsagency business with residential accommodation on upper floors. It is located in Oliver Plunkett Street, Mullingar. The shop was renovated in 1989, improvements included extension to the shop area, new shop front, new ceiling lights and new shelving. Total expenditure was £35,920. There is a separate entrance at the side to the residential accommodation on the first and second floors. The premises has oil fired central heating and all town services are connected. The accommodation is as follows:-

| | |
|------------|--------------------|
| Front Shop | 616ft ² |
| Mid Shop | 823ft ² |
| Rear Shop | 279ft ² |

Valuation History

| | |
|-----------------|--|
| 1932 - | Lots 15.16 Building destroyed by fire. Valuation struck out. |
| 1932 - | First Appeal Lots 15.16 Part Rebuilt. Valuation fixed at £17. |
| 1933 Revision - | Lot 15: House (part of) shop & yard. Valued at £27. Lot 16: House (part of). Valued at £9 (part of 1st & 2nd Floors). |
| 1963 Revision - | Lot 15: Shop extended. R.V. increased from £27 to £38. |
| 1975 Revision - | Lots 15.16 Amalgamated and rateable valuation increased from £47 (£38 + £9) to £100. |
| 1975 - | First Appeal Lots 15.16 Valuation reduced from £100 to £70. |
| 1990 Revision - | Lots 15.16 premises improved, shop extended and new front added. Valuation increased from £70 to £100. |
| 1990 - | First Appeal lots 15.16 rateable valuation of £100 affirmed by Commissioner of Valuation. |

Written Submissions

A written submission was received from Mr. Patrick J. Nerney, Rateable Valuation Consultant on the 14th October, 1992 on behalf of the appellant. In the written submission Mr. Nerney described the property and set out his calculation of Net Annual Value and R.V. on the premises as follows:-

Net Annual Value:

| | | | | | |
|-------------|-----------------------|---|-------|---|----------------|
| Shop | 1,718 ft ² | @ | £7.00 | = | £12,026 |
| Residential | 3,160 ft ² | @ | £1.00 | = | <u>£ 3,160</u> |
| | | | | | £15,186 |

R.V.:

| | | | | | |
|------------|---------|---|------|---|-----|
| N.A.V. Say | £15,000 | @ | 0.5% | = | £75 |
|------------|---------|---|------|---|-----|

Mr. Nerney also set out the factors on which he based his calculations of R.V. which included the following:

1. The previous valuation of £70 had been a relatively recent assessment and the changes to the shop in the interim had been minimal and did not justify an increase in valuation to £100.
2. The improvements had been carried out with a view to holding onto existing business in the face of increased competition. This contention was supported by the fact that there were now 28 shops in the town selling newspapers compared to 8 when the appellant commenced trading.
3. Gross profit margin fell last year by 2% compared with a projected increase of 2%.

4. A further factor was the fact that books accounted for 50% of the business and took up a lot of space while turnover from books was slow.
5. Parking restrictions had also adversely affected trade.

In the written submission Mr. Nerney supplied 7 comparisons summarised below:-

1. Lot No. 17.18 Dominick Street. House (two) Shop, cafe, off & small garden.
R.V. £73 - 1982 F.A.
2. Lot No. 32 Pearse Street. Shop, Stores & yard.
R.V. £60 - 1984 F.A. and 1992/2 Revision.
3. Lot No. 49a Oliver Plunkett Street. Shop & Stores.
R.V. £110 - 1992/2 Revision.
4. Lot No. 49b Oliver Plunkett Street. Shop & Stores.
R.V. £100 - 1992/2 Revision.
5. Lot No. 13 Pearse Street. Shop, Post Office, Stores & Yard.
R.V. £65 - 1990/4 F.A.
6. Lot No. 23 Oliver Plunkett Street. House, Shop (gr fl) & Yard (including 17b Dominick Street)
R.V. £125 - 1989/3 Revision.

A written submission was also received on the 16th September, 1992 from Mr. Jim Gormley, District Valuer and Chartered Surveyor with the Valuation Office on behalf of the

respondent. In the written submission Mr. Gormley described the property and the valuation history attaching to it. Commenting on the appellants grounds of appeal Mr. Gormley stated that the valuation was considered to be both fair and equitable for this modern premises in a prime central location and that the rateable valuation compared favourably with the rateable valuations of recently revised properties of similar function and location. Mr. Gormley set out his calculation of the N.A.V. on the subject premises as follows:

Valuation:

| | | | |
|-------------------------|------------------------------------|---|----------------|
| Zone A= | 29½ X 20ft = 590ft² X £16/ft² | = | £9,440 |
| Zone B= | 29½ X 20ft = 590ft² X £8/ft² | = | £4,720 |
| Zone C= | Balance of shop = 538ft² X £4/ft²= | | <u>£2,152</u> |
| Net Annual Value | | | £16,310 |

Rateable Valuation = £16,310 X 0.5% = £81.56

First & Second Floors:

| | | |
|---------------------------|-------------------|----------------|
| Area 3,162 ft² @ £80/week | = £4,160 X 0.5% = | <u>£20.80</u> |
| | | £102.36 |
| Say | | £100.00 |

In the written submission Mr. Gormley supplied 6 comparisons which are summarised below:-

- Galvins. Lot No. 23 Oliver Plunkett Street
 Revised 1989 Net Floor Area: 3,713 ft²
 Rateable Valuation £125 Street Frontage: 38 feet.

This is a mens drapery shop in central location close to the subject premises. The rate per ft² at £17 is higher than subject premises which is valued at £16 per ft².

- The Stop. Lot No. 47 Oliver Plunkett Street.
 Revised 1989 Revision Net Floor Area: 861 ft².
 Rateable Valuation £56 Street Frontage: 13 feet.

3. Kilroys. Lot NO. 20b.21 Pearse Street.
 1989 First Appeal. Rateable Valuation £170.
 20b Ground Floor: 2,213ft².
 Street Frontage: 22 feet.
 21 Ground Floor: 2,844ft²
 Street Frontage: 23 feet.

4. Poundsworth. Lot No. 49a Pearse Street.
 1992 Revision Ground Floor: 1,447ft²
 Rateable Valuation £110 Street Frontage: 19½ feet
 Prime location on Pearse Street.

5. Edmund King. Lot No. 41b Pearse Street.
 1989 First Appeal Ground Floor: 386ft²
 Rateable Valuation £35 Street Frontage: 9 feet.
 Prime Location.

6. Units 1 - 5 Castle Street.
 1990 First Appeal
 Poor trading position. Well out of main retail area. Rents 1990 and 1990 vary
 from £12 to £14 per ft². Valuations agreed at 0.5% of Net Annual Value.

In summary, Mr. Gormley stated that the Net Annual Value of £16 per square foot adopted was fair and reasonable in view of the fact that prime retail units in the town are as high as £26 per square foot. He submitted that the valuation compared favourably with the rateable valuations of recently revised properties of similar function and location, in particular with

Galvins shop (comparison 1) which was the main comparison cited by the agent at first appeal.

Oral Hearing

The oral hearing took place in Dublin on the 19th October, 1992. Mr. Patrick J. Nerney, Rateable Valuation Consultant appeared for the appellant and Mr. Jim Gormley, District Valuer and Chartered Surveyor appeared for the respondent.

Mr. Nerney stated that most of Mr. Gormley's comparisons were owner occupied. Mr. Nerney felt that the previous valuation of £70 was a relatively recent assessment. He contended that any improvements carried out to the shop were done on the basis of holding onto the existing business because of the fact that more newsagents had opened in the town.

Mr. Gormley, in his evidence, said that the £70 valuation was fixed in 1975. Referring to Mr. Nerney's first comparison he stated that the reason for the reduction in valuation was due to the condition of the roof. In Comparison No. 2 there was a request for revision on reconstruction in 1992, but work had not started so the 1984 valuation remained. In connection with Comparison No. 6 which is 23, Oliver Plunkett Street, he stated that the property was rebuilt in 1989 but the first and second floors were never finished, so only the ground floor shop was valued.

Mr. Gormley went on to say that zoning is an agreed system drawn up by the Institute of Chartered Surveyors and this system is widely used and accepted throughout the country. The reason for this is to make more realistic comparisons, e.g. when there is a difference in street frontages.

Mr. Gormley said that the subject valuation was a modest one. He stated that nearby similar properties had greater valuations.

Commenting on Mr. Nerney's evidence that a 50% increase in rateable valuation was excessive, Mr. Gormley accepted that a physical change in the building may not warrant a 50% increase in the valuation, but he maintained that the revised valuation was much smaller than that of the neighbouring properties.

Taking all the above into account the Tribunal determines that the decision of the Commissioner of Valuation be upheld and the rateable valuation of £100 be affirmed.