

Appeal No. VA92/6/008

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

**Patrick Cullen**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Store and Licensed House at Lot No's. On 33 and 156.157.158 Maiden Street, Townland of Gortboy, E.D. Newcastle Urban, District of Newcastle Co. Limerick  
Quantum - Domestic relief

**B E F O R E**

**Paul Butler**

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

**Brian O'Farrell**

**Valuer**

**Veronica Gates**

**Barrister**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 10TH DAY OF NOVEMBER, 1993**

By Notice of Appeal dated the 15th day of October, 1992 the appellant appealed against the determination of the Commissioner of Valuation in fixing Rateable Valuations on the above described hereditaments as follows:-

Lot No. On 33 R.V. £14

Lot No. 156.157.158 Maiden Street. R.V. £38

The grounds of appeal as set out in the Notice of Appeal are *inter alia* "the amount of reduction at first appeal was derisory and that the appellants personal circumstances had deteriorated in line with the general depressed state of the economy".

Additional grounds of appeal where submitted with the Notice of Appeal and are attached to this judgement as Appendix A.

### **The Premises**

The premises consist of (1) a store and (2) licensed house, office and yard.

The store consists of a furniture store built in 1983. The location of the store is secondary but central to the Town of Newcastle West and the building is located about 50 meters up a yard with access off a one-way secondary street. The location is disadvantaged by the narrow access to the yard and this makes it difficult for trucks to enter.

The licensed house, office and yard are situated in a declining one-way street in Newcastle West. The building is an end of terrace two storey structure and is constructed of rubble masonry walls and slate roof. The walls are old and thick. The bar element has unchanged dimensions since the 1979 revision, being rectangular in shape with toilets to the rear.

### **Valuation History**

(1) **Lot No. On 33:**

This lot was created at the 1991 revision and was entitled 'On 33, Gortboy'. This lot was given a new number in order to separate it from the land valuation which was non-rateable and applies to the buildings on the lot. Although originally described as furniture showroom it was amended to read 'store' at 1991 First Appeal. Since the de-rating of land it has been common practice for the Valuation Office to distinguish between non-rateable land and rateable buildings by giving separate treatment to the rateable building. The valuation at first appeal on this lot was reduced to £14 from £15.

(2) **Lot No. 156.157.158 Maiden Street:**

The valuation on this lot was unchanged at 1991 revision at £40 'Licensed house, office and yard'. At first appeal the valuation was reduced to £38.

### **Written Submissions**

A written submission was received on the 25th January, 1993 from Mr. Frank Gregg a District Valuer with 24 years experience in the Valuation Office on behalf of the Respondent.

In the written submission Mr. Gregg set out details of the properties and the valuation history as summarised above. Mr. Gregg set out the background to the present appeal and his calculation of the rateable valuation on the above described lots as follows:-

**Lot No. On 33:**

The area of the store is approximately 3,059 square feet and the revising valuer estimated a fair rental of £60 per week for the store, which devalued at £1 per square foot approximately. Mr. Gregg said that this was rock bottom level in his opinion for a store of this size and type. The building was basic but functional and the rental reflected this, normal industrial space would be letting at about £2 per square foot. Basis:

3059 sq.ft. @ £1 = £3,059 @ 0.5% = £15  
Allow for poor access Say £14 R.V.

**Lot No. 156,157,158 Maiden Street:**

Mr. Gregg set out his calculation of the rateable valuation according to three basis A,B & C and these are set out below:-

**Basis A**

Say £1,500 per week = £78,000 per  
@ 45% Gross = £35,100  
@ 50% Net Profit = £17,550  
@ 40% N.A.V. = £ 7,020  
@ .5% = £ 35  
Add Domestic £6] = £ 6  
as per 1979 ] £ 41

Say £38 to allow for low present trade

R.V. £38

N.A.V. Approximately 9% of Turnover.

**Basis B**

Rental £125/wk = £6,500pa  
@ 0.5% = £32.50  
Domestic £6 = £ 6.00  
£38.50

Say £38 R.V.

Net retail area = 746 sq.feet

**Basis C**

Estimated market value @ £75,000 November, 1988

@ 10% = £7,500

@ .5% = £37.50 Say £38 R.V.

Mr. Gregg also supplied details of three comparisons which are summarised below:-

- (1) South Quay No. 28  
1991 Revision.  
Area 850 square feet.  
N.A.V. devalues at 8.6% of turnover net of VAT. R.V. £50
- (2) Church Street.  
1992 Revision.  
R.V. £60
- (3) 39a Bishop Street "The Tally Ho" licensed house. Let to Timothy O'Maloney from Michael Dooley. Two year nine month lease.  
Rent £200 per week.  
R.V. £35.

### **Oral Hearing**

The oral hearing took place in Dublin on the 27th day of September, 1993. The appellant appeared on his own behalf with his wife, Mrs. Elizabeth Cullen who is also a rated occupier and Mr. Frank Gregg appeared on behalf of the respondent.

At the outset it was agreed, despite the fact that there was some confusion initially as to whether two appeals were validly before the Tribunal, that the Tribunal should deal with the two premises mentioned above.

The first premises is a licensed premises which is let by the Appellant. Mr. Gregg said that the .5% fraction is universally accepted in the area and that the best evidence of Net Annual Value is an actual passing rent. While using other methods of arriving at a rateable valuation, Mr. Gregg's principal method was as follows:-

#### **Basis B:**

Rental £125/wk	=	£ 6,500 per annum
@ .5%	=	£32.50
Domestic £6	=	<u>£ 6.00</u>
		£38.50

In regard to the second above mentioned premises, the store, Mr. Gregg arrived at his valuation on the basis of a letting value of £60.00 per week.

The appellant in evidence accepted that he was renting the licensed premises at £125.00 per week but said that in the past year it had been vacant on three occasions and that it was very difficult to get tenants at that rent. They sought £125 per week as they needed that to cover their overheads but that he thought that £100 per week would be a more appropriate rent.

In regard to the store, the appellant said that it was used as a second hand furniture store and that he had tried without success to let it for £50.00 and £60.00 within the last year.

### **Determination**

In regard to the licensed premises the Tribunal is satisfied, on the evidence of the appellant that a passing rent of £125 is too high and determines that a reasonable passing rent would be £100.00 per week. This, using Mr. Gregg's method gives a rateable valuation of £26.00 in respect of the licensed premises. In addition, there is a domestic element attached to this licensed premises which forms part of the same hereditament. The Tribunal is further satisfied that the valuation thereof at £6.00 is far too low, and it apportions the same at £12.00. While determining, therefore, the Rateable Valuation of this first hereditament at £38.00 the Tribunal apportions the same at £26.00 in respect of the licensed area and £12.00 in respect of the domestic area. As to the store, the second mentioned premises, the Tribunal is satisfied that a reasonable letting value would be about £45.00 per week and determines the Rateable Valuation thereof at £12.00.