

Appeal No. VA93/1/022

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

Coast Road Investments
t/a Some Like it Hot

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Restaurant at Map Ref: 23, Main Street, Dundrum, E.D. Dundrum-Sweetmount, Co.
Dublin
Quantum

B E F O R E
Mary Devins

Solicitor (Acting Chairman)

Veronica Gates

Barrister

Paddy Farry

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 1ST DAY OF DECEMBER, 1993

By Notice of Appeal dated the 24th day of February, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £126 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

"The Net Annual Value of the property at the relevant date was not sufficient to justify the valuation."

The Property:

The premises comprises the ground and first floor of a two-storey building and is prominently located two doors from the junction of Main Street and Ballinteer Road in Dundrum. The premises is in good condition throughout, the appellant having spent approximately £10,000 on renovations since taking over the lease in 1990. It has a street frontage of 22 feet and there is access from Ballinteer Road to a small concreted yard at the rear. The property is constructed with brick and masonry walls under a slated roof.

The property is held on a 35-year lease from October 1981 and the rent was reviewed in October 1986 to £12,000. In October 1991 the rent was increased from £12,000 to £20,000 on review.

The accommodation comprises a restaurant, kitchen, store and w.c. at ground floor level and at first floor level, a store, two small offices and w.c..

Valuation History:

1978 Appeal: The premises was valued with the adjoining property (No. 22) as a bank at R.V. £130.

1983 Revision: The premises was valued separately as a shop at R.V. £50.

1985 Revision: The valuation was increased to £60 following the erection of a small extension at the rear.

1991 Revision: The property was revalued as part of a general revaluation of commercial property in Dundrum and the R.V. was increased to £126.

This was subsequently appealed and the Commissioner of Valuation issued his decision affirming the valuation at £126. It is against this determination that the subject appeal lies to the Tribunal.

Written Submission:

On the 22nd July, 1993 a written submission was received from Mr. Desmond J. Boyle of Boyle Drohan & Company, Chartered Valuation Surveyors, acting on behalf of the appellant.

In his submission Mr. Boyle described the property and its location. Mr. Boyle stated that a heavy volume of vehicular traffic passes through Main Street, Dundrum from the densely

populated residential areas of Dundrum, Ballinteer, Sandyford and beyond. He states that the volume of traffic causes a severe bottleneck particularly back up to the Sandyford Road and that this traffic congestion acts as a real deterrent for potential shoppers coming from south of Dundrum who are diverted to Stillorgan or The Square in Tallaght which they perceive as having greater accessibility.

Mr. Boyle also refers to the fact that Dundrum is a relatively unattractive retail area because of the comparatively small number of shops in the village and that a lot of frontage in Main Street is taken up by non-retail uses, such as the Church, the College of Commerce and some residential units.

Mr. Boyle also states, in his submission, that in his opinion, the rateable valuation of the property should be no more than £79.

On the 29th July, 1993 a written submission was received from Mr. Jim Gormley, a District Valuer with 19 years experience in the Valuation Office, on behalf of the respondent.

In his submission Mr. Gormley set out the valuation history of the premises as referred to above and he also gave a description of the property and its location. Commenting on the grounds of appeal Mr. Gormley stated that the rent fixed at the commencement of the lease (1981) was £12,000. He said that the landlord missed out on the review due in October 1986. At review in October 1991 the rent increased from £12,000 to £20,000. He also stated that the agent was seeking a reduction in valuation from £126 to £79 based on an estimated N.A.V. of £12,000 at November 1988 which is equivalent to the rent fixed in October 1981. He stated that this was an unrealistic approach in light of the fact that the rental levels increased substantially between 1981 and 1988, and that the rent fixed in 1991 is £20,000. Additionally, he said that the appellant paid £45,000 for the leasehold interest in January 1990 and that this would support the view that the rent passing at that date was well below full market rent.

Mr. Gormley referred to six comparative properties in the Dundrum area in his submission and these are attached to this judgment as Appendix A.

Oral Hearing:

At the oral hearing which took place in Dublin on 16th August, 1993, the appellant was represented by Mr. Desmond Boyle of Messrs Boyle Drohan & Company. Mr. Jim Gormley appeared on behalf of the appellant.

Mr. Boyle explained that the property was held under a 35 year lease from October 1981 and that the rent had been reviewed in October 1986 to £12,000. He said that his estimate of N.A.V. as of November 1988 was £12,500.

Mr. Boyle stated that the increase in rent in October 1991 from £12,000 to £20,000 was explained by the introduction of a take-away service in the restaurant area. He said that for Mr. Gormley to base his assessment on the rent increase in 1991 would be to suggest that there had been a 66% increase in rental values from 1988 to 1991.

Mr. Gormley submitted that while it was true to say that no increase in rent had occurred in 1986 no review had in fact taken place as the landlord had not been notified of same.

Mr. Gormley said that his assessment of Zone A at £26 per square foot was fair particularly when compared with neighbouring retail properties which were valued on the basis of £27 per square foot. He stressed that the subject premises were a much better trading proposition.

The Tribunal notes Mr. Gormley's estimate of N.A.V. as of November 1988 at £17,391. It feels, however, that this is a little high, in view of the lessening attraction of Dundrum Village as a retail area because of its ever-increasing traffic problems.

In the circumstances the Tribunal is of the opinion that the correct R.V. of the subject premises is £95 and so determines.