

Appeal No. VA93/4/019

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

Discount Footwear Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Map Ref: 30 (1) Main Street, Townland of Naas West, E.D. Naas No. 10, Naas,
Co. Kildare

Quantum - Passing rent, comparisons

B E F O R E

Veronica Gates

Barrister (Acting Chairman)

Brian O'Farrell

Valuer

Paddy Farry

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF MAY, 1994

By Notice of Appeal dated the 29th day of October, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £80.00 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 property consists of a lock up shop of c. 870 square feet with frontage of 15½ feet and store to rear of c. 660 square feet. The property has shop front and display windows to the Main Street. The property is located on Main Street, close to the Post Office. There is on street parking, a car park on the opposite side of the street and also car parks to the rear of the Town Hall and East Main Street.

Valuation History

The property was first valued at £25.00 on 1978 Revision when the shop area was 355 square feet. On 1984 Revision following renovation the rateable valuation was increased to £35.00. On 1992 Revision following changes, the rateable valuation was increased to £80.00. There was no change made to the rateable valuation at 1992 First Appeal stage and it is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

Written Submission

A written submission was received on the 15th March, 1994 from Mr. Alan Mc Millan A.R.I.C.S., an Associate of the Society of Chartered Surveyors and a Director of Donal O'Buachalla & Company Limited on behalf of the appellant. Mr. Mc Millan in his written submission described the location of the property, its tenure and services and valuation history.

He set out his calculation of the rateable valuation as follows:-

Shop	790 sq.ft.	@	£12.50	=	£9,875
Store and Booth	63 sq.ft.	@	£ 5.00	=	£ 315
Return Stores etc.	503 sq.ft.	@	£ 4.00	=	£2,102
External Stores	170 sq.ft.	@	£ 2.00	=	<u>£ 340</u>
N.A.V.:					£12,454
Say					£12,600
R.V. @ ratio 0.5%					<u>£63.00</u>

Mr. Mc Millan offered three comparisons as follows:-

- (1) Ref. 35b South Main Street. Vacant shop formerly t/a "Nippers".
N.A.V. adjusted for 20% growth gives £10.80 per sq.ft.
- (2) Ref: 28 South Main Street. T/A "Richelle" formerly "Kerrigans".
Analysis: Retail Shop approximately 2,000 sq.ft. at £6.00 per sq.ft.
- (3) Unit 2, Moat Mall, North Main Street. T/A "Sitric" Jewellers.

R.V. £50.00. 1992 Phase 4 First Appeal.

A written submission was received on the 11th day of March, 1994 from Mr. Malachy Oakes, a District Valuer with 20 years experience in the Valuation Office on behalf of the respondent.

Mr. Oakes described the property, gave its valuation history and set out his calculation of the rateable valuation on the subject premises as follows:-

Front Shop:	26.5m ²	285 ft ² @ £25.00/ft ² =£7,125
Mid Shop:	32.5m ²	350 ft ² @ £12.50/ft ² =£4,375
Rear Shop:	21.9m ²	236 ft ² @ £ 6.25/ft ² =£1,475
Fitting Room:	1.5m ²	16 ft ² @ £10.00/ft ² =£ 160
Stores (internal):	31.0m ²	339 ft ² @ £ 5.00/ft ² =£1,655
Stores (external):	15.5m ²	166 ft ² @ £ 3.00/ft ² =£ 500
Kitchen/Store:	13.4m ²	145 ft ² @ £ 5.00/ft ² =£ 725
		<hr/> Total = £16,015
		Say = £16,000
Estimated N.A.V.	=	£16,000
R.V. @ 0.5%	=	£80.00

Mr. Oakes offered details of three comparisons as follows:-

- (1) The Country Shop, 31 Main Street. Ladies clothes shop. R.V. £42.00
1990 Revision.
- (2) Elle, Pt. 37 Main Street. Ladies dress shop. R.V. £50.00.
1990 Revision.
- (3) Evita Boutique, 59a Main Street. Ladies clothes shop. R.V. £48.00.
1990 - VA92/2/16.

Oral Hearing

An oral hearing took place on the 21st day of March, 1994. Mr. Alan Mc Millan appeared on behalf of the appellant and Mr. Malachy Oakes appeared on behalf of the respondent. Both parties adduced evidence in accordance with their written submissions.

Mr. Mc Millan described the subject premises as being in a secondary trading location on the west side of the main street of Naas Town Centre. He said that Main Street North is the prime trading location in Naas as is evidenced by rental levels in the area. The bulk of new retail development has taken place in this area drawn by the arrival of the Superquinn Supermarket. Outlining the premise's disadvantages, Mr. Mc Millan said that there is only limited on-street parking adjacent to the subject, the trading front is only 13 feet 6 inches in length and head room in the interior of the shop is less than 8 feet. The property is held under a two year nine month lease from July, 1993 at a rental of just under £16,000.

Mr. Mc Millan commented on the analysis of the Rateable Valuation of £80.00 and said that it is based on a net annual value of £16,000 with a reducing factor of 0.5%. He said that this would mean in today's terms that the correct rent would be approximately £20,000 which represents £21.00 per square foot for the overall shop and this is equivalent to a Zone A of £34.00 per square foot.

Mr. Mc Millan commented on the comparisons put forward and said in relation to his own comparison D, Unit 2 Moat Mall, North Main Street, trading as Sitric Jewellers that this property is in a prime location in Naas and that the Net Annual Value of £25.00 per square foot shows that the Respondent has allowed a growth of 20% in adjusting the actual rent to the net annual value in the period from 1991 to 1988.

Mr. Mc Millan asserted that the correct Rateable Valuation for the subject premises is £63.00 which represents £12.50 per square foot on the shop overall which is equivalent to approximately, £20.00 per square foot for Zone A.

In relation to the appellant's assertion that Rents should be adjusted back to 1988 by approximately 25%, Mr. Oakes said that during the period 1988 to 1993, there was no great change in rental levels in Naas Town. He said that there was evidence that the previous rent on the subject premises was in the region of £18,000 per annum and that it would appear that the rent was subsequently reduced. However, he said that he was not in a position to confirm this, though the revising Valuer was informed by the tenant in early 1992 that the sum of £350.00 per week was the actual rent passing. In response Mr. Mc Millan said that his client had made the lease on the subject premises available to him for inspection as documentary evidence of the actual rent being paid for the premises.

Determination

The Tribunal has had regard to the evidence adduced by both parties in their written and oral submissions. It has taken account of the level of rental values in Naas Town as evidenced by the comparisons put forward by both parties, in particular the appellant's analysis of the Rateable Valuation of shops such as Sitric Jewellers which is situated in a somewhat better trading location than the subject but has a lower Rateable Valuation. Taking these factors, together with the evidence of the passing rent on the subject premises and all other relevant factors into consideration, the Tribunal is of the opinion that the correct Rateable Valuation for the subject premises is £68.00 and so determines.