

Appeal No. VA94/1/016

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

Fitzgerald McNamee & Company

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices (First Floor) at Map Reference: In 25, Town of Loughrea - Main Street, Townland:
Loughrea (part of), E.D.: Loughrea Urban South, R.D.: Loughrea, Co. Galway
Quantum - Passing rent

B E F O R E

Veronica Gates

Barrister (Acting Chairman)

Paddy Farry

Solicitor

Patrick Riney

F.R.I.C.S. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 7TH DAY OF NOVEMBER, 1994

By Notice of Appeal dated the 3rd day of May, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £16 on the above described hereditament.

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

- "(1) The valuation is excessive and inequitable.
- (2) The valuation is bad in law."

The Property:

The property is situated on the first floor of a three storey building erected in 1965 with a bank on the ground floor. The entrance is from Main Street via stairs at the side of the bank. There are five separate offices, a w.c. and electric storage heating.

The agreed floor area is 622 square feet.

Tenure:

The subject of this appeal is held under a 21 year lease from 1 September, 1978 with five year rent reviews. The rent was reviewed in 1988 and increased from £2,000 to £2,300 per annum.

Valuation History:

The property was valued prior to 1992 at £13.50. In May 1992 the rateable valuation was increased to £16. No change was made to this valuation at First Appeal.

Written Submissions:

A written submission was received on the 23rd September, 1994 from Mr. Des Killen, F.R.I.C.S., I.R.R.V., a Fellow of the Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited, on behalf of the appellant.

In his written submission Mr. Killen described the premises as a basic country town rural office with external rubble masonry walls, single staircase approach from ground floor and main services.

Mr. Killen said that he requested the Tribunal to consider all the facts pertaining to the other offices in the building, i.e. first and second floors. He said that the appellant agreed to accept an increase from £6 to £10 on revision, and from £10 to £13.50 on appeal in respect of the other first and second floor offices. He said that in accepting this increase, witness had full regard to the 1988 rent of that part, that is, £2,600 per annum.

Mr. Killen supplied in tabular form a comparison between the subject and the other offices in the subject building as follows:-

Descript ion	Agr eed	R.V.	Ren t
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		Area (sq.ft.)	Pre- Revisi on	Revisi on	App eal	1.9. 83	1.9. 88	1.9. 93
<u>Subject</u>								
In 25	Offices 1st Floor	622	£13.50	£16.00	£16.00	£2,000 p.a.	£2,300 p.a.	£2,780 p.a.
<u>Compari son</u>								
In 25	Offices 1st Floor	215)	£6.00	£10.00	£13.50	£2.250 p.a.	£2,600 p.a.	£3,000 p.a.
	2nd Floor	827)						

Mr. Killen said that it was clear from the schedule that the respondent had adopted the rent as at 1 September, 1988 as N.A.V. on the other offices. He said that in view of the small difference in rateable valuation £13.50 as assessed vis-à-vis £13.00 per actual rent, the appellant had accepted the rateable valuation. He said that the same criteria does not apply to the subject as the respondent's N.A.V. was £3,200 as opposed to £2,300, the actual rent.

Mr. Killen submitted that the correct N.A.V. for the subject is £2,300 and the correct rateable valuation is £11.50.

A written submission was received on the 4th October, 1994 from Mr. John Smiley of the Valuation Office, on behalf of the respondent.

In the written submission Mr. Smiley described the property, its location and tenure. He set out his calculation of the rateable valuation on the subject premises as follows:-

1st Floor Offices	622 sq.ft. @ £5.00	=	£3,110
	N.A.V. £3,100 x 0.5%	=	£15.50
	R.V.	=	£16.00

Mr. Smiley supplied comparisons as follows:-

1) Fitzgerald McNamee - Main Street

(Appellant's other lease in the same building as subject)

1st Floor Offices	215 sq.ft.	@ £5.00	=	£1,075
2nd Floor Offices	827 sq.ft.	@ £1.80	=	<u>£1,489</u>
				£2,564

Held under lease for 17 years from 1st September, 1992.

Rent reviews at 6th and 11th years. Rent £2,600 per annum at 1988.

2) Farm Development Services - Main Street

1st Floor Offices	570 sq.ft.	@ £5.00	=	£2,850
2nd Floor Offices	455 sq.ft.	@ £1.80	=	<u>£ 819</u>
				£3,669

Held under lease for 35 years from August, 1976.

5 year rent reviews. Rent review 1988 to rent £3,500 per annum.

3) A.G. Moylan & Company - Bride Street

Ground/1st Floor Offices	1,550 sq.ft.	@ £5.20	=	£8,060
N.A.V.	8,000	x 0.5%	=	£40.00 R.V.

Freehold property.

Oral Hearing:

The oral hearing took place in the Council Chambers, Galway on the 20th October, 1994.

Mr. Desmond Killen of Messrs. Donal O'Buachalla & Company Limited appeared on behalf of the appellant and Mr. John Smiley of the Valuation Office represented the respondent.

Mr. Killen described the subject premises as being situate in Main Street, Loughrea, Co. Galway. These first floor offices comprise three rooms, two of which are divided by stud partitions to create five offices. Mr. Killen said that the premises are basic rural office accommodation. Parking facilities are on street with a one hour limitation period. The premises are held on a 21 year lease from 1 September 1978 with five year rent reviews. The passing rent in 1988 was £2,300 which devalues at £11.50 using a reducing factor of 0.5%.

Mr. Killen said that the premises are rented from A.I.B. and that this is an arms length transaction. This fact was not disputed by Mr. Smiley though he was of the opinion that £2,300 was too low for first floor office space.

Mr. Killen contended that the relationship between the rates per square foot on the first and second floor levels on all of the respondent's comparisons was unreasonable. Mr. Smiley was of the opinion that first floor office space was more attractive than ground floor space.

Commenting on the comparisons put forward by the respondent, Mr. Killen said that correct devaluations, based on the actual rents passing on Farm Development Services, Main Street, Loughrea and A.G. Moylan & Company, Bride Street, Loughrea, are as follows:-

Farm Development

1988 Rent	£3,500
First Floor	570 sq.ft. @ £4.15
Second Floor	455 sq.ft. @ £2.50

A.G. Moylan

1988 Rent	£2,600
First Floor	215 sq.ft. @ £3.70
Second Floor	827 sq.ft. @ £2.20

Determination:

The Tribunal has had regard to the written and oral evidence adduced by both parties. Taking this and all other relevant factors into consideration particularly the evidence in relation to the rental levels on the subject premises and on the comparisons in the area, the Tribunal is of the opinion that the correct rateable valuation is £11.50 and so determines.