

Appeal No. VA94/1/021

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

O'Mahony Murray & Company

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Map Reference: 40/41/42, Townland: North Main Street, Ward: Centre West,
County Borough of Cork

Quantum - Decline in trading on the street

B E F O R E

Henry Abbott

S.C. Chairman

Brian O'Farrell

Valuer

Joe Carey

P.C. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF JULY, 1994

By Notice of Appeal dated the 9th day of May, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £440 on the above described hereditament.

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

- "(1) The rental value has fallen
- (2) The traffic plan has reduced the trade in the street
- (3) Recent development of supermarket and multi storey car park has affected trade in the street."

The Property:

The property consists of a large supermarket with frontage to North Main Street. At the rear of the shop there is a storage area having access from Cornmarket Street. The shop ceased trading on the 12th January, 1994.

North Main Street is a secondary street in Cork. It is a long street and contains a mixture of shops, restaurants, banks and a building society. The street is narrow and traffic goes one way. Car parking is restricted but there is a new multi-storey carpark with 419 spaces recently opened by Cork Corporation.

Valuation History:

In 1967 the property was valued as hosiery factory and an R.V. of £200 was fixed. In 1986 following a change of use to supermarket the R.V. was increased to £550 and on First Appeal reduced to £475. The property was listed for revision in 1993 on the grounds that the valuation was excessive and the R.V. was reduced to £440. This valuation was appealed but no change was made at First Appeal.

Written Submissions:

A written submission was received on the 1st July, 1994 from Mr. Tom Costello, a District Valuer with 30 years experience in the Valuation Office, on behalf of the respondent.

In the written submission Mr. Costello gave details of the property, its location and valuation history. He set out his calculation of the rateable valuation of the subject premises as follows:-

The total shop area is 9,324 square feet. The storage area is 6,435 square feet.
Frontage 56'. Zone A 1,120 square feet.

Estimate of N.A.V.:

Shop Zone A:	1,120 sq.ft. @ £20.00 =	£22,400
Shop Zone B:	1,120 sq.ft. @ £10.00 =	£11,200
Shop Zone C:	1,120 sq.ft. @ £ 5.00 =	£ 5,600
Remainder of Shop:	5,964 sq.ft. @ £ 2.50 =	£14,910
Stores:	6,436 sq.ft. @ £ 2.50 =	<u>£16,090</u>
		£70,200

R.V. £70,200 x 0.63% = £442 Say = £440.00

Mr. Costello offered 5 comparisons as follows:-

- 1) Allied Irish Bank
 33 North Main Street
 R.V. £135
- 2) Michael Murphy
 49/50 North Main Street
 R.V. £200
- 3) Restaurant - Ground Floor
 69 North Main Street
 R.V. £100
- 4) Betting Shop
 86 North Main Street
 R.V. £50
- 5) Gaunt & McCabe
 61 North Main Street
 R.V. £110

Mr. Costello indicated that the devaluation of these rateable valuations yielded rates per square foot between £12-£17 and £20 per square foot. The rate on the Zone A portion of the subject premises is £20 per square foot.

No written submission was provided by the appellant.

Oral Hearing:

The oral hearing took place herein at City Hall, Cork on the 12th July, 1994. Mr. Val O'Mahony, Director of Bennetts Westpoint Limited, the owner of the property under appeal, appeared for the appellant. Mr. Tom Costello of the Valuation Office appeared for the respondent.

Mr. O'Mahony set out his case by reference to the recent transactions affecting the history of the premises. It appears that Value-Point Supermarket Limited took over the premises on the 1st January, 1990 for a rent of £60,000 per annum on the usual repair and insurance covenants. Value-Point have since gone into liquidation and the owners have the property for sale at the moment in a vacant condition.

By January 1990 it appeared probable that a municipal carpark would proceed in the marsh area which would have been of considerable benefit to the subject property.

The Tribunal heard from Mr. O'Mahony that after considerable buffeting in several directions the local authority eventually decided upon a multi-storey carpark overhead Dunnes Stores which is further down the street. Car parking on the street is restricted to one hour and it is one way. There is no public transport. Car parking and taxi use converges on the Dunnes Stores carpark and it appears that in the final days of trading that Dunnes Stores were able to compete very successfully to the detriment of the trading in the subject. Exceptionally, North Main Street, where the subject is situate, is not the subject of urban renewal incentives

Mr. O'Mahony considered that the situation in November 1988 would not have been as hopeful in relation to the prospect of car parking and that rents would have been less than those motivating the £60,000 secured in January 1990.

Mr. O'Mahony ventured an opinion that the rent attainable for the property now would be £30,000. There was an asking price of £550,000 for the property but if £425,000 was achieved it probably would sell.

Mr. O'Mahony went through the comparisons and indicated that the Allied Irish Bank had purchased No. 34 next door but had not developed it for two years and that a charity shop was on the other side at No. 32. Mr. O'Mahony said that Michael Murphy's shop was an old fashioned country outfitters and was not directly comparable. He said that 69 Main Street was a restaurant which opened and closed down frequently and that 86 North Main Street was a betting shop and had come down in the world in terms of retail use. Comparison No. 5, 61 North Main Street, had produced a number of liquidation sales and had not traded satisfactorily.

Mr. Costello argued strongly for maintaining the tone of list by accepting his valuation of the property.

The Tribunal, however, accepts that the development of Dunnes Stores and the continued buoyancy of other shopping streets show that the subject area has been somewhat eclipsed.

Mr. Costello countered that the Michael Murphy premises had recently been refurbished and that this would not be done if matters were as depressed for the street as Mr. O'Mahony had argued.

Determination:

The Tribunal has considered all comparable premises and has considered the evidence and concludes that the street has suffered from the combined pulling power of the Dunnes Stores premises, the absence of urban renewal in addition to the disadvantage of parking on the Main Street. In view of the foregoing and in view of the rental history of the property, the Tribunal finds that the valuation is £315 and so determines.