

Appeal No. VA94/3/024

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

**Joseph Gallagher**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop at Map Ref: 7b, Main Street, Townland: Letterkenny, Ward: Letterkenny Urban,  
U.D. Letterkenny, Co. Donegal  
Quantum - Comparisons

**B E F O R E**

**Henry Abbott**

**S.C. Chairman**

**Brian O'Farrell**

**Valuer**

**Fred Devlin**

**F.R.I.C.S. A.C.I. Arb.**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 1ST DAY OF JUNE, 1995**

By Notice of Appeal dated the 27th day of October 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £47.00 on the above described hereditament.

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

- "1. The area of the shop as stated in my previous appeal which limits my ability to increase my sales.
2. My business has been affected by the new shopping complex which has been situated across the street from my premises, also the increased number of retail shops engaged in the same type of business."

**The Property:**

The property comprises a shop premises at Lower Main Street, Letterkenny with a frontage of 19ft 3ins. The net lettable area of 782 square feet comprises:

Shop 700 square feet  
Store 82 square feet

An area with a toilet and washhand basin adds a further 35 square feet. There is a rear entrance.

**Valuation History:**

Prior to the current appeal Mr. Gallagher occupied a shop on the same site now demolished which had a rateable valuation of £12.00. In 1992 the shop premises was valued and the valuation fixed at £47.00. There was an appeal to the Commissioner of Valuation but no change was made at first appeal. It is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 22nd day of May 1995 from Mr. Patrick McCarroll, Chartered Surveyor, Auctioneer and Rating Consultant on behalf of the appellant. In his written submission Mr. McCarroll said that the property was in an area predominantly commercial in character, some distance from the epicentre of retailing activity in Upper Main Street. Mr. McCarroll said that in his opinion there is a surplus of retail space in the town of Letterkenny. He said that the property is in a designated area, which had resulted in the upgrading of several properties, it had created an artificial market for retail units and it still resulted in an unacceptable turnover of tenants. Mr. McCarroll set out his estimate of the rateable valuation on the subject premises as follows:

Retail area:	700 square feet	@	£10.00 per square foot	=	£7,700
	£7,700	@	0.5%	=	£38.50
			Say, to allow for store =		£40.00

Mr. McCarroll offered three comparisons as follows:

**1 Pat Gray**

92/2 off Main Street. 1991 First Appeal

RV = £32.00 NAV = £6,400

Analysed:-	616 square feet @ £10.50	=	£6,468
	Say	=	£6,400

**2 North West Investments**

92/3 off Main Street. 1991 First Appeal

RV = £32.00 NAV = £6,400

**3 Format Computers Limited**

92/4 off Main Street. 1991 First Appeal

RV = £28.00 NAV = £5,600

A written submission was received on the 22nd day of May 1995 from Mr. Paschal Conboy, a Valuer with 14 years experience in the Valuation Office on behalf of the respondent. In the written submission, Mr. Conboy described the property and the valuation history as set out above.

Commenting on the appellant's grounds of appeal, Mr. Conboy said that the valuation in his opinion was not excessive. He said that the subject premises is of sufficient size for a range of retail uses and consequently its rental value would not be affected by shop size. Mr. Conboy said that while the appellant's business may have suffered as a result of increased competition it did not follow that the rental value should decrease. He said that the new developments in the area and in particular the Courtyard shopping centre had transformed a peripheral retail area into a good location. Mr. Conboy set out his calculation of the rateable valuation as follows:

The rateable valuation was assessed at 0.5% of Net Annual Value (NAV) which is in line with the basis adopted for the determination of recently revised properties in the locality.

**Basis:**

782 square feet @ £12.00	=	£9,384
Say	=	£9,400
RV = 0.5% of NAV	=	£47

The NAV devalues Zone A 358 square feet @ £17.

Mr. Conboy gave details of three comparisons in Letterkenny which are summarised below. In general Mr. Conboy said that Net Annual Values for the main retail pitch in Letterkenny are from £22 to £25.

### **Comparison 1**

Lot 177/1 Main Street NAV £10,300

Devalues: 755 square feet @ £13.64 or Zone A 289 square feet @ £22

*Comment:* Better located premises than subject but with narrower frontage.

### **Comparison 2**

Lot 97/1 off Main Street NAV £ 6,400

Devalues: 564 square feet @ £11.34 or Zone A 260 square feet @ £16

*Comment:* Poorer location than subject and narrower frontage.

### **Comparison 3**

Lot 6a Main Street NAV £8,000

Devalues: 719 square feet @ £11.13 or Zone A 195 square feet @ £20

*Comment:* Adjoining the subject it is a poorer premises.

### **Oral Hearing:**

The oral hearing took place at the Courthouse, Letterkenny on the 1st day of June 1995.

Mr. Patrick McCarroll, Chartered Surveyor, Auctioneer and Rating Consultant appeared for the appellant, and Mr. Paschal Conboy, Valuer appeared for the respondent.

Mr. McCarroll referred to his précis and the comparisons. He laid great emphasis on the fact that the shopping centre adjacent and the designated status of the area was of no particular advantage to the subject. He emphasised the limited back access of the subject (although Mr. Conboy highlighted that other comparisons had in fact no back doors at all). Mr. Gallagher, the owner of the subject premises briefly gave evidence and highlighted the fact that the shopping centre opposite had no anchor tenants such as Dunnes Stores or Quinnsworth and that the profusion of units let therein produced not a benefit but competition for his premises.

Mr. Conboy referred to his précis and thoroughly argued Mr. McCarroll's points. However, a matter which has taken on some weight with the Tribunal in relation to resolving the relatively small difference between the valuers is the treatment of comparison No. 3 put

forward by Mr. Conboy. This example posits an overall devaluation of £11.13 whereas the overall rate for the subject is £12.00 per square foot. While there might be a small zoning difference there is no really cogent reason why the overall rate should be so significantly different. For that reason and having regard to all the comparisons offered in the circumstances of the case, the Tribunal considers that some reduction on the valuation should be allowed. The Tribunal consequently finds that the valuation of the subject is £43.00 and so determines.