

Appeal No. VA95/1/032

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

**Makullas**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop, offices and stores at Map Ref: 11 to 13, Suffolk Street, Ward: Royal Exchange, County Borough of Dublin

Quantum - Comparisons

**B E F O R E**

**Veronica Gates**

**Barrister (Acting Chairman)**

**Con Guiney**

**Barrister**

**Paddy Farry**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 26TH DAY OF JANUARY, 1996**

By Notice of Appeal dated the 18th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £650 on the above described hereditament.

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

"the rateable valuation is excessive and inequitable having regard to the provisions of the Valuation Acts."

**The Property:**

The premises comprises shop, offices and stores on ground floor, mezzanine, basement, 1st, 2nd and 3rd floors. The property is located on the north side of Suffolk Street between its junction with Grafton Street and St. Andrew's Street.

**Valuation History:**

The property was originally assessed on a rateable valuation of £550. This was revised in November 1993 at £750 and reduced on First Appeal to £650. It is against this determination of £650 that an appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 5th day of January 1996 from Mr. David Potter, ARICS of Hamilton Osborne King on behalf of the appellant.

In his written submission Mr. Potter described the subject premises and its valuation history. He said that to determine the net annual value as at 1st day of November 1988 he had looked at the property in two ways.

- 1) the levels of rent current on the street as of November 1988 applied to the premises  
*and*
- 2) the actual rent paid by the tenant in August 1993, adjusted to reflect the growth on the street between the two dates.

In relation to rental levels, Mr. Potter said that the only retail property on the same side was no. 14 Suffolk Street which he analysed as follows:-

<b>Floor</b>	<b>Description</b>	<b>Zone</b>	<b>Sq. Ft.</b>	<b>£PSF</b>	<b>£PA</b>
Ground	Retail	A	240	30	7,200
		B	240	15	3,600
		C	<u>128</u>	7.5	960
			<b>608</b>		
Mezzanine	Office/Stor es		220	6	1,320
Basement	Office/Stor es		520	6	<u>3,120</u>
					<b>16,200</b>

In relation to office comparisons, Mr. Potter said that office accommodation in the area was not in great demand at the relevant date and even in today's improved market. He said that his firm had recently let the upper floors of no. 21 Suffolk Street on a four year internal repairing and insuring lease at £12,000 per annum. This rentalised as follows:-

<b>Floor</b>	<b>Description</b>	<b>Sq.ft.</b>	<b>£PSF</b>	<b>£PA</b>
First	Offices	500	7.00	3,500
Second	Offices	550	6.00	3,300
Third	Offices	550	5.00	2,750
Fourth	Stores	450	4.00	<u>1,800</u>
				<b><u>11,350</u> Say £12,000 pa.</b>

In his opinion a reasonable Zone A rate in relation to the subject property is the level applied to the adjoining premises no. 14 i.e. £30 psf for Zone A with £10 psf to the mezzanine areas and £8 psf to the first and basement retail areas as set out below.

<b>Floor</b>	<b>Description</b>	<b>Zone</b>	<b>Sq.Ft.</b>	<b>£PSF</b>	<b>£PA</b>
Ground	Retail	A	607	30	18,210
		B	550	15	8,250
		C	600	7.5	4,500
		D	208	3.75	780
Mezzanine			452	10	4,520
Basement	Retail		1,330	8	10,640
Mezzanine			260	8	2,080
Stores			524	4	2,096
First	Retail		1,115	10	11,150
	Stores		60	5	300
Second	Stores		1,726	4	6,904
Third	Stores		1,647	4	<u>6,588</u>
					<b>76,018</b>
					<b>Say £76,000 pa.</b>

He said it should be noted that when let originally the subject property contained considerably larger floor areas than exist at present due to tenant's alterations. A comparison of the before and after floor areas was contained in the written submission and set out at Appendix 1 to this judgment. Mr. Potter submitted that a realistic net annual value in

November 1988 was £80,000 per annum, adopting the accepted formula of 0.63% equated to a rateable valuation of £504.

A written submission was received on the 10th day of January 1996 from Mr. Pat Deegan, a Valuer with over 19 experience in the Valuation Office.

In the written submission, Mr. Deegan described the property and its valuation history. He set out his calculation of the rateable valuation as follows:-

### **Valuation**

Agreed areas

Gr. floor	Zone A	607 sq.ft. @ £40 = £	24,280
	Zone B	550 sq.ft. @ £20 = £	11,000
	Zone C	600 sq.ft. @ £10 = £	6,000
	Zone D	208 sq.ft. @ £10 = £	2,080
Mezzanine		452 sq.ft. @ £20 = £	9,040
Basement		1,590 sq.ft. @ £ 8 = £	12,720
	Storage	524 sq.ft. @ £ 4 = £	2,096
1st floor		1,115 sq.ft. @ £ 9 = £	10,035
	Storage	60 sq.ft. @ £ 4 = £	240
2nd floor		1,726 sq.ft. @ £ 8 = £	13,805
3rd floor		1,647 sq.ft. @ £ 8 = £	<u>13,176</u>
			<u>£104,472</u>

£104,472 x 0.63% = £658. **Say £650.**

Mr. Deegan gave details of four comparisons which are summarised below.

- 1) **No. 24**  
RV £245. Cambridge Fine Art Limited.  
Ground floor: Zone A 300 sq.ft. @ £47.50.  
Revised 2/87.
- 2) **No. 21**  
RV £240. Padgreen Limited.  
Revised 1/6/88.  
Ground floor: Zone A 400 sq.ft. @ £40.00.
- 3) **No. 19**

RV £330.  
 Elvery's Sports Limited.  
 Revised 1/1/87.  
 Ground floor: Zone A           400 sq.ft. @ £40.00.

- 4) **No. 24**  
 RV £55.  
 National Credit Company Limited - Offices.  
 Revised 1/3/89.  
 First floor:                       1,165 sq.ft. @ £6.00  
 Second floor:                     507 sq.ft. @ £3.00.

### **Oral Hearing:**

The oral hearing took place on the 19th day of January 1996. Mr. David Potter, ARICS of Hamilton Osborne King, Auctioneers appeared on behalf of the appellant and Mr. Patrick Deegan, Valuer, appeared on behalf of the respondent.

Mr. Potter gave evidence in line with his written submission. He described the subject property as being located on the less popular side of Suffolk Street which he contended has a considerable amount of dead frontage and only two retail premises with the remainder occupied by financial institutions and public houses. In contrast the opposite side of the street is more retail oriented with leases traditionally commanding premiums. Mr. Potter said that the subject is disadvantaged in a number of other respects, namely:-

- (1) irregular internal layout
- (2) 55 ft frontage disrupted internally by a lift shaft
- (3) no separate access to upper floors
- (4) difficulty for a retailer in using 3,373 sq.ft. of office space on upper floors.

Mr. Potter said that there is evidence of rental growth on Suffolk Street between the relevant date and the date of the new letting as exemplified by 21 Suffolk Street, the rent on which increased by 16.67% from June 1988 at £39,000 per annum to £45,500 in June 1993.

Applying this level of growth to the subject would indicate a net annual value at the relevant date of approximately £81,000. The subject is currently let from August 1993 at a rent of £105,000 per annum with a six month rent free period which gives a rent of £94,500 over a five year period.

Mr. Deegan said that the reduction in the rateable valuation at First Appeal stage from £750 to £650 had been made as a result of the points raised by the appellant and outlined above. In his opinion in order to arrive at a consistent and equitable rateable valuation for a property it must be valued on the same basis as other properties in the street. He said that to adopt the rental values approach favoured by the appellant would result in inequities in the valuation system. Mr. Deegan further contended that the pedestrian traffic on each side of the street is equally good. In his opinion the initial difficulty the appellant experienced in becoming established as a retail outlet had been overcome.

Mr. Deegan argued that the irregular layout was a feature rather than a disadvantage as indeed in his opinion are the two mezzanine floors. He said that any problem in relation to the upper floors could be overcome by making a separate access and putting the lift into working order.

**Determination:**

The Tribunal has had regard to the evidence adduced by the parties in both their oral and written submissions and is of the opinion that the subject premises is disadvantaged in a number of respects, namely its location on the less popular retail side of Suffolk Street, its size particularly on the upper floors, and the lack of separate access thereto. The Tribunal has also had regard to the comparative evidence adduced by both parties particularly the devaluation put forward by the respondent on No's 19 and 24 Suffolk Street. Taking these and all other relevant factors into consideration the Tribunal is of the opinion that the correct rateable valuation for the subject premises is £510 and so determines.