

Appeal No. VA95/1/078

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

Connole Fabrics Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop, offices and stores at Map Ref: 78, Townland: Cork - Oliver Plunkett Street, Ward:
Centre A East, County Borough of Cork
Quantum - State of repair

B E F O R E
Veronica Gates

Barrister (Acting Chairman)

Paddy Farry

Solicitor

Patrick Riney

FRICS.MIAVI

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 22ND DAY OF NOVEMBER, 1995

By Notice of Appeal dated the 24th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £78 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 comprises a three storey over ground floor premises with shop and w.c. to ground floor, showroom and office to first floor, stockroom to second floor. Top floor in a dilapidated condition, no rear access and top two floors without electricity. Access to first floor showroom is from the rear of shop.

Tenure:

Premises let under a 20 year lease from February 1994 at a rent of £15,000. There are five year rent reviews and lessor liable for external repairs. In 1970 Revision, the valuation was fixed at £28 on ground floor shop with £15 domestic on upper floors. At appeal the rateable valuation on shop was reduced to £25 with £15 on upper floors. In 1994 Revision, the entire property was revised following renovations and the valuation was fixed at £78. 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 4th day of October 1995 from Mr. Desmond M. Killen, FRICS FSCS IRRV, a Fellow of the Society of Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited with 32 years experience as a valuer on behalf of the appellant.

In the written submission, Mr. Killen described the premises as a lock-up shop in Oliver Plunkett Street. He said that the premises are very old and not in good repair. He set out the accommodation as follows:-

Ground floor:	Shop with a narrow return providing rear stairs access to upper floor	Area	412 sq.ft.
First floor:	Display area	Front Room	153 sq.ft.
		Rear Room	87 sq.ft.
Second floor:	Office	Front Room	155 sq.ft.
	Store	Rear Room	80 sq.ft.
Attic:	Disused		

Access to upper floors is by a single narrow staircase.

Valuation

Mr. Killen said that he had adjusted the actual 1994 rent of £15,000 downwards for three reasons:

- (1) Having regard to the fact that Section 11 indicates that the premises must be kept in repair and examination of these premises will indicate that in order to keep these premises in full repair, as per statute, a substantial reduction would have to be made to the £15,000 rent.
- (2) To have regard to the general levels of valuation established in recent revisions.
- (3) The appellant when leasing the premises, had not realised that the premises was being revised and assumed his rates would be assessed on the existing rateable valuation £36.

Taking the above into account, Mr. Killen assessed rateable valuation as follows:-

(a)	1994 Rent	£15,000 per annum
	Adjusted to 1988 (CPI Index)	£12,890 per annum
	less (i) Allowance to keep premises in repair	£ 1,000
	(ii) Adjustment for unforeseen rates increase	
	i.e. RV £36 to £78 = £42 x 28.35	£ 1,190
	NAV	£10,700
	RV @ £0.63%	£ 67

OR

(b)	Estimated NAV	
	Ground floor: Shop Zone A	278 sq.ft. @ £30 psf = £ 8,340
	Remainder	134 sq.ft. @ £10 psf = £ 1,340
	First floor: Display -front	153 sq.ft. @ £ 5 psf = £ 765
	rear	87 sq.ft. @ £ 3 psf = £ 435
	Second floor: Office - front	155 sq.ft. @ £ 3 psf = £ 465
	Store - rear	80 sq.ft. @ £ 1 psf = £ 80
	Total	<u>£11,425</u>
	NAV	£11,425
	RV @ 0.63% =	£72.

A written submission was received on the 4th day of October 1995 from Mr. Tom Stapleton, Valuer Grade 1, with over 30 years experience in the Valuation Office on behalf of the respondent.

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

Ground floor: Shop Zone A	278 sq.ft. @ £30	=	£ 8,340
Shop Balance	134 sq.ft. @ £15	=	£ 2,010
w.c. and fire escape	-		
overall	412 sq.ft. @ £25	=	£ 10,300
First floor: Showroom (front)	153 sq.ft. @ £ 6	=	£ 918
Office (rear)	87 sq.ft. @ £ 5	=	£ 435
Second floor: Stockroom	235 sq.ft. @ £ 3	=	£ 705
Third floor: (No letting value in present condition)		=	_____
			<u>£12,408</u>
	Say	=	£12,400
	RV @ 0.63%	=	£78.

Mr. Stapleton gave details of six comparisons which are summarised below.

- (1) **No. 71, John Coffey**
1990 First Appeal (withdrawn)
Ground floor: Shop 275 sq.ft. @ £30
RV £52.
- (2) **No. 89, Brendan & Sheila Coleman**
1990 Revision
Ground floor: Shop Zone A 315 sq.ft. @ £32
RV £98.
- (3) **No. 103, Patrick O'Donovan**
1990 Revision
Ground floor: Shop Zone A 371 sq.ft. @ £35
RV £100.
- (4) **No. 80.81**
Ground floor: Shop 578 sq.ft. @ £35.
- (5) **VA92/2/009 - No. 66.67 Casey's**

£370 (Agreed)
 Shop Zone A 919 sq.ft. @ £25.

- (6) **VA92/2/010 - No. 65.65a Casey's**
 £430 (Agreed)
 Zone A 853 sq.ft. @ £25
 RV £460.

Oral Hearing:

The oral hearing took place in Cork on the 22nd day of November 1995. Mr. Des Killen appeared on behalf of the appellant together with Mr. Connole, the tenant of the subject premises. Mr. Tom Stapleton appeared on behalf of the respondent.

Mr. Killen said that the appellant had entered into a lease in and around February 1994 at a rent of £15,000 per annum. In his opinion this figure should be reduced on a number of grounds, namely:-

- 1) an adjustment of £2,110 to 1988 with reference to the CPI Index.
- 2) an adjustment of £1,000 to reflect the repair covenant in the lease.
- 3) an adjustment for the increase in rates in 1994 which was not anticipated by the tenant.

Mr. Killen further said that the subject is a long, narrow premises only some 6ft wide at the rear, with access to the upper floors from a staircase located at the rear. Mr. Connole gave evidence that most of his business is actually transacted on the ground floor and that the first floor is used as a showroom only. He said that he would not have entered into the lease at a rent of £15,000 per annum if he had known that the rateable valuation would be increased from £36 to £78.

Mr. Stapleton agreed that the third floor of the subject is in such a bad state of repair that it has in reality no letting value. The second floor which is also in bad repair is valued at a low level of £3 per square foot. He said that in fact most of the valuation relates to the ground and first floors. Mr. Stapleton said that in arriving at net annual value he had reduced the passing rent of £15,000 by 17% to reflect allowances for backdating to 1988 and the covenant to repair.

The comparisons were discussed and it emerged that Oliver Plunkett Street has Zone A valuations of between £25 to £35 per square foot. Mr. Stapleton was of the opinion that the subject is an attractive shop in a good trading location. Mr. Killen however, contended that in comparison with the other shops put forward as comparisons by the respondent the subject is an old building in a poor state of repair with a narrow layout and frontage and is not located in as good a position viz a vis pedestrian traffic.

Determination:

The Tribunal has had regard to the evidence adduced by both parties in their written and oral submissions. The Tribunal is of the opinion that the second and third floors of the subject are in an extremely bad state of repair and that there are disadvantages in the layout of the premises and access is restricted to the top floors. Taking these factors into consideration together with the comparative evidence adduced, the Tribunal is of the opinion that the correct rateable valuation for the subject premises is £70 and so determines.