

Appeal No. VA95/1/113

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

**The Gingerbread House**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop and stores at Map Reference: 4/5 (Gr., 1st, 2nd floors), Townland: Paul Street South,  
Ward: Centre West, County Borough of Cork  
Quantum - Passing rent, comparisons

**B E F O R E**

**Veronica Gates**

**Barrister (Acting Chairman)**

**Paddy Farry**

**Solicitor**

**Joe Carey**

**PC DDSc DBAdm MIAVI**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 25TH DAY OF OCTOBER, 1995**

By Notice of Appeal dated the 26th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £220 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 it is not related to a realistic rental value."

**The Property:**

The property is situated directly opposite Paul Street Shopping Centre and close to Patrick Street. Located between Caseys Lane and French Church Street which are both pedestrianised. Gross frontage is 30 foot to Paul Street which is also pedestrianised around shopping centre. The property comprises a four storey premises.

**Tenure:**

The property is held on a 35 x 5 year lease from previous tenant. Lease commenced 2nd November 1993 at a rent of £40,000 per annum with tenant liable for rates and all repairs.

**Valuation History:**

The property was revised in 1971 following extensive fire damage and rateable valuation was fixed at £475 to include 14b to 18 French Church Street and 3 to 8 Careys Lane. At appeal this appeal was reduced to £435. In 1987 Revision large warehouse redeveloped and divided. Valued at £200. In 1994 Revision property was revised to take account of improvements. The rateable valuation was increased to £240 to include second floor stores. The valuation was reduced to £220 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 20th day of October 1994 from Mr. Aidan Boland, FRICS, FSCS on behalf of the appellant. In the written submission Mr. Boland described the property and said that it was centrally located in Cork on the southern side of Paul Street. At the relevant date November 1988 retail trading focused on the southern side of Patrick Street and the area around Winthrop Street and Oliver Plunkett Street. Paul Street had not yet established itself as a retail centre. He said the property at revision date comprised a retail outlet. The ground and mezzanine floors are now laid out as a restaurant with a kitchen and staff locker room on the second floor.

Mr. Boland described the accommodation as follows:-

Ground Floor	1,330 sq.ft.
Mezzanine/First Floor	860 sq.ft.
First Floor	1,091 sq.ft.

In relation to the tenancy of the subject premises Mr. Boland said that it was let on a 35 year lease from November 1, 1993 at an initial rent of £40,000 per annum. He said a portion of

this rent applied to an adjoining first floor store at 18a French Church Street. This is not part of the hereditament. It is separately rated. Rent applicable £3,500 per annum. Therefore he said that the rent applicable to the subject was £36,500. Mr. Boland set out his opinion of rateable valuation on the subject premises as follows:-

**Opinion of Net Annual Value**

Ground Floor	1,330 sq.ft.	£9.50 psf	£12,635
Mezzanine Floor	860 sq.ft.	£4.00 psf	£ 3,440
Second Floor	1,091 sq.ft.	£3.00 psf	<u>£ 3,273</u>
			£19,348
		<b>Say</b>	<b>£19,500 pa.</b>

**Analysis of passing rent**

Passing rent 1993	£40,000
Less rent attributable to second floor French Church Street	£ 3,500
<b>Net rent</b>	<b>£36,500</b>

Discount by 35% to account for time difference between 1993 and 1988 and the level of demand for accommodation in this sector of the city in November 1988. £23,725.

Based on these two approaches Mr. Boland assessed rateable valuation at £136. Mr. Boland offered three comparative premises which are summarised below:-

- (1) **18B Academy Street, Cork (Mercier Place)**  
Ground floor 1,492 sq.ft. @ £9.14 psf.  
Similar location.
- (2) **17A Academy Street, Cork (Academy Shoes)**  
Ground floor 1,100 sq.ft. @ £9.50 psf  
First floor 1,036 sq.ft. @ £4.00 psf  
Similar type building.
- (3) **1/1A/2 Cook Street, Cork (Specsavers)**  
Ground floor 2,700 sq.ft. @ £8.33 psf

A written submission was received on the 4th day of October 1995 from Mr. Tom Stapleton, a Valuer with 30 years experience in the Valuation Office on behalf of the respondent. Mr. Stapleton described the property and set out its valuation history and tenure. Mr. Stapleton set out his calculation of rateable valuation as follows:-

Ground floor restaurant	1,218 sq.ft. @ £18 = £21,924
First floor (mezz)	770 sq.ft. @ £ 9 = £ 6,930
Second floor main kitchen	868 sq.ft. @ £ 6 = £ 5,208
Second floor wash up area	196 sq.ft. @ £ 4 = £ 784
Second floor cloakroom & stairs	<u>£ 000</u>
	£34,846

Say £35,000

@ 0.63% £220.50

Rateable valuation £220.00.

Mr. Stapleton said that the assessment was not excessive having regard to the pattern of recently revised premises nearby. Mr. Stapleton offered five comparisons which are set out below:-

(1) **Lot 18e, French Church Street**  
Shop: 345 sq.ft. @ £20 psf = Rateable valuation £44.00.

(2) **Lot 18f, French Church Street**  
Shop: 370 sq.ft. @ £20 psf = Rateable valuation £46.00.

Above shops adjoin subject premises with access from Paul Street.

(3) **Lot 18bc, French Church Street**  
Gr. Fl. shop: 1,074 sq.ft. @ £14 psf = £15,036  
Rateable valuation = £140.00.

(4) **Lot 5, French Church Street**  
Gr. Fl. Shop 570 sq.ft. @ £15 psf  
Rateable valuation = £110.00.

(5) **Lot 3, French Church Street**  
Gr. Fl. Shop 460 sq.ft. @ £15 psf  
Rateable valuation = £60.00.

### **Oral Hearing:**

The oral hearing took place in Cork on the 25th day of October 1995. Mr. Aidan Boland of Messrs. Lisney, Chartered Surveyors appeared on behalf of the appellant and Mr. Tom Stapleton appeared on behalf of the respondent.

At the outset it was agreed that the difference in measurements should be resolved by accepting the measurements set out in Mr. Stapleton's precis at page 6. Mr. Stapleton complained that he had not been furnished with the lease under which the premises is held until the last moment. It was agreed that no. 18A French Church Street which has a separate rateable valuation of £22 is included in the take under the lease of the 1st November 1993 and it was submitted by Mr. Boland that accordingly the passing rent as of 1st November 1993 should be reduced by the sum of £3,500 to £36,500. Mr. Stapleton drew the Tribunal's attention to the fact that the passing rent was due to be increased from 1st November 1996 to the sum of £50,000 per annum. Mr. Stapleton referred to his comparisons as set out on pages 7 and 8 of his precis and stated that his comparison no. 3 was the obvious comparison to be considered by the Tribunal. This comparison is lot no. 18BC French Church Street which is presently occupied by Warehouse Trading Company. Mr. Stapleton argued that the subject property enjoyed a better location and was a superior property to comparison no. 3 and that the subject property was abutted by three pedestrian street ways. Mr. Boland submitted that the subject property now enjoyed the benefit of pedestrianisation, and enjoyed a higher retail profile than it had enjoyed in 1988. Mr. Boland referred the Tribunal to the comparisons set out on paragraph 7 of the precis and submitted that in his opinion the net annual value of the property as of November 1988 was £19,500. Mr. Boland conceded that the discount of 35% referred to at page 6 of his precis was in fact an estimate taking into consideration the rather depressed state of the location of the subject property in 1988.

**Determination:**

The Tribunal having considered the evidence adduced by both Mr. Stapleton and Mr. Boland and having considered the comparative evidence of properties in the immediate vicinity, is of the opinion that the rateable valuation of the subject premises should be £180 and so determines.