

Appeal No. VA96/3/004

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

Toriview Limited t/a Dunne Ryan & Company

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices at Map Ref: 2Aa, Athbara House, Earlsvale Road, Urban District of Cavan, Co. Cavan

Quantum - Entire house to be valued

B E F O R E

Fred Devlin

FRICS.ACI Arb. (Acting Chairman)

Brid Mimmagh

Solicitor

Rita Tynan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 31ST DAY OF JANUARY, 1997

By Notice of Appeal dated the 11th day of July 1996 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £95 on the above described hereditament.

The grounds of appeal were set out in a letter accompanying the Notice of Appeal and appended to this judgment and in summary referred to:-

" No details or basis or breakdown for increase in rateable ever furnished, notwithstanding requests of Cavan UDC and Commissioner of Valuation."

The appeal proceeded by way of an oral hearing which took place on the 31st day of January 1997 in the Courthouse, Cavan. The appellant was represented by Mr. Frank Flynn, MIAVI of Robert B. Daly & Son Limited, Property & Land Specialists, Auctioneers, Valuers, Estate Agents & Insurance Agents. The respondent was represented by Mr. Peter Walsh, MA B.Sc. (Surveying), Diploma in Environmental Economics and a Valuer with ten years experience in the Valuation Office. Both valuers adopted as their evidence in chief given under oath their written submissions which had previously been exchanged between them. Mr. Cormac Dunne of Dunne Ryan & Co., Solicitors and occupants of the subject property also gave evidence in relation to the property itself and availability of appropriate accommodation in Cavan.

The Property:

The property under appeal comprises a double fronted two storey house converted for use as offices. Premises are in a good state of repair and decoration. The property is situated on Earlsvale Road on the northern outskirts of Cavan town. The premises comprises the following accommodation the areas of which were agreed between the valuers following exchange of pressays.

| | |
|--------------|--------------|
| Ground floor | 1,569 sq.ft. |
| First floor | 1,520 sq.ft. |

It was agreed that the valuation on the waiting area/passage would be disregarded.

Recent Valuation History:

In 1990 the rateable valuation was £20 on a lot described as "House (part of)". In 1994 "new houses on part of the site as well as solicitors offices" was valued. The valuation increased from £20 to RV £95 on offices.

Mr. Frank Flynn, on behalf of the appellant in his written submission proposed a rateable valuation based on 1988 rental figures as follows:-

| | |
|--|---------------------------------------|
| Athbarra House - Ground floor - Office space | 1,557 sq.ft. @ £4 psf = £6,228 |
| - First floor - Office space | 1,573 sq.ft. @ £2 psf = <u>£3,146</u> |

Total = **£9,374**

@ 0.5% multiplier

Total RV = £46.87.

Mr. Flynn offered seven comparisons in Cavan which are set below.

1. Fitzpatrick's, Bridge Street, Cavan

Entire available for letting 1,200 sq.ft.. Quoting £2.16 psf. Shop & 2 bed accommodation at £50 per week. Central location.

2. Monarch Fireplace, Bridge Street, Cavan

New shop - 1,800 sq.ft. available for letting. Quoting £4.33 psf. Ground floor £150 per week. Central location.

3. Martina Boyle's shop, Bridge Street, Cavan

On the market for 1 year for letting. Quoting £4.16 psf @ £120 per week.

4. Jackson's Showrooms & Garage, Coleman Road, Cavan

On one third of an acre approx. 3,500 sq.ft. Quoting £250 per week @ £3.71 psf. Excellent visual impact.

5. Formerly Hannigan's, Ashe Street, Cavan

Entirely renewed 2 storied office building formerly Hannigan's, available totally for letting at £4 psf entire. 1,800 sq.ft. Very central location.

6. Black's shop, Main Street, Cavan

At the corner of Main Street/Ashe Street two floors 800 sq.ft. available for letting, opposite Dunnes Stores. Quoting £100 per week i.e. £6.50 psf. Prime location.

7. Geraldine Sheehan's Optician, Main Street, Cavan

900 sq.ft. on 1st floor and 2nd floor available for letting. Quoting £7.50 psf. Prime location.

Mr. Peter Walsh, on behalf of the Commissioner of Valuation in his written submission proposed a rateable valuation having regard to rateable valuations fixed on recently revised properties in the area of Cavan town as follows:-

| | |
|-----------------------------------|------------------------------------|
| Ground floor | 1,581 sq.ft. @ £7 psf = £11,067 |
| First floor | 1,520 sq.ft. @ £5 psf = £ 7,600 |
| Waiting area/passage | 189 sq.ft. @ £4 psf = <u>£ 756</u> |
| NAV = <u>£19,423</u> @ 0.5% = £97 | |
| Say = £95. | |

Mr. Walsh also gave details of two comparisons in Cavan which are summarised below.

1. Description: Offices

Occupier: Noel O'Gorman & Company

17a Farnham Street.

Assessed for rateable valuation on a net annual value of £8,000 per annum.

Analysed as follows:-

| | |
|---------------------|--------------------------------------|
| Ground floor | 366 sq.ft. @ £10 psf = £3,660 |
| First floor | 463 sq.ft. @ £ 6 psf = £2,778 |
| Second floor | 463 sq.ft. @ £ 4 psf = <u>£1,852</u> |
| NAV = <u>£8,290</u> | |

Say £8,000 @ 0.5% = £40.

2. Description: Offices

Occupier: Garrett Fortune & Company

7e James Connolly Street

Held in Fee Simple.

Net annual value of £8,000 per annum.

Analysed as follows:-

| | |
|--------------|-------------------------------------|
| Ground floor | 437 sq.ft. @ £9 psf = £3,933 |
| First floor | 408 sq.ft. @ £6 psf = £2,448 |
| Second floor | 437 sq.ft. @ £4 psf = <u>£1,748</u> |
| NAV | = <u>£8,129</u> |

Say £8,000 @ 0.5% = £40.

Findings:

Having regard to the evidence adduced the Tribunal makes the following findings.

1. The hereditament to be valued is the entire house and the fact that it is too large for the purposes of the present occupier is not something which can be taken into account in determining NAV in accordance with *Section 11*.

2. The Tribunal finds that from a structural point of view the premises is unchanged and that the only change that has taken place in recent times is in the nature of decoration and general upgrading of the existing accommodation. The agreed area for the purpose of the valuation is:

Ground Floor 1,569

First Floor 1,520

3. The Tribunal accepts Mr. Dunnes evidence that there is a low level of demand for offices in Cavan and that there is a substantial over supply which is reflected in rental values. Mr. Dunne in his evidence stated that he had identified over 30 offices available and to let in Cavan town at the present time.

4. The Tribunal accepts Mr. Flynn's evidence that the location of the property on the outskirts of the town would have a detrimental affect on rental value compared with premises in the town. The Tribunal also accepts that there would be a low level of demand for office accommodation in excess of 3,000 sq.ft. and that this should be reflected in the net annual value.

5. In all the valuers adduced details of nine comparisons and of all of them only Jacksons Showrooms & Garage, Coleman Road was of a similar size to the subject. However, this building cannot be considered all that relevant in that it is single storey and not in office use.
6. Generally speaking there is no dispute regarding the physical attributes of the subject property and by common consent the quality of accommodation is to a very high standard and generally better than any of the comparisons adduced by both valuers.

Determination:

1. The property has to be valued as a single unit of occupation in accordance with *Section 11 of the Valuation (Ireland) Act 1852*.
2. Mr. Walsh in arriving at his opinion of NAV did not have significant regard to the poor level of demand for office accommodation in excess of 3,000 sq.ft. in the Cavan area.

He also did not adequately reflect the fact that the property is located on the edge of town and the effect that this would have on rental value.
3. Mr. Flynn's comparisons in the main are not very helpful in that they were retail units or shops with offices overhead. However they do offer a general picture of rental values in Cavan and to that extent the evidence is relevant.
4. In arriving at his opinion of NAV Mr. Flynn did not adequately reflect in the rent the fact that the hereditament to be valued is a free standing house in its own gardens developed for office use and affording accommodation to a high standard.

Having regard to all the evidence the Tribunal determines the rateable valuation to be £70.00 based on a net annual value of £14,000 as set out below:-

| | | | | |
|--------------|--------------|---------|---|----------------|
| Ground Floor | 1,569 sq.ft. | @ £6.00 | = | £ 9,414 |
| First Floor | 1,520 sq.ft. | @ £3.00 | = | <u>£ 4,560</u> |
| | | | | <u>£13,974</u> |
| | | Say | | £14,000 |
| | | | | @ 0.5% |
| | | RV | | £70. |