

Appeal No. VA97/2/018

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

P. Clarke & Sons

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: House & Shop at Map Ref: 3.4 abd, Townland: Dunlo Street, UD: Ballinasloe, Co. Galway
Quantum

B E F O R E

Liam McKechnie - Senior Counsel

Chairman

Fred Devlin - FRICS.ACI Arb.

Deputy Chairman

Rita Tynan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 17TH DAY OF SEPTEMBER, 1997

By Notice of Appeal dated the 21st April, 1997 the Appellant, Mr Clarke appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £135 on the above described hereditament.

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

"The buildings are nearly 200 years old and as such are not suitable for many modern day uses. Dunlo Street is a low turnover area due to the absence of Banks and Supermarkets on the Street. The depressed state of business on the street does not justify spending money on the premises to bring it up to modern day standards."

The Property

The property comprises a large residential and retail premises with extensive street frontage of about 55 feet on Dunlo Street. The building is three storey to front and two storey to rear with domestic content of about 3,000 sq ft. The subject is centrally located in Ballinasloe Town close to the junction of Dunlo Street, Society Street and Main Street and opposite St. Michael's Square. The accommodation comprises ground floor, shop (3456 sq.ft.), hall/store and toilet, first floor shop (1444 sq.ft.) at rear and living accommodation and second floor living accommodation.

Valuation History

The premises was revised in 1984 and in relation to Lot 3.4d a rateable valuation of £64 was placed thereon and £70 was placed on Lot 4ab. In November 1995 Lots 3.4d and 4ab were amalgamated and the valuation increased to £135. In December 1995 there was an appeal to the Commissioner of Valuation against the revised valuation but the result of the first appeal made no change and consequently Mr. Clarke exercised his statutory right to appeal to this Tribunal.

Oral Hearing/Determination

The Tribunal today heard the evidence and submissions adduced on behalf of Mr. Clarke. He was represented by Mr. Gerard Cleary, a Civil Engineer. Mr. Cleary, in order to qualify himself to give evidence before this Tribunal informed us of the very considerable business and property activities which he has been involved in, in the town of Ballinasloe for upwards of twenty years and more. He informed us that he has been involved in various schemes whereby would-be purchasers would require his valuation of the property and whereby would-be purchasers would require the provision of financial information and analysis so that a prospective lender might be in a position to advance money on the premises to be acquired. He was in response to questioning, able to describe accurately the functions of this Tribunal and to detail, with the same accuracy, the undertaking necessary to determine the NAV and hence an RV of any given property. Notwithstanding, we have and retain very considerable reservations that any person, other than one properly and duly qualified, is in a position to give evidence on behalf of a party to a valuation appeal. We do not believe that such a practice is correct or that its existence should in general be tolerated. However and despite our reluctance, in view of the manner and way in which Mr. Cleary qualified himself and in

the particular circumstances of this case we have decided to permit him, on a once off basis, to give evidence of behalf of Mr. Clark. However this decision is to be read only as applying to this case and is not intended to create any future precedent either of a general or specific nature. Indeed both our inclination and tendency would be very much to the contrary.

Mr. Cleary, having taking the oath, essentially gave evidence in accordance with a written submission which he had previously prepared and sent to this Tribunal on the 2nd September 1997. He said that the shop in question was located in Dunlo Street which is the least popular shopping area in the town. This street he said was dominated by two hotels, seven public houses, two betting shops, four offices and two restaurants all engaged in business that did not in any way compliment the retail nature of the business carried on by Mr. Clarke. He said there were two dry cleaners and twenty one retail shops on the street, the majority being less than 1,000 sq.ft. He said that there was one newsagent on the street located opposite the subject property and that there is no multi-national supermarket or other major store located on the street. Mr. Clarke doubled his retail area in 1996 when he acquired the adjoining shop which had come on the market. He purchased the premises to provide a storage and display area for his goods, as he did not otherwise have any external storage area. This means that all his goods have to be stored and displayed within the confines of his shop. He said that his turnover had not doubled as a result of the increased size of the shop. Mr. Cleary said that if Mr. Clarke wished to rent his shop at the moment he would experience great difficulty in getting an economic rent due to its condition and location. Mr. Cleary referred to a number of comparisons in the town i.e. Newly constructed Cameo Furniture World at Sarsfield Road adjacent to Barrats Hardware and Crazy Prices Shopping Centre. Floor area 189 sq metres currently let £150 per week. In the Marina Point Tax designated area, shops of 165 sq. metres retail area and 63 sq. metres storage area currently being let for £200 per week fixed for five years. At 'Croffy's Yard', Main Street a hardware premises with a combined retail storage area of 230 sq. metres and a large yard rented for £250 per week.

Mr. Cleary during the course of his evidence submitted a further document containing comparisons and other relevant information which he had prepared for the purpose of this hearing.

The Tribunal also received, on behalf of the Commissioner, a précis of evidence prepared by Mr. Dervan who is the appeal valuer in this case. Having taking the oath Mr. Dervan adopted as his evidence in chief the contents of this précis of evidence. His suggested NAV was as follows:-

			£
Ground Floor Shop	3456 sq.ft. @ £5	=	17,280
First Floor Shop	1444 sq.ft. @ £2.50	=	3,610
Hall/Store	Say	=	500
Domestic @ £100/Week (C. 3000 sq.ft)		=	5,200
			<hr/> 26,590

RV @ 0.5% = £132.95

SAY £135.00 (Domestic £26.00)

He offered in support of his valuation a number of comparisons which are set out in the appendix to this judgment. Having heard the evidence and having carefully considered the submissions that were made, the findings of this Tribunal are as follows;

There is no doubt but that Main Street is probably the best street in Ballinasloe for the purposes of retail business. There is probably a bias towards that area of Main Street which joins Dunlo Street and Society Street. Of the comparisons presented by Mr. Dervan he refers to Sullivans as his number one comparison, Salmons as number two and Wards as number three. All of these are located in Main Street. At the back of both The Bank of Ireland and the several other premises fronting on to the Northern side of Main Street there is very considerable car-parking space available. This car-parking space or similar car-parking space is not available in relation to Dunlo Street.

We believe that the premises on Dunlo Street are not as attractive as those on Main Street by virtue of two facts, firstly its secondary location when compared to Main Street and secondly the absence of adequate car-parking facilities which in general are available to those occupying and using Main Street. There is no doubt but that from common experience, if one drives up Main Street and onto Dunlo Street one is likely to meet with serious traffic congestion thus making it much more difficult and less desirable to attempt to shop or otherwise carry on business in Dunlo Street when compared directly with Main Street. Also we feel that the comments made by Mr. Cleary with regard to the distinguishing features

between the subject and the comparisons referred to by Mr. Dervan namely Sullivans, Salmons, Wards and Supermacs are correct.

So overall we believe that there should be a reduction in the rateable valuation attaching to this property to reflect essentially the two points above. We propose that in relation to the ground floor shop instead of applying a rate of £5, there should be applied a rate of £4.50 and that gives an NAV of £15,552. In relation to the first floor we have very considerable difficulty in believing in fact that any would-be tenant in the market would pay £2.50 per sq. foot for the area of 1444 sq.ft, accordingly, we apply a rate of £1.50 psf to this area giving an NAV of £2166. We propose to leave the domestic element of £5,200 intact giving a total NAV of £22,918. That gives an RV of £115. Accordingly we propose to reduce the figure from £135 to £115 and that is our decision in relation to this matter.