

Appeal No. VA97/3/003

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

**Frank Mulvey**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop at Map Reference Lot No. 16C/1, Main Street, Dundrum, ED: Dundrum -  
Sweetmount, County Borough of Dublin  
Quantum - Zoning method, comparisons

**B E F O R E**

**Liam McKechnie - Senior Counsel**

**Chairman**

**Ann Hargaden - FRICS.FSCS**

**Member**

**Anita Geraghty - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 15TH DAY OF DECEMBER, 1997**

By Notice of Appeal dated the 30th June, 1997 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £132 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".

1. This appeal proceeded by way of an Oral Hearing which took place in Dublin on 10th November 1997. The appellant was represented by Ms. Sheelagh O'Buachalla of Donal O'Buachalla & Company Limited and the Respondent by Mr. Chris Hicks, a District Valuer in the Valuation Office. Both valuers adopted their written submissions which had previously been exchanged between them and submitted to the Tribunal, as being their evidence in chief given under Oath.

From the evidence so tendered the following relevant facts emerged as being material to this appeal.

2. **The Property**

The property comprises a ground floor retail pharmacy of a two storey premises rebuilt in 1980. There is a front and rear section to the shop and the rear is approached via steps from the front with both sections divided by the wall of a former residence.

Frontage is c.29 ft. and the floor areas were agreed as follows between the parties;

Ground floor shop	:	930 sq.ft. (86.3 sq.m.)
Store	:	116 sq.ft. (10.7 sq.m.).

3. **Location**

The property is situated on the south side of Main Street in Dundrum, somewhat removed from the main Dundrum Shopping Centre. The main retail core of Dundrum is located immediately in the vicinity of the shopping centre. However, the subject property is situated in a busy retail section of the street.

4. **Valuation History**

The subject premises was revised in August 1995 when the RV of £59.00 was

increased to R.V. £120.00.

At first Appeal, submissions to the Commissioner were made following which the valuation was increased from £120.00 to £132.00.

Subsequently this further appeal was lodged to the Valuation Tribunal.

## **5. Valuation Approach**

The approach to the valuation by each valuer was different. The Respondent was of the opinion that the natural division of the shop could be disregarded and an overall rental or a zoned rental could be applied to the entire retail area in line with other comparative evidence along the street. The Appellant was of the opinion that the natural divide should be taken into account due to the restrictions on trading so created. Evidence submitted by both valuers, depending on whether zoning or overall rates per sq.ft. were used were at between £20-£30 p.s.f.

## **6. Findings and Determination**

The comparative evidence submitted in relation to the immediately adjoining shops appears to the Tribunal to be the most relevant. The zoning method is an accepted method of practice by valuers in most built up areas and is generally now based on net internal floor area.

However, the valuer must take into account the configuration of the retail space and place himself in the position of the hypothetical Tenant if the property was placed on the open market to rent on the date the valuation is to be assessed.

The intention of the zoning method is to standardise comparative evidence so that the most valuable part of the retail space can be compared on a similar basis. To apply this valuation practice without regard to the reaction of the hypothetical Tenant to the configuration of the retail space is not the intention of this method. Therefore, it is the Tribunal's opinion that the natural divide of this particular shop should be taken into account in utilising the zoning method. The allowance for steps and walls in the middle of the shop would therefore not be as great as both valuers suggested.

7. The subject property is modernised and very prominent with excellent street frontage and, in the light of this, it would be viewed as a somewhat superior retail premises to the comparisons immediately adjacent. It is therefore our opinion that a higher Zone A rate of £27.00 p.s.f. would apply which would equate to an overall R.V. of £114.00.

**Analysis**

Ground Floor; Zone A	453 sq.ft. @	£27.00=	£12,231
	Zone B477 sq.ft. @	£13.50=	£ 6,439
Store & Rear	116 sq.ft. @	£ 4.00=	<u>£ 464</u>
			£19,134
	Less Allowance 5%		<u>£ 956</u>
			£18,178
	@ 0.63%	R.V.	£114.52
		Say	£114.00

8. A list of the Comparisons adduced by both parties is attached to this judgment.
9. The Tribunal so determines that the correct RV should be £114.