

Appeal No. VA97/4/026

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

James Reilly

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop and Abbatoir at Map Reference 2b, Market Street, Townparks (pt. of), Kells Urban,
UD: Kells, Co. Meath
Quantum

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Michael Coghlan - Solicitor

Member

Finian Brannigan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF FEBRUARY, 1998

By Notice of Appeal dated the 28th July 1997, the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £40 on the above described hereditament.

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

1. The rateable valuation fixed is excessive and inequitable and does not comply with Section 2 of the 1852 Act or Section 5 of the 1986 Act *inter alia*.

This appeal proceeded by way of an oral hearing held in Dublin on the 12th day of January 1998 at which the Appellant was represented by Mr. Michael O'Byrne, Solicitor. Evidence on behalf of the Appellant was given by Mr. Alan McMillan a Director of Donal O'Buachalla & Company Limited. Mr. Des Doyle, a District Valuer in the Valuation Office, appeared on behalf of the Respondent.

Having taken the Oath both Valuers adopted their written submissions and valuations which were previously exchanged and forwarded to the Tribunal as being their main evidence. The following facts either agreed or so found have emerged as being relevant to this appeal;

Location

The subject hereditament is located at Market Street near to the junction with Castle Street in the centre of the town of Kells.

Description

The premises comprises of a butcher shop, cash office, preparation area, cold room, slaughter house, lairage with external areas for a hide store, wash-up shed and general store. The floor areas were agreed between the parties prior to the commencement of the hearing.

| <u>Internal (net area)</u> | Sq.ft. |
|------------------------------|---------------|
| Shop and Cash Office | 445 |
| Preparation Area | 245 |
| Cold Room | 66 |
| Slaughter House/Storage | 627 |
| Lairage | 165 |
| | |
| <u>External (gross area)</u> | |
| Hide Store | 133 |
| Wash-up Shed | 230 |
| Store | 49 |

Submissions of the Parties

Mr. Alan McMillan, on behalf of the Appellant confirmed that the premises under appeal was agreed as to area.

Mr. McMillan contended that valuations in rural areas, and particularly in small towns, should be based on rentals per week. Mr. McMillan went through the various comparisons listed within his précis and sought to contend that the rate of 0.5% was not appropriate within the Kells area as an R.V./N.A.V. ratio. He contended that Kells was a town that had, to a large extent, been by-passed by Navan. He described the premises and noted the machinery content which could have a value of up to £50,000. He admitted that there were no recognised indices used in going back to 1988 when assessing a rental valuation.

Mr. McMillan went on to remark upon the comparisons set out within his précis at appendix 3. He noted that the Appellant had sought to rent the subject property without success through 1996 and 1997 at a rent of £200 per week. He went on to note that a rent of £160 per week would have been acceptable had it been offered. Mr. McMillan commented upon the other comparisons and laid particular emphasis on comparison No. 5, a self contained lock-up shop premises at Market Street, which had similar dimensions to the subject hereditament. It was his contention that this premises which was every bit as good, if not better than the subject hereditament, could be deemed to have an assessed rental value of £75 per week at November 1988. Mr. McMillan contended that this basis for assessment should be adopted in dealing with the present appeal. In his view the appropriate N.A.V. at November 1988 is £4080 which produces an R.V. of £13 based on a ratio of 0.28%.

Mr. Doyle gave evidence for the Valuation Office. He stated that the 0.5% ratio had been applied throughout the country and certainly throughout the county of Meath. He went on to say that he had agreed valuations on other properties taken in comparison at 0.5% and that the ratio had not been challenged. Mr. Doyle referred to his own comparisons. In his view the premises at Market Street was in one of the best streets in Kells and could therefore be favourably contrasted with the examples taken by him. In his view, the rate of £12 per sq.ft. for the shop premises under appeal was consistent with the valuations agreed elsewhere. Indeed within his valuation he had considered the premises with a 20% reduction on full value to arrive at 1988 values. In his view the correct N.A.V. at 1988 is £8,000, giving an R.V. @ 0.5% of £40.

Under cross examination Mr. Doyle accepted that the actual valuations are based on nett annual values. It was put to him that there had been no analysis of nett annual values in Kells and that the rest of the nett annual values are all estimated. He indicated that existing R.V.'s

and rents were taken as a basis to establish nett annual values. Mr. Doyle went on to confirm that he considered 20% an appropriate deduction between 1995 and 1988 on rental values. In submissions Mr. O'Byrne, Solicitor for the Appellant, claimed that Mr. McMillan's evidence was essentially unchallenged and that the R.V. was excessive based on his analysis of rateable and rental valuations.

Responding, Mr. Doyle stated that the Appellants had not challenged his own comparisons in the context of the hearing. He went on to state that he was aware of a rental of £100 per week for a 308 sq.ft. launderette premises referred to in comparison no. 11 within Mr. McMillan's precis. This premises held a rateable valuation of £17.

Findings & Determination

The Tribunal have considered the evidence and in particular the submissions made by Mr. McMillan as to ratios and as regards the various methods of arriving at a rateable valuation for premises. The Tribunal have also considered the responses of Mr. Des Doyle in these respects.

The Tribunal has taken note of the submissions and in particular, notes that it has become an established practice to apply a ratio of 0.5% to annual rental values. The Tribunal is of the view that this method of valuation is preferable in this instance and generally. When determining a fair valuation, the Tribunal notes the evidence elicited on behalf of the Appellant that £160 per week would have been an appropriate rental. This value would beget an N.A.V. of £8,326.

Devaluing that annual rental by 1/5th as an acceptable reduction when seeking to achieve 1988 N.A.V.'s, the Tribunal considers the appropriate N.A.V. for the subject premises as of November 1988 to be £6,661 per annum.

Allowing a 10% reduction on that figure for equipment and fit out, the Tribunal assesses a reasonable N.A.V. at £6,000 per annum. Using the appropriate formula of 0.5%, the Tribunal determines a rateable valuation of £30.

