

Appeal No. VA98/3/133

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

G.M. Kelly & Co.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices and Land at Map Reference 32, Farnham Street, Ward: Cavan, U.D. Cavan, Co. Cavan

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Ann Hargaden - FRICS.FSCS

Member

Marie Connellan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF JUNE, 2000

By Notice of Appeal dated the 6th day of August 1998 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £85 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that;

- "1. The valuation is excessive and equitable.
2. The valuation is bad in law".

The relevant valuation history is that at the 1997/4 revision the property was listed by the local authority to “update valuation to include all upper floors”. The existing R.V. of £35 was increased to £85. No change was made at first appeal stage.

A written submission prepared by Mr. Alan McMillan on behalf of the appellant was received by the Tribunal on 8th day of January 1999. Mr. McMillan is a GVA Director of Donal O’Buachalla & Company Ltd., a member of the I.A.V.I. and an associate of the S.C.S.

The written submission described the property as an old purpose-built detached former residential bank premises. The building stands mainly three-storey over semi-basement, with a two-storey over semi-basement return section. There is a gravel surfaced car park at the rear of the premises.

The written submission contended that a fair rateable valuation would be as follows:

Offices	2,425 sq. ft. @ £4.25 =	£10,306
Stores	426 sq. ft. @ £2.00 =	£ 852
	Total =	£11,158
	Say =	£11,200
	R.V. @ 0.5% =	£56.00
	Say =	£56.00

In his valuation Mr. McMillan excluded 180 sq. ft. of what he described as a hallway because he did not consider it part of the net lettable area.

The written submission contained a schedule of seven comparisons, which is annexed to this judgment as **Appendix A**.

A written submission prepared by Mr. Raymond Sweeney on behalf of the respondent was received by the Tribunal on 23rd day of December 1998. Mr. Sweeney is a District Valuer with 28 years experience in the Valuation Office.

The written submission set out the basis of the rateable valuation as follows:

Ground Floor (front)	832 sq. ft. @ £8.00	=	£6,656
	(rear) 213 sq. ft. @ £6.00	=	£1,278
First Floor	659 sq. ft. @ £6.00	=	£3,954
Second Floor	599 sq. ft. @ £4.00	=	£2,396
Basement	728 sq. ft. @ £4.00	=	<u>£2,912</u>
(mostly stores)			£17,196
	@ 0.5%	=	£85.98
	Say	=	£85.00

The written submission contained a schedule of four comparisons, which is annexed to this judgment as **Appendix B**.

The oral hearing took place at the Circuit Courthouse, Cavan on 15th day of January 1999. Mr. McMillan appeared on behalf of the appellant and Mr. Sweeney appeared on behalf of the respondent.

In his sworn testimony Mr. McMillan adopted his written submission as his evidence to the Tribunal. Mr. McMillan put in evidence a map of the relevant part of Farnham Street and a map of the floor plan of the subject. He also put in evidence four photographs, two of the subject, one of his first comparison (No. 1 Farnham Street) and one of his third comparison (Hibernian Insurance, Farnham Street).

In his continuing testimony Mr. McMillan dealt with his comparisons.

He said that his second comparison, No. 18 Farnham Street, was purchased in 1988 by the appellant for £43,500. This provided evidence for capital values.

Mr. McMillan said he had produced a 3,000 sq. ft. letting from Mullingar because he could find no similar sized letting in Cavan town.

In further testimony Mr. McMillan said he had taken an overall rate psf for the subject because it was let as one unit and not floor by floor.

Finally Mr. McMillan said his comparisons showed that the values psf for 1988 in Cavan town put forward by the respondent were untenable.

Mr. Gerard Kelly, the appellant, gave sworn testimony. He described areas six and seven on the ground floor map of the subject. This area comprised a hall and access to the stairs. The space was divided by a door. He thought this door had been put in by the former occupier, the bank, as a security device. The whole area was used for access only.

In his sworn testimony Mr. Sweeney adopted his written submission as his evidence to the Tribunal.

Mr. Sweeney then referred to his comparisons. They were all in Farnham Street. Again they had all been recently revised and the revisions where rental evidence was used had been based on reliable evidence as to the rent.

Under cross-examination by Mr. McMillan, Mr. Sweeney said he was unable to find lettings of 3,000 sq. ft. in Cavan town in 1988.

The Tribunal has considered the written submissions and the evidence offered by the appellant and the respondent.

The Tribunal finds that the 180 sq. ft. described by Mr. McMillan as a hallway is not part of the net lettable area. This finding is based on the unchallenged evidence of Mr. Kelly.

The Tribunal takes the view that the hypothetical tenant taking this property as a single letting would use an overall rate psf for the 2,425 sq. ft. The tenant would of course adjust the value psf to reflect the distribution of space.

Mr. Sweeney's adjustment of N.A.V.'s for his comparisons back to 1988 was made on the basis of passing rents and with the agreement of the ratepayers. It is therefore difficult to derive a true rate psf in 1988 for these comparisons. Little or no rental evidence was produced for Cavan town in 1988.

Mr. McMillan submitted several comparisons in Cavan town from 1984 onwards. These were generally of smaller spaces than the subject. These comparisons had various rents and lease dates.

Mr. McMillan produced evidence as to the capital value of 18 Farnham at £43,500 in 1988. This equates to £18.51 psf. Mr. Sweeney's overall rate of £5.89 psf for the subject is excessive taking into account the capital value rate of £18.51 although the latter figure was on a gross internal basis.

Mr. McMillan's Mullingar comparisons are considerably removed from Cavan and reflect only generally the market for larger office space in county towns.

The subject property is located on the main street in Cavan. It is well located near important buildings such as the courthouse, government buildings and the garda station. The subject is an imposing structure and has good parking facilities.

The Tribunal therefore determines the N.A.V. as follows

Offices	2,425 sq. ft. @ £5.00 =	£12,125
Stores	426 sq. ft. @ £2.00 =	£ 852
	Total =	£12,977
	Say =	£13,000
	R.V. @ 0.5% =	£65.00
	Say =	£65.00

Therefore the Tribunal determines the rateable valuation of the subject premises at £65.00