

Appeal No: VA23/5/0928

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**NA hAUGHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

Claddagh Jewellers

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the valuation of

Property No. 1154711, Shop at 26 Shop Street, Galway, County Galway.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 31ST DAY OF OCTOBER 2025**

BEFORE

John Stewart FSCSI, FRICS, MCI Arb

Deputy Chairperson

1. THE APPEAL

1.1 By Notice of Appeal received on the 18th day of October 2023 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value ‘(the NAV)’ of the above relevant Property was fixed in the sum of €107,500.

1.2 The sole ground of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 19 (5) of the Act because: *(a) The Valuation is incorrect.*

Set out the grounds upon which the Appellant considers that the determination of the valuation of the property

is not a determination of its value that accords with that required to be achieved by section 19(5)

The valuation is excessive based on the open market rent for the subject property and by comparison with the valuations assessed on adjacent properties. In addition, the floor areas of the property have been overestimated

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €66,600.

2. RE-VALUATION HISTORY

2.1 On the 25th day of May 2022 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €119,100.

2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was reduced to €107,500

2.3 A Final Valuation Certificate issued on the 15th day of September 2023 stating a valuation of €107,500.

2.4 The date by reference to which the value of the Property, the subject of this appeal, was determined is 01st day of February 2022.

3. DOCUMENT BASED APPEAL

3.1 The Tribunal considered it appropriate that this appeal be determined on the basis of documents without the need for an oral hearing and, on the agreement of the parties, the Chairperson assigned the appeal to one member of the Tribunal for determination.

3.2 In accordance with the Tribunal's directions, the parties exchanged their respective summaries of evidence and submitted them to the Tribunal.

4. FACTS

4.1 The parties are agreed as to the following facts.

4.2 The parties agreed that the subject property was located in Galway City Centre at the junction of Shop Street/ High Street /Mainguard Street and Churchyard Street.

4.3 The floor areas are agreed as follows:

Level	Description	Area M₂
0	Retail Zone A	43.92
0	Retail Zone B	19.08
1	Store	17.00

4.4 The Subject property is held on a 20-year lease from the 19th of March 2010 and following the most recent rent review on the 23rd March 2020 the annual rent was confirmed at €67,000pa.

5. ISSUES

5.1 The only issue is quantum.

6. RELEVANT STATUTORY PROVISIONS:

6.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably be expected to let from year to year, on the assumption that the probable annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

7. APPELLANT’S CASE

7.1 The Appellants referred to the net annual value of €107,500 valuation certificate dated the 15th September 2023 and a base date for the valuation of the 1st February 2022.

7.2 They claimed that the valuation should be determined at €67,000 based on the following calculation based on an aggregate of Shop Street and Mainguard Street Zone A levels.

Level	Description	Area M ₂	Description	NAV €
0	Retail Zone A	43.92	€1,220	€53,582.40
0	Retail Zone B	19.08	€610	€11,638.80
1	Store	17.00	€100	€1,700
				€66,921.20
			Say	€67,000

7.3 The Appellants confirmed that the subject property comprised a ground floor retail unit with part first floor stores and that it occupied a corner position at the junction of Shop Street and Mainguard Street a busy pedestrian trafficked area. They noted that the property had a return frontage to Churchyard Street and was adjacent to High Street another established thoroughfare.

7.4 They stated that the ground floor was accessed via a pedestrian door directly into the retail accommodation and had the benefit of window display for merchandising and that the first-floor accommodation comprised a storage space and was self-contained with separate access via Churchyard Street.

7.5 The Appellants relied on three NAV comparisons.

7.6 The first referred to 1 Mainguard Street Galway PN 1154165 with an NAV of €49,300 and was also occupied by Claddagh Jewellers as was the subject property. This property adjoins the subject property and is closely integrated with it they stated that in their opinion 1 Mainguard Street was physically and functionally almost an extension of the subject property and consequently was a reliable benchmark for assessing the valuation of the subject property. They provided the following valuation report.

Level	Use	Area M ₂	NAV/€ M ₂	NAV €
0	Retail Zone A	41.28	€900	€37,152.00
0	Allowance	1	€3,715.20	€3,715.20
1	Store	37.64	€100	€3,764.00
2	Store	38	€70	€2,660.00
2	Store	42	€50	€2,200.00
				€49,391.20
			Say	€49,300.00

They noted that the ground floor which was all within zone a devalued at €990.0/sqm.

7.7 The second comparison 3 Mainguard Street PN 1154173 was located four properties away from the subject property and was in the same general retail area and according to the Tailte Eireann website the property's category was listed as retail shops and its use as bank/shop. They stated that given the short distance between the two properties this property was an important comparison. See analysis below.

Level	Use	Area M ₂	NAV/€ M ₂	NAV €
-1	Store	109	€100	€10,900.00
0	Retail Zone A	46.5	€900	€41,850.00
0	Retail Zone B	60.74	€450	€27,333.00
0	Retail Zone C	41.87	€225	€9,240.75
1	Offices	111	€100	€11,100.00
2	Offices	131.13	€100	€13,113.00
3	Offices	131.13	€100	€13,113.00
				€126,829.75
			Total	€126,800

7.8 The third comparison 7.8 Mainguard Street PN 1154175 was located five properties away from the subject property and was in the same general retail area. They argue that the proximity of these properties indicates that they are likely to have comparably market influences retail trends and pedestrian activity levels. See analysis below.

Level	Use	Area M ₂	NAV/€ M ₂	NAV €
0	Retail Zone A	30.83	€900	€27,747.00
0	Retail Zone B	32.01	€450	€14,404.50
0	Retail Zone C	1.44	€225	€324.00
0	Offices	8.97	€90	€807.30
				€43,282.80
			Say	€43,200

7.9 The Appellants provided a street map which showed the location of the subject property and the proximity of the NAV comparisons provided.

7.10 They stated that while the subject property 26 Shop Street had a postal address aligned with one of Galway's most recognised retail Streets it was intrinsically part of a separate block of commercial properties located between Mainguard Street and Churchyard Street. This block had frontages to Shop Street, High Street, Mainguard Street and Lombard Street and they argued that despite the varied addresses these properties shared a cohesive commercial identity and operated within the same economic and retail context. They noted that the properties within this block regardless of their exact street frontages were uniformly valued at a Zone A rate of €900/sqm by Tailte Eireann.

7.11 They argued that the valuation assigned to the subject property at €1,700/sqm was excessive and inconsistent when compared to nearby properties with similar locational attributes. They argued that the adjoining property 1 Mainguard Street shared an almost identical location and was valued at a Zone A rate of €900/sqm yet is part of the same retail environment and benefits from comparable market exposure and footfall a disparity which highlights a clear inconsistency in the valuation approach. They argue that the second and third NAV comparisons reinforced this disparity and claimed that the subject property did not possess any unique locational or commercial

advantages over these properties that would justify a valuation rate of twice that applied to these neighbouring properties.

7.12 They stated that a major factor in determining the valuation of the subject property was the rent agreed at €67,000 per annum in March 2020. They stated that this rent was the outcome of open market negotiations conducted by two leading commercial property practises in the city and was grounded in market principles. They added that this rent accounted for these specific characteristics of the property prevailing market conditions and its commercial viability. They stated that Tailte Eireann’s assessment fails to align with these considerations resulting in an overvaluation that is both disproportionate and unjustifiable. They stated that to provide an equitable valuation process the NAV for the subject property should be grounded in the market rent.

7.13 They concluded by stating that having regard to all the relevant factors a fair and reasonable valuation of the subject property should be €67,000 calculated as follows.

Level	Description	Area M₂	Description	NAV €
0	Retail Zone A	43.92	€1,220	€53,582.40
0	Retail Zone B	19.08	€610	€11,638.80
1	Store	17.00	€100	€1,700
				€66,921.20
			Say	€67,000

They argued that the Lease based valuation of €67,000 stands as a credible and robust indicator of the property's value and they argued that this figure was determined as part of a rent review process in March 2020 following negotiations and that the agreed NAV equated to a Zone A rate of approximately €1,220/sqm with proportionate adjustments for Zone B and the first-floor stores area.

They argued that the adoption of a Zone A rate of €900/sqm would provide a valuation of €49,800 however they regard this as not having the same weight as the Lease based figure.

8. RESPONDENT'S CASE

8.1 The Respondents confirmed that the property was located at 26 Shop Street Galway and comprised a corner unit at the junction of Shop Street and Churchyard Street adjacent to Mainguard Street and close to High Street.

8.2 They described the subject property as comprising a prominent ground floor retail unit which first floor stores over the shop. The unit has three display windows fronting Shop Street and one side window facing Churchyard Street. They noted that the surrounding area is pedestrianised including William Street, Abbeygate Street, Churchyard Street, High Street and Mainguard Street. They also noted that the occupiers of the subject property also occupy the adjoining property but claimed that it is located on Mainguard Street and is valued separately. A number of internal and external photographs were provided.

8.3 The provided a copy of the floor areas agreed with the Appellants on 19th November 2024.

Level	Description	Area M ₂
0	Retail Zone A	43.92
0	Retail Zone B	19.08
1	Store	17.00
Total		80.00

They also provided a block plan which showed the layout and the street frontages.

8.4 They acknowledged the lease terms and confirmed the Landlords as Robert Kehoe & Marie Hogan; the Tenants as Philip Fried Claddagh Jewellers and a lease commencement date of 19.03.2010. The current rent is €67,000pa fixed on 23.03.2020 and the lease is for 20 years with 5-year rent reviews. They stated that the Landlord was responsible for repairs, and the Tenant was liable for insurance costs.

8.5 They confirmed that the Valuation date was 1st February 2022, and the Valuation Certificate was issued at €107,400 on 15th September 2023.

8.6 Addressing the Appellants opinion of value they noted that on the original notice of appeal the figure was €66,600 which had been amended in the Appellant's admission to €67,000. They claimed that the Appellant had relied on four NAV comparisons at 1 Mainguard Street Galway, 3 Mainguard Street Galway 7-8 Mainguard Street Galway, and 26 Shop Street Galway -the subject property which also included rental information.

8.7 In relation to 1 Mainguard Street occupied by Claddagh Jewellers they acknowledged that it adjoined the subject property however they argued that it was facing onto Mainguard Street and this property which was valued at a Zone A rate of €900 was not appealed to the Valuation Tribunal and no rental information was provided. They confirmed that there were no representations, it was not represented by an agent and there was no appeal to the Tribunal.

8.8 In relation to 3B 3C Mainguard Street Bank of Ireland they acknowledged that it also faced Mainguard Street and this property which was valued at a Zone A rate of €900/sqm was not appealed to the Valuation Tribunal and no rental information was provided. They confirmed that there were no representations, it was not represented by an agent and there was no appeal to the Tribunal.

8.9 In relation to 7,8 Mainguard Street formerly occupied by John Colleran & Sons Butchers they acknowledged that it too faced Mainguard Street and this property which was valued at a Zone A rate of €900/sqm was not appealed to the Valuation Tribunal and no rental information was provided. They confirmed that there were no representations, it was not represented by an agent and there was no appeal to the Tribunal.

8.10 In relation to 26 Shop Street the subject property they stated that it had been valued in line with the prevailing Zone A rate of €1,700/sqm as with other retail units on Shop Street. They acknowledged the rent review in 2020 at €67,000pa but argued that this was the only rental evidence provided by the tenants and was dated March 2020. They noted that the Zone A level of €1,900/sqm was reduced to €1,700/sqm They confirmed that there were representations, it was represented by an agent and there was an appeal to the Tribunal.

8.11 They stated that the first three properties referred to comparisons on Mainguard Street all of which have been valued at a prevailing rate of €900/sqm Zone A. They stated that as the subject property was on Shop Street had been valued at the prevailing Zone A rate of €1,700/sqm which had been reduced from €1,900/sqm. They stated that the prime retail streets are William Street and Shop Street whereas the comparisons provided by the Appellants were located on Mainguard Street and not Shop Street.

8.12 The Respondents relied on four key rental transactions details of which are included in the appendix (N/A to public). The first on William Street referred to a floor area of 17.11sqm let for 4 years 9 months from March 2022 at €30,000pa with an NER of €29,100 and an NAV of €29,000. They acknowledged that this property was smaller but had a Zone A rate NER and NAV of €1,700/sqm.

The second KRT also referred to William Street and a letting from February 2019 at €363,600pa for 519.33sqm. The NER was €348,488.89 and the NAV was €198,800 based on an NER Zone A rate of €3,320/sqm and an NAV Zone A rate of €1,700/sqm. They acknowledged that this property was larger.

The third referred to William Street and a letting from August 2019 at €141,000pa for 239.29sqm. The NER was €118,643 and the NAV was €118,800 based on a NER Zone A rate of €1,910/sqm and an NAV Zone A rate of €1,700/sqm. This analysis include an allowance for a rent-free concession of 12 months.

The fourth and final KRT also referred to William Street and a letting from January 2022 at €40,560pa for 25.25sqm (reduced on appeal with a reduction from €53,100 to €38,200). The NER was €40,560pa and the NAV was €40,560pa based on a NER Zone A rate of €2,000/sqm and an NAV Zone A rate of €1,700/sqm.

The two comparisons provided at representation stage were not included in the Appellants submission but were referred to in the Respondents submission wherein they pointed out that Elle's Café on 12 Shop Street had been let for €120,000pa in October 2022 but the NAV was €82,100 based on a Zone A rate of €1,700/sqm.

They also referred to The Carphone Warehouse now Ecco 37 Shop Street which was also let in October 2022 for €120,000 and had an NAV of €93,000 based on a Zone A of €1,700/sqm.

8.13 The Respondents provided three NAV comparisons.

NAV 1

Property No.	1154708
Occupier	Flanagan's Pharmacy
Address	24 Shop Street
Total floor area M₂	95.49
NAV	€85,700

Level	Description	Size M₂	NAV/M₂
0	Retail Zone A	53.31	€1,700
0	Offices	42.18	€100
		95.49	€85,700

All Zone A, an allowance was applied due to the frontage to depth ratio.

They confirmed that there were no representations, it was represented by an agent and there was no appeal to the Tribunal.

NAV 2

Property No.	1154701
Occupier	Holland & Barrett
Address	34 Shop Street
Total floor area M₂	162.13
NAV	€91,600

Level	Description	Size M₂	NAV/M₂
0	Retail Zone A	23.05	€1,700
0	Retail Zone B	24.82	€850
0	Retail Zone C	34.66	€425
0	Remainder	40.89	€212.50
0	Store	37.81	€170

	Total	162.13	€91,600
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Located 5 doors from the subject property and all ground floor accommodation.

They confirmed that there were representations, it was represented by an agent and there was no appeal to the Tribunal.

NAV 3

Property No.	1154709
Occupier	Holland & Barrett
Address	34 Shop Street
Total floor area M₂	17.57
NAV	€19,860

Level	Description	Size M ₂	NAV/M ₂
0	Retail Zone A	11.32	€1,700
1	Store	6.25	€100
	Total		€19,860

Located close to the subject property and comprising a ground floor retail area and first floor store.

They confirmed that there were no representations, it was not represented by an agent and there was no appeal to the Tribunal.

8.14 Based on their submission and evidence the Respondents provided the following opinion of value:

Use	Area M ₂	NAV/ M ₂	NAV
Retail Zone A	43.92	€1,700	€74,664
Retail Zone B	19.08	€850	€16,218
1 st floor store	17.00	€100	€1,700
			€92,582
		Say	€92,580

The Respondents concluded their submission by restating the prime location occupied by the subject property and argued that there was sufficient rental evidence from Shop Street and William

Street to support the prevailing Zone A level of €1,700/sq. They claimed that the Appellants had failed to discharge the onus of proof.

9 APPELLANTS COUNTER-SUBMISSION

9.1 In its observations to the Valuation Tribunal the Appellants referred to the 2020 rent review as significant and pointed out that the NAV was significantly in excess of this negotiated rent. They argued that the proposed NAV was inconsistent with adjacent properties and that the Respondent had placed excessive emphasis on the Shop Street address of the subject property while disregarding the properties' actual location within a commercial block. They acknowledged that its postal address aligns with Shop Street however they claimed that it shares its commercial identity with adjacent properties on Mainguard Street and High Street.

9.2 They stated that the subject property was referred to as 26 Mainguard Street on the Tailte Eireann website and provided a map in support.

9.3 They regarded the Key Rental Transactions used by Tailte Eireann as unreliable as none were located on Shop Street or Mainguard Street and claimed that the rental transactions provided referred to William Street which they stated was a far superior retail location. They added that the subject property was located some distance from these rental transactions.

9.4 They reiterated their opinion that the NAV should be fixed at €67,000 as it was based on the actual market rental evidence from March 2020 and stated that the subject property had more in common with Mainguard Street than Shop Street.

10 RESPONDENTS COUNTER SUBMISSION

10.1 In its observations to the Valuation Tribunal the Respondents stated that the Appellants only provided a single rental transaction which was a rent review from 2020 whereas the Respondents had provided evidence more closely aligned in date to the valuation date. They did not accept that Mainguard Street which had been valued at a lower level was comparable to Shop Street and that the subject property as valued showed consistency with others on Shop Street.

10.2 The Respondents did not accept that the map provided by the Appellant wherein it showed subject property as 26 Mainguard Street was correct and stated that the Land Direct map clearly showed the subject property marked as 26 Shop Street. They did not accept that the subject property was more aligned with Mainguard Street and not William Street and stated that their evidence suggested that Shop Street and William Street which were valued on the same level were more compatible.

10.3 They stated that the onus of proof rests with the Appellants and argued that they had provided no supporting rental evidence. They referred to the four key rental transactions provided on William Street which they stated was a comparable location and which is valued at the same level as Shop Street, and they referred to two rental transactions for retail units on Shop Street PN1159 285 and PN1154697. These rental comparisons had been provided by the Appellant at representation stage and both referred to transactions from October 2022 which indicated that when analysed these units actually provided higher Zone A levels than the level of €1,700/sqm attributed to the subject property.

11. SUBMISSIONS

11.1 There were no legal submissions.

12. FINDINGS AND CONCLUSIONS

12.1 On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the Property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Galway County Council.

12.2 This case revolves on whether the subject property should be categorised with others on Shop Street and William Street at a Zone A level of €1,700/sqm or alternatively with adjacent properties on Mainguard Street which attracted a lower valuation. The subject property is identified as 26 Shop Street on Land Direct and no evidence of 26 Mainguard Street was available on the Eircode website.

12.3 The reliance by the Appellants on a single rental transaction, albeit a very germane one from the subject property was not supported by other evidence adduced by them at representation stage which were available to the Appellants as it was their evidence. While this rental evidence post-dated the Valuation date it nonetheless provided to the Appellants a clear indication of rental evidence adduced by them and not disavowed by them. It is clear to this Tribunal that the subject property should be categorised with Shop Street and valued at a Zone A level of €1,700/sqm.

12.4 The differential between the issued Valuation Certificate and the valuation proposed by the Respondents at €92,580 would appear to be directly related to differences in floor areas or descriptions. The parties should have resolved these differences which were a matter of fact before appealing to the Tribunal.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal disallows the appeal and confirms the decision of the Respondent at €92,580.

RIGHT OF APPEAL:

In accordance with section 39 of the Valuation Act 2001 any party who is dissatisfied with the Tribunal's determination as being erroneous in point of law may declare such dissatisfaction and require the Tribunal to state and sign a case for the opinion of the High Court

This right of appeal may be exercised only if a party makes a declaration of dissatisfaction in writing to the Tribunal so that it is received within 21 days from the date of the Tribunal's Determination and having declared dissatisfaction, by notice in writing addressed to the Chairperson of the Tribunal within 28 days from the date of the said Determination, requires the Tribunal to state and sign a case for the opinion of the High Court thereon within 3 months from the date of receipt of such notice.