

Appeal No. VA04/3/044

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Declan Carey

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Restaurant/Café at Lot No. 52c, Ballynally, Moville, Inishowen, County Donegal.
Quantum - comparisons

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Michael F. Lyng - Valuer

Member

Michael McWey - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 15TH DAY OF FEBRUARY, 2005

By Notice of Appeal dated the 8th day of September, 2004, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €40.00 on the above described relevant property.

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

" No account taken of comparable properties in arriving at this valuation."

1. This appeal proceeded by way of an oral hearing held in the District Courthouse, Letterkenny, Co. Donegal on the 26th November, 2004. At the oral hearing the appellant was represented by Mr. Patrick McCarroll, MRICS, FIAVI, ASCS and the respondent by Mr. Christopher Hicks, a Valuer in the Valuation Office.

The Property

2. The property concerned is a restaurant trading as the “Cosy Cottage” at ground floor level of a new 3 storey mixed development on the west side of Main Street, Moville, Co. Donegal. Moville is a small town on the Inishowen Peninsula on the shores of Lough Foyle, about 20 miles from Derry.
3. The property concerned has an agreed area of 84 sq. metres measured on a net internal area basis with a frontage of 8.4 metres. The restaurant has an area of 47 sq. metres and the remainder of the property is used as the kitchen and for food storage purposes.
4. The property was first valued in February 2004 and assessed at a rateable valuation of €40. No change was made at first appeal stage and it is against this decision of the Commissioner of Valuation that the appeal to this Tribunal lies.

Appellant’s Evidence

5. Mr. McCarroll having taken the oath adopted his précis and valuation which had previously been received by the Tribunal as being his evidence-in-chief.
6. In his evidence Mr. McCarroll contended for a rateable valuation of €25 calculated as set out below:

Sitting area: 47.04 sq. metres	@ €80 per sq. metre	= €3,763
Kitchen: 27.84 sq. metres	@ €40 per sq. metre	= €1,114
Store: 9.25 sq. metres	@ €20 per sq. metre	= €185
Total		€5,062

Net Annual Value	say	€5,000
Rateable Valuation @ 0.5%		= €25

In support of his opinion of Net Annual Value Mr. McCarroll introduced 5 comparisons, details of which are set out in Appendix 1 attached to this judgment. 3 of Mr. McCarroll's comparisons are in Merville and the other 2 are in Carndonagh and Dungloe respectively.

7. Under cross-examination Mr. McCarroll said that in his opinion the prevailing tone of assessments in Merville was too high and this was borne out by the comparisons in Dungloe and Carndonagh. In his opinion Carndonagh was a much larger town than Merville and had a greater catchment area and commercial base. Dungloe, he said, was similar in size and character to Merville.
8. Mr. McCarroll when questioned about his comparisons in Merville agreed that the premises occupied respectively by McCauley and McFeely were located close to the subject property. Mr. McCarroll expressed the view that the valuations of these properties were excessive also and that this was borne out by the rents being paid. When asked about the "Willow Tree" premises (comparison No. 3) Mr. McCarroll agreed that this property had a poor internal layout, basic fit-out and poor access. Nonetheless, Mr. McCarroll said that he was not of the opinion that it should be valued at a lower rate per sq. metre than the subject property.
9. When asked why he had valued the subject property on what appeared to be a zoning basis, Mr. McCarroll said that he felt it appropriate to do so having regard to the fact that the available space within the premises was being used for 3 separate and distinct purposes.

Respondent's Evidence

10. Mr. Hicks having taken the oath adopted his written précis and valuation that had previously been received by the Tribunal as being his evidence-in-chief.

11. In his evidence Mr. Hicks contended for a rateable valuation of €40 calculated as set out below:

Overall area 84 sq. metres @ €5 per sq. metre =	€7,980
Net Annual Value say	€8000
Rateable Valuation @ 0.5%	€40

Or

Restaurant 47.04 sq. metres @ €120 per sq. metre =	€5,644.80
Kitchen & Store 37.09 sq. metres @ €60 per sq. metre =	€2,225.40
Total	€7,870
Net Annual Value say	€8,000
Rateable Valuation @ 0.5%	= €40

Mr. Hicks said that his first valuation was his preferred method.

12. In support of his opinion of Net Annual Value Mr. Hicks introduced 4 comparisons, details of which are set out in Appendix 2 attached to this judgment.

13. In his evidence Mr. Hicks said that there were sufficient comparable properties in Moville and in the circumstances it was inappropriate to include evidence drawn from other towns in Donegal. Mr. Hicks also expressed the view that his preferred method of valuation was to apply an overall rate per sq. metre. This was the method by which all his comparisons were valued. In using such a method it was possible to have regard to any differences in area, configuration, use or any other factor that could have a bearing on rental value.

14. Under cross-examination Mr. Hicks said that he did not accept Mr. McCarroll's contention that the prevailing levels of value in Moville were excessive and higher than other towns of a comparable size elsewhere in Donegal. Mr. Hicks agreed that

the subject property was the last commercial property on the west side of Main Street but in the context of Merville this would have no material effect in terms of value. He also pointed out that there were commercial properties on the opposite side of the street and that they extended further northwards for some distance. Mr. Hicks said that in his opinion Merville was more or less on a par with Dungloe as far as business activity was concerned and probably not as good as Carndonagh.

Findings

The Tribunal has carefully considered all the evidence and argument adduced by the parties and makes the following findings:

1. The relevant valuation date in this appeal is February, 2004. Hence the property concerned must be valued by reference to the provisions of the Valuation Act, 2001.
2. Of all the evidence adduced by the parties the Tribunal attaches most weight to the assessments of other retail outlets on Main Street, Merville. In particular the Tribunal considers the assessments of the premises occupied by McCauley and McFeely to be the most helpful. These are common comparisons which were originally valued at or about the same time as the property concerned and whose valuations were considered and agreed at first appeal stage.

Determination

Having regard to the foregoing, the Tribunal is satisfied that the rateable valuation of the subject property as determined at revision stage is fair and reasonable in accordance with the provisions of the Valuation Act, 2001. Accordingly therefore the rateable valuation of €40 is affirmed.

And the Tribunal so determines.