

Appeal No. VA90/3/066

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

Eugene Ellis

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hairdressing salon, 1st floor Lot No. 30b James Street, County Borough of Dublin

B E F O R E

Henry Abbott

Barrister Chairman

Padraig Connellan

Solicitor

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF APRIL, 1991

By notice of appeal dated the 20th day of September 1990, the appellant appealed against the determination of the Commissioner of Valuation in fixing the rateable valuation of £24 on the above described hereditament.

The grounds of appeal as set out in the notice of appeal are that the rateable valuation of £24 is far in excess of what should be applied in this case.

The appellant in submitting his notice of appeal detailed the following as supporting his case that the £24 valuation is excessive.

The premises consists of a three storey building of which the appellant occupies the 1st floor and trades offering a hairdressing service. This is open five days a week and attracts a minimum of clients. The property is located in an area of Dublin where the number of premises trading is very small and where some sites have been left in a derelict condition which has an adverse affect on trade. Any high rating of existing property is a drain on the resources of the trade. The service offered by the appellant is on a small scale, demand is limited and despite this it forms part of the service to the immediate community.

The Property

The property consists of a hairdressing salon on the 1st floor level. It is located in James Street. There is a number of derelict buildings in the locality. The premises was constructed in 1987.

Valuation History

Following the construction of new buildings the 1st floor hairdressing salon was first valued in 1987 revision at £30 rateable valuation. The hairdressing salon was listed for the 1989 revision by Dublin Corporation as excessive. No change was made on the rateable valuation on this revision. This was appealed to the Commissioner of Valuation and having considered the report of his valuer he reduced the valuation to £24.

Written Submissions

A written submission was received on the 12th February from the appellant. He stated the following:-

1. In his term of tenancy there has been three different businesses on the ground floor and two on the second floor.
2. The stairs leading to his premises consists of two flights which deter old and infirm from using the premises.
3. The following business premises have ceased to trade in James Street, 119, 120, 132, 133, 137, 138, 139, 32 and 22.
4. The street is badly in need of some incentives to boost the drain that has taken place over the past few years i.e. closure Dr Steven's Hospital, closure Kennedy Villas, Bow Lane, severe cutbacks Guinness Group and severe cutbacks James Street Hospital.
5. Developments seems to be on hold for some years i.e James Street Hospital and the construction of houses in Bow Lane.
6. There is no incentive for the development of the many derelict sites in the immediate street.

A written submission was received on the 8th February, 1991 from Mr Thomas Costello, a district valuer with 28 years experience in the Valuation Office. In this, Mr Costello says that the property is near Guinness Brewery and James Hospital and is adjacent to a large development of corporation housing. He said that the accommodation consists of hairdressing salon, sun bed room, store room and toilets. Mr Costello outlined his calculation of the rateable valuation of £24 as follows:-

Net lettable area (hairdressing salon, sun bed room and store)

= 67 square metres = 721 square feet

Estimate of net annual value

721 square feet @ £5.32 = £3,835

R.V. £3,835 x 0.63% = £24.16

Say R.V. = £24.00

Mr Costello said that he understood that the appellant has no formal lease and pays a rent of £320 per month which equals £3,840 per annum. He also attached four comparisons as follows:-

1. 30a James Street, shop and store R.V. £60
2. 30c James Street, workroom, 2nd floor R.V. £24
3. 24 James Street, offices, 1st and 2nd floor R.V. £54
4. 40 James Street, offices, 2nd floor, & yard R.V. £25

Oral Hearing

The oral hearing took place on the 13th February, 1991. Mr Ellis represented himself and Mr Costello represented the respondent. Mr Ellis outlined how he had come into the tenancy when the building was a shell and that he had installed all of the facilities and all of the finishing work on his floor. He was then caught in a catch 22 position when his rent per month was increased to £320. He considered that he could get much better value but having made the investment he could not refuse to pay. Mr Ellis outlined the economic conditions prevailing in the area and said that at one stage he had two girls in addition to himself and his wife running the business. He had to let these girls go because business had dropped significantly due to the closure of Stephen's Hospital and lay-offs and redundancies in Guinnesses. The closure of Stephen's Hospital had a major impact on his business as these people were no longer there and the run down of Guinnesses and James Hospital meant that people were coming far less frequently than they used to. With regard to the comparison provided by Mr Costello, Mr Ellis said that these were not proper comparisons. He said that No. 40 consisted of a radio cabs business and that it did not depend on pedestrian traffic. The owner of No. 30a, was going to leave his premises and,

in any event, it was a wholesale retail paint operation which could not be compared with a hairdressing salon. No. 30c is the floor above the subject which is a much bigger floor and employs 18 people making designer clothes. No. 24 James Street is a building contractors office and again could not be compared to the type of operation which he was running. Mr Ellis said he is also responsible for repairs and maintenance and insurance of contents. He emphasised the disadvantage of having a hairdressing salon on the 1st floor as distinct from a ground floor level. He repeated that but for the large investment which he had made in the building in installing plumbing and all of the facilities he would very definitely leave this building because he could not afford either the rent or the rates. Mr Ellis said that another hairdressing salon on South Circular Road which had the benefit of being on the ground floor had a rates bill of £402 which equates to about £15 - £16 rateable valuation. He said it was on this basis that he had calculated his outgoings and that he was taken totally by surprise when the rateable valuation was set.

Mr Thomas Costello agreed that the area was rather derelict but felt that the comparisons that he supplied would justify the rateable valuation of £24 on the subject premises. While he agreed that the area was run down and that there were quite a significant amount of derelict buildings in the immediate vicinity he felt that there was quite a large indigenous population which would use Mr Ellis's premises.

The Tribunal have considered all the factors in the case and in particular the run down state of the area, the closing of Stephen's Hospital and the reduction of staff from Guinnesses and James Hospital. It also feels that the rent paid by Mr Ellis is in excess of what he would pay under different circumstances. Taking all these factors into consideration the Tribunal has decided that the rateable valuation of the subject premises should be £18.

