

Appeal No. VA92/1/015

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

Justin Brady

and

APPELLANT

Commissioner of Valuation

RESPONDENT

RE: Shop, Store, Yard and Garden at Lot No. 64.66/Unit 3 Main Street, Ballybofey, Stranorlar,
Co. Donegal
Quantum

B E F O R E

Padraig Connellan

Solicitor (Acting Chairman)

Brian O'Farrell

Valuer

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 20TH DAY OF MAY, 1992

By notice of appeal dated the 12th day of February, 1992 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £25.00 on the above described hereditament.

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

- (a) the valuation is excessive and inequitable.
- (b) the valuation is bad in law.
- (c) no account has been taken of the net annual value as on the 30th November, 1988 in determining the Rateable Valuation assessment.
- (d)
 - (i) The valuation is bad in law as a fraction of 0.63% being applied to the agreed net annual value is excessive and does not comply with with the requirements of Section 5 of the Valuation Act 1986.
 - (ii) The valuation is bad in law as a different fraction is being applied in rural and urban districts in Co. Donegal.
 - (iii) The valuation is bad in law as a fraction that is being applied is not in agreement with the fraction that is being applied in similar rating authority function areas which is necessary to provide "...One uniform valuation of lands and tenaments in Ireland". (Preamble to Valuation (Ireland) Act 1852)

THE PROPERTY

The property consists of the ground floor and lock-up retail shop in a two storey terraced building located on the northern side of the Main Street in the town of Ballybofey, Co. Donegal.

The property consists of a shop of 225 square feet with a garage at the rear of 400 square feet.

VALUATION HISTORY

Prior to the renovation of the premises in 1989 the subject was valued as a private house at £5.50 rateable valuation. At the 1990 revision the valuation was increased to £32. Following first appeal to the Commissioner of Valuation this was reduced to £25. It is against this determination of the Commissioner of Valuation that the appeal now lies with the Tribunal.

WRITTEN SUBMISSIONS

A written submission was received on the 7th May, 1992 from Mr. Patrick Mc Carroll, Chartered Surveyor Auctioneer and Estate Agent of Market Place, Carndonagh, Co. Donegal on behalf of the appellant. In this written submission Mr. Mc Carroll outlined the description of the subject property. Mr. Mc Carroll said that valuing within the provisions of the Valuation (Ireland) Act, 1852, Section 11 and Section 5 of the Valuation Act, 1986 and valuing as on the 30th November, 1988 in his opinion the rateable valuation on the subject property should be £12 which he discounted as follows:-

Shop	225ft ² @ £8 p.s.f.	£1,800
Garage £10 per week		<u>£ 520</u>
		£2,320

$$£2,320 \times 0.5\% = \quad £11.60$$

Say £12.00

Mr. Mc Carroll provided two comparisons as follows:-

- (1) Brian Mc Dermott, Main Street, Ballybofey, Chip Shop. Rateable Valuation
£18.00

Mr. Mc Carroll said that the net annual value of this property in 1988 was estimated to be
£45,000.

- (2) Unit 30/11 Main Street, Ballybofey. Rateable Valuation £26.00.

Mr. Mc Carroll provided a break-down showing the percentage between net annual value and
rateable valuation as being .5%.

A written submission was received on the 12th May, 1992 from Mr. Jim Gormley, Chartered
Surveyor and District Valuer in the Valuation Office on behalf of the respondent. In this Mr.
Gormley comments on the appellants grounds of appeal and says that the valuation of £25 is fair
and equitable when compared with the valuations of premises of similar function and location
which have been recently revised. He said that the computation of rateable valuation is based on
Net Annual Value and with regard to the fraction of .63%. Mr. Gormley says that there has been
no agreement on Net Annual Value in this case and that the reduced valuation of £25 represents
.5% of the Net Annual Value which has been assessed on the basis of rent passing on the two
adjoining units. He said that the conversion factor being applied in Donegal varies from .5% to
.63%. Mr. Gormley set out his calculation of the Rateable Valuation as follows:-

Ground Floor Shop $225\text{ft}^2 \times \text{£}13.00/\text{ft}^2 = \text{£}2,925$

Store at Rear $400\text{ft}^2 \times \text{£} 6.00/\text{ft}^2 = \text{£}2,400$

£5,325

Say £5,300

x 0.5%

= R.V. £26.50

Say £25

Mr. Gormley supplied comparisons of unit 1 and Unit 2 of the same Centre and provided details of their ground floor area, Net Annual Value and Rateable Valuation. He submitted that as all three properties are comparable, are of similar function (being retail units), similar location and all were revised on the same date that the relationship between Net Annual Value and Rateable Valuation should be the same in all three cases. He referred to three other premises in Ballybofey which have recently been revised and which he said were relevant as comparisons and they are:-

- (1) Mc Elhinneys Shop, 41 Main Street, R.V. £680
- (2) Francis Reid, 29a Main Street, R.V. £17.00
- (3) Cathal Mc Hugh, 78a Main Street, R.V. £38

ORAL HEARING

The oral hearing took place in Letterkenny on 19th May, 1992. Mr. Patrick Mc Carroll, A.R.I.C.S. M.I.A.V.I represented the appellant and Mr. Jim Gormley, Chartered Surveyor and District Valuer represented the Commissioner of Valuation. Both the appellant and the respondent relied during the hearing on their written submissions.

Mr. Mc Carroll in his oral evidence relied on the fact that the rent should be backdated to 1988 with allowances made for insurance and the short leases. He also stated that Mr. Gormley made his original submissions based on a ratio of .63% and that he was now juggling his valuation to suit a ratio of .5%.

Mr. Gormley in his oral evidence stated that no evidence had been offered by Mr. Mc Carroll, of any increase in rents from 1988 and 1990 to support a 20% discount.

FINDINGS

The Tribunal feel, in this case that a rent of £11 per square foot is appropriate for the shop and a net annual value of £1,100 is appropriate for the garage/store given its location and use. This gives a total N.A.V. of £3,575. Therefore, the Tribunal finds that the correct R.V. on the subject property is in the sum of £18.