

Appeal No: VA17/5/347

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**AN tACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

ROGER MCCARRICK

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 1994276, retail (Shops) at 41 41a 42 42a Main Street or Teeling Street, Tobercurry, County Sligo.

B E F O R E

Dolores Power – MSCSI, MRICS

Deputy Chairperson

Thomas Collins – PC, FIPAV, NAEA, MCEI, CFO

Member

Liam G. Daly – MSCSI, MRICS

Member

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF JUNE, 2019.**

1. THE APPEAL

1.1 By Notice of Appeal received on the 11th day of October, 2017 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 €8,630.

1.2 The Grounds of Appeal are fully set out in the Notice of Appeal. Briefly stated they are as follows:

- The rental rate per square metre is too high and not achievable in this locality.

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €5,372.60

2. REVALUATION HISTORY

2.1 On the 25th day of May, 2017 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 €8,630.

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 manager did it not consider it appropriate to provide for a lower valuation.

2.3 A Final Valuation Certificate issued on the 7th day of September, 2017 stating a valuation of €8,630.

2.4 The date by reference to which the value of the property, the subject of this appeal, was determined is the 39th day of October, 2015.

3. THE HEARING

3.1 The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 22nd day of November , 2018. At the hearing the Appellant appeared in person and the Respondent was represented by Mr Liam Hazel MSc, BSc, Dip Acc & Fin, MSCSI, MRICS, MIPAV (CV), ACI Arb of the Valuation Office.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. FACTS

4.1 From the evidence adduced by the parties, the Tribunal finds the following facts.

The subject property is located on Teeling Street, Tubbercurry, Co. Sligo.

It is a ground floor office accommodating REA McCarrick Estate Agents.

The office is located to the front of a two story mid terrace building with living accommodation to the rear on the ground floor and on the first floor.

The net internal area of the property was agreed.

5. ISSUES

5.1 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 Appellant outlined in detail the economic history and current economic conditions prevailing in Tubbercurry and the surrounding area. In particular, he noted the loss of approximately 250 manufacturing and service jobs over the last 5 years, the serious level of social deprivation and the negative impact of this on the retail sector and the viability of local businesses.

7.2 Mr McCarrick provided extensive comparative rental evidence while noting that, in small town Ireland, the higher level of turnover of tenants can cause problems in obtaining comparative rental evidence.

The Tribunal found two comparative properties to be of most assistance:

1. Joe’s Barber Shop, Teeling House, Teeling Street, Tubbercurry.

This premises is located next door to the subject property. The Appellant noted the total floor area to be 105sq.m.

It is currently leased at a rent of €7200 pa and €68.50 per sq.m

2. Ballybookies, Teeling Street, Tubbercurry. This premises is located two doors from the subject property and next door to the aforementioned barber shop. The Appellant noted the total floor area to be 110 sq.m.

This premises is currently leased at a rent of €8320 pa and €75.60 per sq.m.

7.3 The Appellant noted that both these properties were new builds and were in much better condition than the subject.

8. RESPONDENT'S CASE

8.1 The respondent submitted that the valuation levels applied by the Commissioner to the subject property and similar properties are derived from analysis of available market evidence at both proposed valuation stage and at representations.

8.2 Mr Hazel noted that the Appellant had submitted all comparisons on an overall per square metre basis. Mr Hazel advised that the Commissioner utilises 'Retail Zoning' as the method of comparison for the subject property and all similar retail units. Retail properties less than 1000 sq.m are generally valued for rating purposes by reference to 'Retail Zoning'. The respondent referenced the Society of Chartered Surveyors Ireland (SCSI) professional information paper in this regard.

8.3 The respondent provided commentary on the Appellant's comparative rental evidence. In the case of the two comparative properties found to be of most assistance the respondent provided the following commentary:

1. Joe's Barber Shop. PN 2188144.

The total floor area of the property submitted by the Appellant is 105 sq.m whereas the floor area on the valuation list is 61.91sq.m.

The rent was analysed and using the retail zoning method, based on the Valuation Office floor area, the rent devalues at €169 Zone A.

2. Ballybookies. PN 1578772.

The total floor area of the property submitted by the Appellant is 110sq.m whereas the floor area of the property on the Valuation List is 83.20 sq.m.

The rent was analysed and using the retail zoning method, based on the Valuation Office floor area, the rent devalues at €191 Zone A.

8.4 The respondent submitted that applying the valuation level €175 Zone A to the subject property resulted in a NAV of €8,630. He noted that retail properties in prime locations within Co. Sligo's main towns have been valued at the same valuation level of €175 Zone A.

8.5 The respondent gave evidence of 8 key rental transactions relied upon in calculation the NAV for the subject property. All of these transactions were valued at €175 Zone A. One property was subject to further consideration at representation stage and none is subject to a Valuation Tribunal appeal.

9. SUBMISSIONS

9.1 There were no legal submissions.

10. FINDINGS AND CONCLUSIONS

10.1 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 Sligo County Council.

The Tribunal found that the Appellant did not provide any compelling evidence that the subject property differs to any material extent in terms of location, condition or rental evidence from the relevant comparable properties on the Valuation list

10.2 The Tribunal found the valuation determined by the respondent to be correct and equitable and to represent the Net Annual Valuation of the subject property.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal disallows the appeal and affirms the decision of the Respondent that the NAV is determined as follows:

Floor Use.	Area	NAV per sq m.	NAV
Retail Zone A.	37.99 sq. m.	€175.00	€6,648.00
Retail Zone B.	17.54 sq. m.	€ 87.50.	€1,534.75
Offices.	25.62 sq. m.	€ 17.50.	€ 448.35
		Total.	€8,631.35

Say €8,630.00

No change.

And the Tribunal so determines.