

Appeal No. VA90/1/019

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

John O'Keeffe

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop, stores and yard at Coolballintaggart, Ballinglen, Arklow, Co. Wicklow
Quantum - Rural Location, low population

B E F O R E

Henry Abbott

Barrister Chairman

Padraig Connellan

Solicitor

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
DELIVERED ON THE 20TH DAY OF AUGUST, 1990.

By Notice of Appeal dated the 27th April, 1990 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £13.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that the rateable valuation is excessive in comparison to the previous shop; the shop is located in a thinly populated rural area; the shop is totally dependent on local trade as it is not on a main road and the area is regarded as "severely disadvantaged" under EEC classification.

In a written submission dated the 3rd August, 1990 Mr. O'Keeffe said that the premises is comprised of the old shop (216sq.ft.) the present shop (408 sq.ft.) and a store (504 sq.ft.); the two stores in the original building were demolished and the old shop is now used as a store. The premises is located on a by-road with little traffic other than that of local people. He said that in addition to the storage of coal, gas and animal feedstuffs for sale the store is also used for personal storage such as turf and garden tools. While there was an increase in turnover in the first two years of trading there has been a decrease in 1989/90. Mr. O'Keeffe said that the business is located in a thinly populated rural area and that the volume of his business will not vary with the size of his premises. The area is classified as severely disadvantaged for the purpose of EEC headage payments. He said that he carries a large stock because, being the only shop in the area, people would not come to shop there unless they were assured that they could buy most of their requirements. Many of the items are slow sellers but he must carry them or customers will go elsewhere. In a town or village Mr. O'Keeffe said, a similar size premises would do much better business by selling the same range of goods but at a much faster rate. Milk, he said, is delivered only every second day and in addition he is forced to pay list prices for items while shops in towns can get discounts by selling greater volume. His paper deliveries are by post which means that he only gets them at 2.30 p.m. whereas shops in towns will have theirs at 8.00a.m. There are only 26 houses in the area and 7 of these are occupied by old age pensioners. Mr. O'Keeffe outlined some comparisons of shops paying less rates. One had the advantage of having a post office and a petrol station. Another comparison is adjacent to a church and school in a village which has two public houses and a scheme of new council houses. The volume of business in this comparison would be far greater than his but, while the shop may be bigger, there would be very little storage room. He also referred to a shop about 3 miles away whose rates bill is significantly lower. He said that this shop is similar in size to his and also in a rural location, the shop is however, on a busier road and has the advantage of having a post office. However, he said this shop is probably the most comparable in terms of location, volume of business, size of premises etc. He listed two other comparisons one of which had the

benefit of a church and school beside it and the other in another village was again opposite the church and school and had the benefit of a well used football pitch in close proximity. He said that of the five shops mentioned at least four do a much better business than his shop but that these five shops are the most comparable to be found as they are located in reasonable proximity to his premises. Mr. O'Keeffe said that while he expected some increase in his rateable valuation the figure of £13.00 was punitive and excessive.

Mr. Michael Slattery, a District Valuer with 22 years experience in the Valuation Office submitted a written précis of evidence on the 3rd August, 1990 in which he outlined the valuation history of the premises and the appellant's grounds of appeal at the various stages. He said that the property is situated in a rural part of County Wicklow about four miles from Aughrim and eight miles from Tinnahely. Mr. Slattery said that it is a new retail shop and store attractively finished internally and externally. It was trading as a well stocked general grocery business. He said that there was a large new store at the rear as well as an old store at the side. The main property was built about two years ago and the old store at the side dated back to the 1950's. The area of the shop is 36 sq. metres, the new store is 48 sq. metres and the old store is 47 sq. metres. Mr. Slattery said in arriving at the rateable valuation particular regard was given to the relationship of the rateable valuation to rental levels for recently revised comparative properties in the area. He said that the Net Annual Value of the property was £2,000 and it was on this basis that he arrived at a rateable valuation of £13.00.

Mr. Slattery gave three comparisons as follows:-

Address and Occupier	Description	Rent/NAV
Waterford Co-Op. Soc. Ltd. Carnew	Shop, Store and yard	NAV £5,000 x .63 = £31.50 Say £30.00
James Shore, 3 Wood Green, Carnew	Ho. shop, and yard	NAV £3,300 x .63 = £20.79 Say £20.00
C. Kinsella, 25 Pound Lane, Tinahely	Ho. shop, store and yard	NAV £4,000 x .63 = £25.20 Say £25.00

At the oral hearing which took place on the 13th August, 1990 Mr. O'Keeffe expounded on his written submissions. He also produced the plan of the building and accounts showing his turnover in the business and outlined what his profit margins were. He produced a letter from An Post which indicated that they did not consider that there was sufficient business in the area to justify setting up a post office in his shop. Mr. O'Keeffe went on to say that he needed to maintain a large stock as people will come to his shop only if they can do all their shopping there. He said that the disadvantage of keeping such a large stock was the fact that "use by" dates are often passed by and these products cannot then be sold. He outlined the difficulties in getting suppliers to supply him because of the remoteness of the shop and the low volume sold.

Mr. Slattery questioned Mr. O'Keeffe and found that the buildings were insured for £15,000. Mr. O'Keeffe in a response to a question from Mr. Slattery said that if the shop was to be rented that he could not expect anyone to pay more than £25.00 per week for it. Mr. Slattery said that the shop was trading well at inspection and that he would suggest a minimum rental of £40.00 per week. He said that the shop would have a capital value of about £16,000 with an eight year purchase. With regard to the comparisons offered by Mr. Slattery, Mr. O'Keeffe said that it was

inappropriate to compare his shop with Waterford Co-op. Society Ltd., shop at Carnew or with other comparisons which are in towns and villages.

The Tribunal considers that the comparisons offered by Mr. Slattery, although accepting that they are the only recently revised shops in the area, did not adequately reflect Mr. O'Keeffe's trading position. The Tribunal feels that given the remoteness of the area and the very small population that the Net Annual Value proposed by Mr. Slattery would be in excess of that which would be obtained there and which could be sustained by the business as evidenced by the accounts submitted by Mr. O'Keeffe. The Tribunal accordingly determines that a proper and fair rateable valuation for this premises is £11.00.