

Appeal No. VA92/4/024

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

**William Roche**

**and**

**APPELLANT**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop, store and Yard at Lot No. 24 Main Street, Townland of Lismore, E.D. Lismore  
Urban, Co. Wexford  
Quantum

**B E F O R E**  
**Mary Devins**

**Solicitor (Acting Chairman)**

**Paul Butler**

**S.C.**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 2ND DAY OF DECEMBER, 1992**

By notice of appeal dated the 6th day of July, 1992, Mr. Joseph Lavan of E.A. Ryan & Company, Dungarvan, Co. Waterford appealed on behalf of the appellant against the determination of the Commissioner of Valuation in fixing a rateable valuation of £120 on the above described hereditament.

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

"Having regard to the location of the premises the valuation is greater than that of comparable premises in Lismore and in other small towns in County Waterford. There has been a decrease in the letting values in relation to premises in Lismore.

Originally the valuation of £55 was agreed by the Valuation Office and the increase in no way reflects the work carried out on the premises."

**The Property:**

The property is situated in the Town of Lismore, a small town of 1,200 population in West Co. Waterford. The property occupies a site of about three-quarters of an acre on the south side of Main Street close to its junction with South Mall. There is a total frontage of about 60 feet to Main Street. The property comprises a two-storey semi-detached building overlooking Main Street and comprising a modern Supermarket and stores on the ground floor and a coffee shop, showrooms/stores and offices overhead together with a range of part lofted single-storey buildings to the rear comprising a hardware shop and ancillary stores fronting onto an open yard and carpark. The front buildings originally comprised a Hotel/Guest House but was latterly used as a hardware shop by the appellant. The accommodation in the property is as follows:-

**Accommodation:**

Supermarket	3650 sq.ft.
Supermarket (stores)	1120 sq.ft.
Shop (1st floor)	700 sq.ft.
Showroom/stores (1st floor)	2928 sq.ft.
Offices (1st floor)	420 sq.ft.
Hardware Shop	1550 sq.ft.
Hardware Stores	2520 sq.ft.
Hardware Stores	<u>675 sq.ft.</u>
<b>TOTAL</b>	<b>13,563 sq.ft</b>

**Valuation History:**

Prior to the 1988 Revision the property was valued in two lots as follows:-

- (1) Ho.(pt.of.) shop, offs, yd. & gar. - R.V. £11 + £2.50 on garden.
- (2) Ho.(at rear) (dilapidated) - R.V. £4.

In 1988 the property at (1) above was listed by Waterford County Council to "check for extensions or alterations to shop premises". As a result of this the valuation was increased to £65 but following First Appeal was reduced to £55.

In 1990 both the properties (1 and 2) were listed for the lots to be amalgamated and check for alterations. The R.V. was increased to £75 and the appellant appealed against this valuation to the Commissioner of Valuation. The Commissioner at First Appeal increased the valuation to £120. It is against this determination of the Commissioner of Valuation that this appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 15th October, 1992 from E.A. Ryan and Company, Solicitors, of Dungarvan, Co. Waterford on behalf of the appellant. In the written submission it is stated that the valuation of the premises is excessive having regard to the location, accommodation and available amenities in the town of Lismore. The Town of Lismore, it is submitted, has a population of approximately 850 people with no industries and relying purely on business from agriculture and in recent times from tourism. In the written submission it is stated that Mr. Roche appealed against the decision of the Commissioner of Valuation in increasing the rateable valuation from £55 to £75 on the 14th August, 1990. Following this appeal the rateable valuation was increased to £120. No additional work had been carried out on the premises after August 1990. It is stated that Mr. Roche purchased the subject property in 1979 at a cost of £16,000. Improvements were carried out on the premises amounting to £45,000. Part of the subject premises occupied by Mr. Roche amounting to approximately 180 sq.ft. have been recently let to a tenant for a shop. Mr. Roche is receiving a sum of £15 rent per week in relation to this shop unit. In the written submission it is stated that there are very few lettings in Lismore and the only comparison that Mr. Roche had been able to ascertain is the chemist shop occupied by Mr. Paddy Murphy

at Main Street, Lismore for which it is understood he is paying a sum of £30 per week for the complete chemist shop. The written submission contains a list of comparisons in the Lismore area as follows:-

No. 308 Lismore - No. 5, 7 & 8.

No. 307 Lismore - 12A.

No. 309 Lismore - 14, 15.

No. 310 Lismore - 5.

No. 311 Lismore - 75, 76.

No. 312 Lismore - 55, 9.

No. 313 Lismore - 1 & 2

A written submission was received on the 26th November, 1992 from Mr. Denis Maher, a Valuer with over 17 years experience in the Valuation Office on behalf of the respondent. In the written submission Mr. Maher set out details of the property and the valuation history. Commenting on the appellants grounds of appeal he stated, that at the time of inspection and reporting the rateable valuation was considered to be in line with other recently revised and appealed properties in the area, and that the valuation was approximately .63% of the Net Annual Value. On further investigation of recently revised properties in the County Waterford area and relative to rental levels pertaining to the area for such properties, it was the opinion of the Commissioner that the relevant fraction should be set at .5%. With this in mind and aware of the N.A.V. arrived at for this property Mr. Maher stated that a more equitable valuation is now determined at £95. He further stated that the R.V. of £50 established at 1988 First Appeal applied to only part of the property amounting to about 6,900 sq.ft.. A further R.V. of £4 applied to part of the property not revised at that stage as the lot was not listed for revision. The floor area here amounted to about 1,250 sq.ft.. The property was purely a hardware shop with poor stores attached at that time. The current

valuation refers to these two lots which have been renovated, extended and converted into a supermarket with coffee shop and showrooms overhead together with a new hardware shop/store and further stores at rear. The floor area now amounts to about 13,500 square feet of which over 3,500 square feet are new.

Mr. Maher stated that there were no real comparable properties in the Town of Lismore. However, it was not envisaged that the valuation was out of line with other properties of a similar nature in rural towns.

Mr. Maher set out details of his calculation of the appropriate rateable valuation on the property as follows:-

In arriving at the rateable valuation regard was had to the relationship of R.V.'s to rental levels for recently revised comparative properties.

Regard was also had to the overall size of the property, the size of the town itself and to the location of the property on a narrow part of Main Street.

**Basis:**

Supermarket	3650ft <sup>2</sup> £3.00	£10,950
Coffee shop/Showrooms	3628ft <sup>2</sup> £0.50	£ 1,814
Offices	420ft <sup>2</sup> £2.00	£ 840
Hardware Shop	1550ft <sup>2</sup> £1.50	£ 2,325
Hardware Stores	3195ft <sup>2</sup> £0.75	£ 2,395
Supermarket Stores	1120ft <sup>2</sup> £1.00	<u>£ 1,120</u>
		£19,445

Estimated N.A.V. say £19,500

R.V. at .5% £97.50, say £95

Mr. Maher set out details of four comparisons as follows:-

- 1) Supermarket in Cappoquin comprising shop of 2,800ft<sup>2</sup>, stores of 580ft<sup>2</sup> - R.V. £46.
- 2) Old hardware shop in Tallow, 4 to 5 miles from Lismore with very poor quality stores at rear - shop 1388ft<sup>2</sup>, stores 5381ft<sup>2</sup> - R.V. £49.
- 3) Shop and store for Waterford Co-op. on the outskirts of Tallow, shop 1278ft<sup>2</sup>, stores 2702ft<sup>2</sup>, yard 1371ft<sup>2</sup> - R.V. £60.
- 4) Old sawmill on edge of Tallow, approximately 20,000ft<sup>2</sup> - R.V. £60.

Summarising Mr. Maher stated that the subject premises is one of the biggest properties in Lismore and consequently would have a limited letting value. Nevertheless turnover figures are reasonable enough to support a fair rental level. The N.A.V. adopted of £19,500 devalues at approximately £1.43 per square foot excluding yards. Mr. Maher stated that this was very low for such a property being less than levels being adopted for average quality industrial/light engineering works in rural areas. It was considered that this valuation amply compensated the occupier for any draw backs suffered on account of being located in Lismore. He stated that supermarket rental levels in Dungarvan are fixed at from £5 -£7 on appeal with other lesser towns taken at £3.50 - £4.00 on appeal.

### **Oral Hearing:**

At the oral hearing which took place in Waterford on the 1st December, 1992 the appellant was represented by Mr. Joseph Lavan, Solicitor, of Messrs. E.A. Ryan & Company, Solicitors. Also present were Mr. O'Brien, Auctioneer and Mr. William Roche. Mr. Denis Maher, Valuer with the Valuation Office appeared on behalf of the respondent.

Mr. Lavan gave evidence that the town of Lismore was a small, rural community, with practically no industry and dependent mainly on agriculture and, to a lesser extent, tourism. He said that the subject was located on a narrower end of the Main Street where there was no shopping trade and that in an effort to attract customers to his business, the appellant had built a carpark to the rear of the premises.

Mr. O'Brien, stated, in evidence that letting values in Lismore were very low and that there were several premises for sale on the Main Street. In his opinion, the weekly letting value of the subject would be in the region of £175 - £200 per week.

Mr. Roche said that he had purchased the premises in almost derelict condition in 1979 for £16,000. Since then he had made various improvements costing in all approximately £45,000.

Mr. Maher referred to his written submission and explained that the 1988 1st Appeal figure of £55 referred only to part of the property. He described the property as encompassing three businesses in all, namely; supermarket on the ground floor of the old building, coffee shop and carpet showroom on the first floor of the old building and hardware shop/store at the rear of the ground floor. Unlike the Revising Valuer, Mr. Maher did not take into account the valuation of the carpark.

Mr. Maher stated that he and the Revising Valuer in 1990 agreed that the N.A.V. of the subject was £19,500. The Revising Valuer, however, had deducted a sum £7,500 by reason of the drawbacks, location and other apparent disadvantages of the property. Mr. Maher felt that the assessment of N.A.V. had already made sufficient allowances for said drawbacks.

Mr. Lavan submitted that of the comparisons adduced by the respondent Comparison 2 was built by Waterford Foods to a very high standard in the town of Tallow which has factories and much higher employment than Lismore.

He stressed the unusually low letting values of properties in Lismore and the comparatively limited comparative rental evidence overall.

Mr. Lavan submitted that to assess N.A.V. on a square foot basis in a small country town was unrealistic. Properties were let 'in toto', in effect, for whatever rent a landlord/lady could obtain.

Mr. Lavan finally stressed that Mr. Maher's estimate of N.A.V. was very much at variance with that of an equally qualified colleague, only a short time ago.

**Findings:**

The Tribunal has been strongly influenced by the evidence in relation to the unusually low rental figure for premises in Lismore generally and accepts same.

It is satisfied too, that the N.A.V. of properties in small, rural towns like Lismore, is realistically what a hypothetical tenant would give in rent, leaving aside square foot area of the premises involved. It would be inclined, therefore, to accept direct evidence in this regard rather than an academic breakdown of assessed N.A.V. on a per square foot basis.

Lismore is a small rural town with a largely agricultural hinterland, virtually no industry and a limited but growing tourism industry. The subject property is located on the narrow end of the Main Street, at what has been described as a bottle-neck. The site is of somewhat awkward shape, with a very narrow street frontage and its limited potential appear to have been maximised by the appellant.



In view of the above and also taking into account the estimate of N.A.V. assessed by the Revising Valuer in 1990, the Tribunal is of the opinion that the correct R.V. of the subject hereditament is £75 and so determines.