

Appeal No. VA93/4/026

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

**Anne Smith**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Restaurant Map Reference: 56c, Main Street, Townland: Town of Blessington, R.D.:  
Baltinglass, E.D.: Blessington, Co. Wicklow  
Quantum

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

**Solicitor (Acting Chairman)**

**Brian O'Farrell**

**Valuer**

**Paddy Farry**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 14TH DAY OF JUNE, 1994**

By Notice of Appeal dated the 2nd day of November, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £30 on the above described hereditament.

The grounds of appeal were set out in a letter to the Tribunal dated 1st September, 1992 and are attached to the judgment as Appendix A.

**The Property:**

The property is a restaurant situated in the centre of the town of Blessington on Main Street. The property comprises a two-storey building with kitchen and dining room on the ground floor and dining room, office and toilets on the first floor. The walls are constructed of rubble and masonry and it has a slated roof.

The property is held freehold and all main services are connected.

**Valuation History:**

The premises was revised in 1914 and the valuation was fixed at £6. The description of the property was "House and Shop". The property was listed for revision in 1992 to value restaurant and the valuation was fixed at £30. No change was made to the valuation at First Appeal. It is against this valuation that an appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 26th May, 1994 from the appellant, Anne Smith. In the written submission she set out details of the premises and said that it had no back entrance or yard and as a result rubbish must be taken away on a daily basis. She said that the mains water turns brown after heavy rain and that spring water had to be brought in during wet periods. She also said that there was a sewage backup after heavy rain when the main sewer causes blockage in her sewer line. She said that the council were unable to fix it and were now saying that it is not their problem.

She said that the building was old and the roof needed replacing as it let in water and access for mice in winter. She said that the building was a listed building so even slight alteration in colour or signs would require planning permission leading to further rateable valuation increases.

Ms. Smith said that the two buildings on the opposite side of the street had changed hands twice in the three years of their existence as the rents were pitched too high to be viable for any business.

A written submission was received on the 18th May, 1994 from Mr. Tom Cuddihy, a District Valuer with 27 years experience in the Valuation Office, on behalf of the respondent.

Mr. Cuddihy described the property and its valuation history and set out his calculation of the rateable valuation by two methods as follows:-

**Method 1:**

Ground Floor:	Kitchen & Restaurant	495ft <sup>2</sup> @ £10 = £4,950
First Floor:	Office & Restaurant	333ft <sup>2</sup> @ £ 3 = <u>£ 999</u>
		£5,949

Est. N.A.V.: £6,000 x 0.5% = £30 R.V.

**Method 2:**

Purchase Price 1989	£51,500
Expenditure	<u>£10,500</u>
	£62,000

Adjust for November 1988, Say	£59,000
@ 10% Yield	£ 5,900

Est. N.A.V.: 5,900 x 0.5% £30 R.V.

Mr. Cuddihy offered three comparisons in the Main Street of Blessington as follows:-

**1) Florrie Gibbons**

Unit 1/11 Main Street

$$312\text{ft}^2 @ £14 \text{ p.s.f.} = £4,368 \times 0.5\% = £21.84$$

$$\text{R.V.} = £22.00$$

**2) Kenneth Raymond**

Unit 2/11 Main Street

$$377\text{ft}^2 @ £14 \text{ p.s.f.} = £5,278 \times 0.5\% = £26.39$$

$$\text{R.V.} = £26.00$$

**3) John Bohan**

Unit 3/11 Main Street

$$\begin{array}{rclcl}
 161\text{ft}^2 @ £11 \text{ p.s.f.} & = & £1,778 \times 0.5\% & = & £ 8.89 \\
 \text{R.V.} & & & = & £ 9.00
 \end{array}$$

Concluding, Mr. Cuddihy said that the comparative information showed that similarly located but slightly smaller shops were valued at a price per square foot 40% higher than the appellant's premises. He said that, in his opinion, this adequately reflected the drawbacks referred to by the appellant in her letter of appeal.

### **Oral Hearing:**

At the oral hearing which took place in Dublin on the 1st June 1994, Mrs. Anne Smith, the owner of the subject property, appeared with her husband Mr. Smith. The respondent was represented by Mr. Tom Cuddihy of the Valuation Office.

Mrs. Smith pointed out that while she accepted that the previous valuation had been on the property since 1974, nonetheless, an increase of 500% was unreasonable, particularly in view of the fact that the building had if anything devalued since 1974, now that there was no back entrance and that the roof was in an appalling condition.

Mrs. Smith referred to the various other disadvantages in the property, namely; the fact that there were sewage problems which were of course particularly troublesome in the restaurant business and the fact that the building had recently been listed, which would give rise to various restrictions.

Mrs. Smith explained the purchase price she had paid for the premises in 1989 was over the odds, but that her eagerness to get involved in a business of this nature had over-ridden sound commercial judgment.

Mr. Cuddihy pointed out that an investment in the order of £62,000 in 1989 would reasonably be expected to give a yield in the order of 10% and estimated N.A.V., accordingly, at £5,900.

Both parties agreed that there was a lack of comparable rental values in the area.

### **Determination:**

The Tribunal accepts Mr. Cuddihy's contention that a 10% yield would reasonably be expected on an investment of £62,000 in 1989.

It does seem to the Tribunal, however, that the subject property suffers from some unusual disadvantages, in that it does not have a back entrance, that the building is in particularly bad repair and that the premises is now a listed building.

In the circumstances and in light of all the evidence adduced, the Tribunal is of the opinion that the correct rateable valuation of the subject is £25 and so determines.