

Appeal No. VA94/3/015 &
VA94/3/016

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

Geraldine & Martin O'Neill

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Post Office & Restaurant at Map Ref: 1/1A & 1/1C, Townland: Ballytrasna, ED: Caherlag,
RD: Cork Upper, Co. Cork
Quantum - Interim valuation

B E F O R E

Henry Abbott

S.C. Chairman

Paul Butler

S.C.

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF SEPTEMBER, 1995

By Notices of Appeal dated the 21st October 1994 the appellants appealed against the determinations of the Commissioner of Valuation in fixing rateable valuations of £16 on the post office and £40 on the restaurant as described above.

The grounds of appeal as set out in the Notices of Appeal are:

- (1) lack of public service
- (2) semi-rural location
- (3) small catchment area
- (4) traffic flow re-routed away from building (by by-pass)
- (5) rates too high, uneconomic
- (6) effective business hours minimal
- (7) level of activity does not justify
- (8) realistic long term rental value very low
- (9) Rateable valuation far in excess of rateable valuation on similar properties in better location.

The Property:

The properties consist of post office and restaurant in the Trafford Park Business Centre, Ballytrasna, Little Island, Co. Cork. Both units were dealt with concurrently at First Appeal and it is proposed that both will be dealt with simultaneously before the Tribunal.

The property was purchased in January 1991 by Martin & Geraldine O'Neill for £105,000. At the time the property consisted of post office, hairdresser dwelling and bank. The property was in a very dilapidated state and was redeveloped in 1991 at a cost of £100,000 and the development provided for the renovation and improvement of the existing post office premises and the provision of a fixed premises for the Bank of Ireland sub-office. It also provided for a restaurant and hairdressers all at ground floor level. The first floor consisted of an apartment and offices subsequently divided into solicitors, professional photographer, secretarial services and one remaining office. The professional services offered from the offices failed to take off due to exceptionally poor performance and a decision was made to convert all of the first floor office facilities to apartments, the work on which was completed in June 1995. Little Island is the major industrial estate in the Cork city area and Trafford Park is close to Little Island cross roads. There are two other retail properties in Little Island, a small Centra supermarket and a garden centre. Subject development is now an attractive stone, concrete and slate two storey structurally sound building, with approximately 3,000 sq.ft. gross on each floor. There is a 32 car park tarmaced area at the rear. Access to the first floor is from a stairs at the rear and there is also secondary access to the restaurant from the car park.

Valuation History:

At first appeal the Revision figure for rateable valuation of £16 on the post office was affirmed and in the case of the restaurant the Revision figure of £52 was reduced to £40 rateable valuation. It is against these valuations of £16 and £40 that the subject appeals have come before the Tribunal.

Written Submissions:

A written submission dealing with both hereditaments was received on the 28th day of August 1995 from Mr. Brendan Walsh of J.P. Walsh & Associates Limited, Engineering and Planning Consultants, acting on behalf of the appellants.

In this submission the background to the development and details of its description and location are set out as referred to above. Many of the points referred to in the grounds of

appeal were expanded upon in the submission in relation to the re-routing of traffic flow, lack of public service etc. The appellant's agent offered details of comparable properties in the Carrigwohill area of Cork and said that following difficulties with the original lease it was ultimately handed back and the restaurant premises is now under the direct management of Mr. & Mrs. O'Neill. He also said that the post office unit has never been let/leased and that Mrs. O'Neill is the acting post-mistress.

Mr. Walsh referred to the operation of an effective restriction to a five day week in relation to the restaurant. The opening hours of the premises are 7.30am to 5pm, he states, and weekend and night time trade in the area is minimal and would not justify opening outside these times.

Mr. Walsh also states in his submission that the usage of the restaurant premises is further restricted by local concerns, who recently were instrumental in an Enforcement Notice being issued by Cork County Council with regard to "unauthorised use of the premises for take-away purposes".

Details are also set out in the submission in relation to achievable rental value for the post office and restaurant which have been estimated by Messrs. Keane Mahony Smith, Auctioneers. The estimate amounts to £2,000 p.a. in the case of the post office and £3,600 p.a. in the case of the restaurant. Mr. Walsh based his estimate of fair rateable valuations on these rental values at £10 in the case of the post office and £18 in the case of the restaurant.

Written submissions in relation to both appeals were also received from Mr. Terence Dineen of the Valuation Office, acting on behalf of the respondent on the 17th day of July 1995.

Mr. Dineen set out details of the subject properties and their location in his submissions. He also set out the basis for each valuation and these are reproduced herewith:

Restaurant:

Zone A:	486 sq.ft @ £12.00	=	£5,832
Zone B:	350 sq.ft @ £ 6.00	=	<u>£2,100</u>
NAV			£7,932

OR

Overall:	836 sq.ft @ £9.50	=	£7,942
RV	@ 0.5%	=	£40.00

Post Office:

Zone A:	258 sq.ft @ £12.00	=	£3,096
Zone B:	40 sq.ft @ £ 6.00	=	<u>£ 240</u>
NAV			£3,336
RV	@ 0.5%	=	£16.60
	Say	=	£16.00

Mr. Dineen also set out a chart of the rents achieved in the development as follows:

	<i>Size in Square Feet</i>	<i>Rent Per Square Foot</i>	<i>Commenced</i>
Bank	868	£11.50	7/91
Restaurant	836	£12.00	10/91
Video	229	£13.62	12/93
Post Office	298	Not leased, occupied by Geraldine O'Neill with Assistant	
Hairdresser	312	£ 9.60	9/92
Reduced to:		£7.70	Early 1994

When converted to Zone A rents:-

The bank was £14.70 psf
 The restaurant was £15.19 psf
 The video shop was £13.62 psf

He states that the choice came down to either £10 or £12 for Zone A levels and that rents passing justified the £12 level. Mr. Dineen also states that in time this can be reduced if circumstances call for it as it is an unusual location and is difficult to gauge.

Oral Hearing:

The oral hearing took place in City Hall, Cork on the 6th day of September 1995. Mr. Brendan Walsh of J.P. Walsh & Associates Limited appeared on behalf of the appellant and Mr. Terence Dineen of the Valuation Office appeared on behalf of the respondent.

At the outset from the written submissions and from the short discussion between the parties before the Tribunal, it emerged that while considerable investment had been made in both subject premises, the rental experience to date had not borne out the optimism with which the investment was made.

While the Tribunal considered that Mr. Dineen had taken an appropriate approach to the valuation in conventional terms, it did consider that the reality of the premises was that rents had not yet established themselves at any degree of buoyancy on the open market that applied to the locality. In view of the fact that the opinion of the Tribunal considered that this might not always be the case and might only be a temporary phenomenon the Tribunal suggested to the parties that it might be appropriate to value the premises on the basis of a review in 1998 so as to allow a valuation which reflected the hopefully temporary sluggishness in rents.

The parties found it possible to agree valuations on this basis in the case of the first mentioned appeal in respect of the post office of £13 and in respect of the second mentioned appeal in the case of the restaurant £29 and the Tribunal finds the valuations of the subject premises on the foregoing basis and considers it would be reasonable to have a review in 1998 having regard to the exceptional circumstances now prevailing.