

Appeal No. VA94/3/067

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

Thomas P. Houlihan & Son Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Restaurant at Lot No. 20B.20Ba.21a/Unit 1a (ground floor), Ward: Clonakilty Urban, UD:
Clonakilty, Co. Cork
Quantum - Relief for new business

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Patrick Riney

F.R.I.C.S. M.I.A.V.I.

Brid Mimmagh

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF JULY, 1995

By Notice of Appeal dated the 1st day of November, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £25.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "valuation is too high also premises is described as a restaurant which it is not. It is a cafe/coffee house serving teas/coffee, etc."

The Property:

The property comprises a shop unit in new neighbourhood shopping centre on the outskirts of the town of Clonakilty. To date the centre comprises 6 shop units, a Super Valu supermarket and petrol filling station. There are proposed plans for a cinema on first floor over supermarket. The accommodation of the subject property comprises main coffee shop with kitchen/preparation area at rear. There is also a small store and W.C. at rear. All main services are connected. It has a prominent location at a roundabout on town by-pass for Skibbereen and West Cork roads. The location is easily accessible and car parking is provided.

Title:

The property is held under leasehold agreement from April, 1993 for a term of two years nine months at a rent of £7,920 p.a.

Written Submissions:

A written submission was received on the 14th July, 1995 from Mr. Justin Houlihan, the appellant. In his written submission he said that he wished to appeal the valuation on the grounds:

- (1) That the area of the coffee shop was small.
- (2) The location is on the outskirts of the town in an area that was formerly a derelict area.
- (3) It takes years to build up a trade. Trading in this area is difficult and already two units have closed.
- (4) He felt that a two year exemption period should be given to help to establish a new business.

A written submission was received on the 11th July, 1995 from Mr. Peter Conroy, a District Valuer with 25 years experience in the Valuation Office on behalf of the respondent. In his written submission, Mr. Conroy described the property, its location, accommodation and title. He said that the shop was first valued in 1993 at £25.00 and no change was made at First Appeal.

He set out his calculation of the rateable valuation on the subject premises by two methods as follows:-

" **Method 1:**

Letting Area	823 sq.ft.	@	£6	=	£4,938
	NAV £5,000	@	0.5%	=	£25.00

Method 2:

Rent Passing	£7,920 - April, 1993
Adjust to 1988	Less 20% say £6,336
	NAV Say £5,000
RV	@ 0.5% = £25.00"

Mr. Conroy gave details of three comparisons in the Shopping Centre in which the subject premises is located as follows:

- (1) Unit 4 - Held 2 years 9 month from Feb '95 @ £9,350 p.a.
(Area 780 sq.ft @ £12 per square foot)
- (2) Unit 4a- Weekly @ £30 per week (£1,560 p.a.)
(Area 232 sq.ft. @ £6.70 per square foot)
- (3) Unit 5 - Held 2 years 9 months from 28/11/94 @ £8,000 p.a.
(Area 724 sq.ft. @ £11 per square foot)

Mr. Conroy also gave evidence of three other comparisons in Clonakilty as follows:-

- (1) 33, Pearse Street - 1991 Revision
Former Pat Graces Fried Chicken shop purchased February, 1991 - £68,000
NAV Devalues:
Shop 310 sq.ft. @ £10 per square foot
- (2) 43, Pearse Street - 1991 Revision
Newsagent shop close to O'Donovans Hotel
Shop Zone A 380 sq.ft. @ £12 per square foot
- (3) 12/1 Oliver Plunkett Street - 1992 Revision
Shop: 215 sq.ft @ £8 per square foot

Oral Hearing:

The oral hearing took place in Cork on the 18th day of July 1995. Mr. Justin Houlihan, Managing Director of the appellant, appeared on behalf of the appellant and Mr. Peter

Conroy, Valuer, appeared on behalf of the respondent. Mr. Houlihan's main argument was that he had no objection to paying rates on an established business but he believed that a two year exemption period should be given to help establish a new business. He agreed that he was paying a rent equivalent to about £7,000 a year.

In arriving at his valuation, Mr. Conroy has taken the basic rent, reduced it by 20% to adjust it back to 1988 giving a rent of £6,336 and has reduced it further to £5,000 per year. Mr. Houlihan was not able to argue that £5,000 would be an excessive nett annual value for the subject premises. While two of Mr. Conroy's comparisons may be under appeal (Units 4 and 5), the valuation of those premises was based on a letting per square foot of £12 and £11 respectively.

The Tribunal is satisfied that there is no basis on which it can interfere with the valuation of £25 and affirms the same. In so doing, however, the Tribunal would like to make it clear that, having regard to the fact that the shopping centre is relatively new and that the letting value of the premises therein may well change, the appellant should not be precluded from seeking to have the premises revalued at any time in the future.