

Appeal No. VA93/2/003

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

**Anthony Cahill**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Supermarket at Map Ref: 53.54.55/1 Main Street, Townland of Castlereagh, Castlerea Ward, R.D. Castlerea, Co. Roscommon  
Quantum

**B E F O R E**  
**Henry Abbott**

**S.C. Chairman**

**Veronica Gates**

**Barrister**

**Joe Carey**

**P.C. M.I.A.V.I.**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 10TH DAY OF SEPTEMBER, 1993**

By Notice of Appeal dated the 3rd of May, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £250.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the type of building did not justify the rates being applied. Further more the accounts have not shown a profit for the last two years and will not for the next 3 years. The extra burden would put very serious pressure on the appellant to keep in business".

**The Property**

The property consists of a newsagents shop of 1,400 square feet and adjoining hardware shop of 1,980 square feet with supermarket of 5,536 square feet to rear and stores of 2,400 square feet to rear of supermarket. There is a first floor canteen of 481 square feet. Substantial reconstruction was carried out 1989/90 involving an extension of the supermarket and change of internal layout. Cost of reconstruction quoted at £100,000. Car park to rear with access to supermarket. Supermarket has full 7-day licence.

**Valuation History**

Rateable Valuation of £46.00 was fixed on the Supermarket at 1979 revision when recorded size was 1,500 square feet, with additional £15.00 on other buildings. Total increased to £315 on supermarket and stores at 1992 revision and reduced to £250 at First Appeal. Separate valuation of £20 on domestic - not under appeal.

**Written Submissions**

A written submission was received on the 3rd September, 1993 from Mr. Cahill. In his written submission (appended to this judgement) he said that he found it hard to comprehend that an extension to the premises could warrant an increase from £46.00 to £250.00 in the valuation. He said the main addition built was very basic storage space of 4,000 square feet. He further stated that new packing methods had rendered this extra storage space superfluous. Mr. Cahill included details of his increased turnover as a result of the renovations which he said had increased by only 37%. He enclosed a letter from his auditors Tynan Dillon & Company indicating their concern regarding the financial imposition which the increased valuation would place on the company. He also stated that other similar shops in better locations had much lower valuations. He said that he had had to cut his employees from 20 to 14 over the last 2 years because of the poor economic climate.

A written submission was received on the 3rd September, 1993 from Mr. Ray Sweeney, a District Valuer with a Masters Degree in Economics and 23 years experience in the Valuation Office. Mr. Sweeney, in his written submission (attached to this judgement) set out details of the subject premises and, commenting on the grounds of appeal, he said that the valuation was considered in the context of letting values in Castlereagh and agreement reached in respect of Duffy's Supermarket in Ballaghaderreen.

He set out his calculation of the Rateable Valuation on the subject premises as follows:-

Newsagents Shop:	1,400 sq.ft.	@	£6.50	=	£ 9,100.00
Hardware Shop:	1,980 sq.ft.	@	£6.50	=	£12,870.00
Supermarket:	5,536 sq.ft.	@	£4.00	=	£22,144.00
Stores:	2,400 sq.ft.	@	£2.00	=	£ 4,800.00
1/F Canteen:	481 sq.ft.	@	£2.00	=	<u>£ 962.00</u>
					£49,876.00

SAY = £50,000.00  
x 0.5% = R.V. = £250.00

He offered the comparisons set out in his written submission attached to this judgement and summarised below:-

- (1) Duffys Supermarket, Ballaghaderreen.  
R.V. £165.00
- (2) Connally Bros., 32b Main Street, Castlerea.  
R.V. £55.00
- (3) American Stars, 40 Main Street, Castlerea.  
R.V. £38.00

### **Oral Hearing**

The oral hearing took place in the Council Chambers, Galway on the 9th day of September, 1993.

Mr. Barry Butler of Tynan Dillon & Company, Chartered Accountants, Clare Street, Ballyhaunis, Co. Mayo appeared for the appellant and Mr. Ray Sweeney appeared for the respondent.

The parties gave evidence along the lines of their precis and the appellant also was present to give an outline of his business and his views in relation to comparisons.

After a very full review of the comparisons and the valuations of same the most comparable comparison emerged as Duffy's Supermarket in Ballaghaderreen. Mr. Cahill and his accountant protested vigorously that there was a very significant disparity between the £250.00 valuation posed by the respondent and the £165.00 valuation fixed on Duffys.

The judgement of the Tribunal in the Fleming Supermarket in Roscommon town was mentioned although it did not appear in either of the sets of written submissions and the Tribunal has had the benefit of reviewing its judgment in that case to see if it is of relevance. The Tribunal considers that the Fleming Supermarket, although not as good a premises physically as the subject, operates in a more buoyant commercial economy in Roscommon town, where all the advantages of a continuing hospital activity, courthouses, county administrations and reasonable manufacturing and tourist base are up and going. Instead of a reasonably buoyant public and private sector, Castlerea indicated substantial decline in these areas and was even over shadowed in employment terms by Ballaghaderreen nearby. Mr. Sweeney was prepared to concede that perhaps in his valuation basis, he had placed a little too much of a premium on the front side of the shop incorporating so called newsagents and hardware shops. The Tribunal is inclined to agree with this view, especially in relation to the hardware shop. The Tribunal is also impressed by the fact that Mr. Cahill said that he had felt threatened by the purchase, by Quinnsworth, of an old dance hall for intended conversion to a major supermarket. His rush into constructing the supermarket was motivated by reason of the necessity to fend off contemplated competition as much, as, or, perhaps more, than seeking to set up a new business on the basis of a good return at standard rates on his capital. He certainly borrowed to a high level and his contention in this regard is corroborated by the level of his borrowings, which put a challenge before the management of the business. Having regard to the foregoing and all the evidence and comparisons offered the Tribunal is of the view that while the premises is a good one and the approach of Mr. Sweeney has been fair in relation to the matter the valuation of the premises ought to be reduced somewhat to ensure comparability with the closely similar premises mentioned in County Roscommon (which themselves seemed to be reasonably valued) and accordingly the Tribunal determines the valuation of the subject to be £215.00.