

VALUATION PRACTICE NOTE - DRIVE-THRU RESTAURANTS

Version 1.0

1. Property Description

1.1. Purpose built drive-thru restaurants first appeared in the Republic of Ireland in the late 1980's and are occupied by major restaurant chains with trade names such as McDonalds, Kentucky Fried Chicken and Burger King. The first outlets were operated on a franchise basis, but in recent years the major restaurant chains operate the outlet themselves.

1.2. Drive-thru restaurants are those purpose-built freestanding restaurants that are situated outside the traditional high street and which are suited, by virtue of their location and physical characteristics, to occupation by major restaurant chains.

1.3. The restaurants have the ability to appeal to a wider customer base, and thereby generate additional turnover, by having customer service booths off kitchen areas, which facilitate drive-thru vehicles.

1.4. The most preferred locations are listed below:

- Purpose built on a prominent site adjacent to main road arterial routes with passing or transient trade.
- Purpose built drive-thru restaurant within the grounds or adjacent to shopping centres and retail parks.

2. Rateability

2.1. Drive-thru Restaurants are rateable Relevant Property in accordance with Section 15 and Schedule 3 paragraph 1 (a) of the Valuation Act, 2001 - 2015.

3. Basis / Methodology of Valuation

3.1. The valuation of a property for Revaluation purposes is carried out under section 48 of the Valuation Act, 2001 – 2015.

3.2. The valuation of a property for Revision purposes is carried out under section 49 of the Valuation Act, 2001 – 2015.

3.3. Drive-thru restaurants are generally valued for Revision purposes by reference to the Tone of the List using the Comparative Method of valuation.

3.4. External buildings used for storage and accessed externally are also valued. Chills, freezers and Shell storage are valued at a percentage of the restaurant rate.

3.5. The value of car parking is included in the rate applied to the building.

4. Survey / Inspection

4.1. The following information will be noted:

- Property Location
 - The suitability of the location for this particular use.
 - Accessibility
 - Visibility from main roads.
 - Predominant adjoining uses e.g. industrial, mixed commercial, residential.
- Nature of the restaurant space and facilities, noting the following features:
- Measurements – see paragraph 5 below.
- Lease or purchase details.
- Any statutory or local planning provisions in force that may have an impact on rental values.
- Any other factors that are considered to affect the annual letting value of the property

5. Measurement

5.1. Drive-thru restaurants are measured to Gross Internal Area (GIA) in accordance with the Valuation Office Rating Code of Measuring Practice and the SCSI Code of Measuring Practice.

Date: 10.08.2017