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H. Jephson.

THE
VALUATION OF PROPERTY IN IRELAND.

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FEW persons who watch with interest the proceedings of the Imperial Parliament can have failed to notice the increased desire which has latterly been evinced for the assimilation of the laws of England and Ireland. The desire is a very natural one, for although, as regards some particular subjects, the necessity for the existence of different laws is maintained upon certain political considerations, there are, nevertheless, outside this debatable ground, a large number of laws, dissimilar in the two countries, not alone in details but also in principle, for the maintenance of which in their present state neither political nor any other sufficient reasons can be advanced.

I venture, on the present occasion, to bring under your notice one of the most important of this latter class, and I do so partly because the subject is one which has latterly been attracting a growing amount of attention, and partly because I believe that there are very strong reasons for the law being made similar, in principle at least, in the two countries.

The subject I refer to is the valuation of property in Ireland. I need scarcely point out how extensive are the uses of a valuation. Its immediate and direct use is as affording a fair standard for the imposition of local taxes; but it is used also for the purposes of imperial taxation, and it furnishes a criterion for parliamentary and municipal franchises, and for other public rights and duties in which a property qualification is an ingredient. When, therefore, different systems are pursued in the valuation of property in the two countries, it is evident that numerous differences of legislation must be entailed. The importance of having a correct system of valuation is acknowledged on all hands

and cannot be over-rated; that it shall be a uniform system throughout the United Kingdom appears to me to be no less important.

Stated briefly, the valuation of property in England and Scotland is based upon *rent*, in Ireland it is based on the prices of agricultural produce.

Now, as regards England, the first Act for the valuation of property there to which I need refer you is the Parochial Assessments Act of 1836 (6 and 7 William IV., cap. 96). It had "become desirable to establish one uniform mode of rating for the relief of the poor throughout England and Wales," and the Act enacted that—

"No rate for the relief of the poor in England and Wales shall be allowed by any justices, or be of any force, which shall not be made upon an estimate of the net annual value of the several hereditaments rated thereunto; that is to say, of the rent at which the same might reasonably be expected to let from year to year, free of all usual tenants' rates and taxes, and tithe commutation rentcharge, if any, and deducting therefrom the probable average annual cost of the repairs, insurance, and other expenses, if any, necessary to maintain them in a state to command such rent."

The Act in effect adopted the principle, that the standard of value is the reasonable rent, such rent being assumed to be a rent paid after the tenant has paid the tenant's rates, and that there is then to be deducted an allowance for the average expense of the repair and reproduction of the property.*

The law was amended in 1862 by 25 and 26 Vic., cap. 103; but the provisions just quoted, defining the net annual value of the hereditaments to be rated, were not repealed or interfered with.

The overseers of each parish are directed to make annually a list of all the rateable hereditaments in such parish, with the gross estimated rental† and rateable value thereof (in the form prescribed), and such lists are submitted to the Assessment Committee, appointed by the Board of Guardians of the union in which the parish is situate, for their supervision and approval.

* See Report on Local Taxation, Parliamentary Papers, 1843, vol. 20.

† "In the case of purely agricultural land the 'gross estimated rental' is intended to show the rent at which the property might reasonably be expected to let from year to year, the tenant undertaking to pay all usual tenants' rates and taxes and tithe commutation rentcharge, if any."

I need not enter into further detail on this matter, for the poor rate is directly or indirectly used as the basis of all local taxation, and all I want to show is the general principle followed in the valuation of property in England.

In Scotland the general principle is similar. The principal Act regulating the valuation is the 17 & 18 Vic., cap. 91, which was passed in the year 1854. The preamble states that—

“It is expedient that one uniform valuation be established of lands and heritages in Scotland, according to which all public assessments leviable or that may be levied according to the real rent of such lands and heritages may be assessed and collected, and that provision be made for such valuation being annually revised.”

The course to be followed for obtaining this result is as follows:—

“The Commissioners of Supply of every County, and the Magistrates of every Burgh in Scotland, shall annually cause to be made up a Valuation Roll.

“In order to the making up of such valuation the Commissioners of Supply of each County, and the Magistrates of each Burgh, shall, as occasion requires, appoint one or more fit and proper persons to be assessor or assessors,” whose duty it shall be “annually to ascertain and assess the yearly rent or value of the several lands and heritages within the County or Burgh respectively.”

And then the Act says—

“In estimating the yearly value of lands and heritages under this Act, the same shall be taken to be the rent which, one year with another, such lands and heritages might in their actual state be reasonably expected to let from year to year,” &c., &c.

In imposing or levying assessments, the usual deductions from the gross rental were to be made.

The object of the Act evidently was to ascertain from year to year what the actual or supposed value of the lands was, as estimated by the amount of rent which from year to year they might be expected to realise.

And now we come to the Irish system—one as completely different in its principle as in its details.

The first valuation of Ireland was under the provisions of 7 Geo. IV., cap. 62 (1826), subsequently amended by 6 & 7 Wm. IV., cap. 84. The principle of those Acts was that the value of land was to be determined, not by the rent as in

England or Scotland, but by the productiveness of the land, ascertained according to a scale of certain prices prescribed by the Act:—

“The valuers” (says Mr. Griffith), “value the land according to the nature and depth of the soil, and the quality of the sub-soil, all the local circumstances being taken into consideration, which include permanent improvements of every kind. In fact the land is valued at the rate it would reasonably let for to a solvent tenant, on a lease of twenty-one years, if the standard prices for agricultural produce contained in the Act were the average prices at the principal markets of Ireland at the time the valuation was made.”—(See Report from the Select Committee on Townland Valuation, Ireland—Parliamentary Papers, 1844, vol. 7).

The valuation was intrusted to a Government officer instead of to local assessors, the country was to be valued by townlands, and Mr. Griffith was appointed to make the valuation; hence this valuation is known by the name of Griffith's Valuation, or the Townland Valuation. Before this valuation was completed, the Irish Poor Law was enacted (1 & 2 Vic., cap. 56). For the assessment of the poor rate the Townland Valuation was useless, and a separate valuation was accordingly required. The principle upon which it was to be constructed was different from the Townland Valuation, and was substantially in accord with the law of rating in England. The Act says (sec. 64):—

“Every rate shall be a poundage rate made upon an estimate of the net annual value of the several hereditaments rated thereunto; that is to say, of the rent at which, one year with another, the same might in their actual state be reasonably expected to let from year to year, the probable annual average cost of the repairs, insurance, and other expenses, if any, necessary to maintain the hereditaments in their actual state, and all rates, taxes, and public charges, if any, except tithes, being paid by the tenant.”

Two valuations were thus co-existent; but as this seemed rather unnecessary, a Select Committee of the House of Commons was appointed in 1844 to inquire whether the Townland Valuation of Ireland could be made available for the imposition of poor rate and other local rates in that country, and also whether it was not desirable to alter the principle on which the Townland Valuation was constructed.

The Committee reported that—

“The principles upon which the Poor Rate Valuation has been constructed appear to your Committee to be sounder than those

which have been followed in the formation of Mr. Griffith's Valuation, but it has for the most part been executed by persons of inferior skill, who have not applied these principles uniformly in the different unions."

This conclusion does not appear to have had much influence on Parliament, for two years after the report of this Committee (1846) an Act was passed to amend the law relating to the valuation of rateable property in Ireland (9 and 10 Vic., cap. 110), which continued the system condemned by the Committee, by prescribing that for the purposes of poor rate, every tenement was to be valued separately, according to the *fair letting value* (as defined in 1 and 2 Vic., cap. 56), whilst, for the purpose of county rates, an additional valuation was to be made, according to the *average prices of agricultural produce*.

These different valuations were maintained on account of different forms of property being rated for poor rates and for county rates.

A final amendment was made in 1852, when the Tenement Valuation Act (15 and 16 Vic., cap. 63) was passed; and the valuation at present in use in Ireland is that which was made under this Act. As in the case of Scotland it had become expedient to make one uniform valuation of lands and tenements which might be used for all public and local assessments, and other rating.

Instead, however, of adopting the principle of the poor-law for the valuation for land, the principle of the townland valuation was adopted and the Act prescribed (sec. xi.) that—

"In every valuation, &c., the Commissioner of Valuation shall cause every tenement or rateable hereditament to be separately valued, and such valuation, *in regard to the land*, shall be made on an estimate of the net annual value thereof, with reference to the average prices of the several articles of agricultural produce hereinafter specified, all peculiar local circumstances in each case being taken into consideration, and all rates, taxes, and public charges, if any (except tithe-rentcharge), being paid by the tenant, that is to say—

Wheat, 7s. 6d. per cwt.	Butter, 65s. 4d. per cwt.
Oats, 4s. 10d. „	Beef, 35s. 6d. „
Barley, 5s. 6d. „	Mutton, 41s. „
Flax, 49s. „	Pork, 32s. „

This principle not being applicable to house property, it was enacted that—

"Such valuation in regard to houses and buildings shall be made upon an estimate of the net annual value thereof; that is to

say, the rent for which, one year with another, the same might in its actual state be reasonably expected to let from year to year, the probable annual average cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes, and public charges, if any (except tithe-rentcharge) being paid by the tenant."

And thus, once again, two systems were perpetuated.

The Lord Lieutenant of Ireland was given power to appoint a Commissioner of Valuation, who should appoint the necessary number of valuers to carry out the valuation. The lists of valuation, when complete, were to be sent to the Treasurers of Counties, Clerks of Boards of Guardians, and Town Councils, where interested, and all the rates were to be made on this valuation.

The valuation being thus totally independent of any local authority, as well as from its being carried out by men with no local leanings, working under a central authority and under similar instructions, had the merit of being more uniform than if carried out by persons quite independent of each other.

A very important omission was, however, made in the Act. No valuation can retain its applicability for many successive years, and in order to secure its accuracy a machinery for its revision, from time to time, is indispensable.

In this respect the Act was lamentably defective. In England the valuation is, as we have seen, revised every year. In Scotland the revision is also annual; but it is instructive to refer for a moment to the history of this matter in that country, as it bears a close analogy to the Irish case. The original valuation of Scotland was made under an Act in 1643, according to which the owner was to be charged only on the net rental. For an account of subsequent events I quote the following passage from the report of the Select Committee on the Valuation of Lands, &c., in Scotland,* made in 1865:—

"No provision was made for future revaluations, and the 'valued rent' (as it has ever since been called) of each property then fixed (1643) has remained the 'valued rent' of that same property to this day, and is even now the rule of assessment for certain rates still levied.

"If properties were sold, the 'valued rent' might be divided, and proportions allocated on the separate parts; but the cumulo

* See Parliamentary Papers, 1865, vol. 7.

amount at which the whole estate was originally valued, remained unchanged.

“The consequence of this was, that as some properties increased much more in value than others, by improvements or from situation, while the valuation by which rates were imposed remained unaltered, the burden became in many cases unequal and unjust, while all newly created property as houses, mills, &c., escaped taxation altogether.

“The injustice thence arising became so great in the course of time, in parishes where a large extent of house property had come into existence, that a practice gradually crept in of imposing the poor's rates according to the real rent, or the true actual rent or value of the property at the time of assessment, instead of the ‘valued rent.’”

Now the case of Ireland runs very parallel to this.

In the Irish Act, only the most limited provision was made for revision. As matters stand no alteration can be made in the valuation of a county, except on an application to the Lord Lieutenant by the Grand Jury. Without such application the only alteration permitted is the re-applotment of the valuation of a Townland. Thus if a Townland were valued at £300, and there were thirty tenants on it, and twenty-five of them leave, the £300 could be re-distributed over the five remaining tenants. So limited in fact is the power of revision, that supposing that in a Townland valued at £300, there were two farms, one a tillage farm, and the other a grass farm, there is no power under the Act, to value the grass farm higher and the tillage farm lower, although the relative value has changed, and although the total value of the Townland should not be altered by such revaluation.

Since the valuation was made there has been a great increase in the price of those articles upon which the valuation is based. The present valuation of Ireland is in round numbers £13,500,000, and it has been estimated that a new valuation upon the same principle, but adopting the higher prices which agricultural produce now realizes, would bring up the total to £18,000,000.

These figures show how great the change has been in the aggregate. The following table shows the changes in detail.

[TABLE.]

TABLE.

—	Price fixed for Valuation, under Valuation Act of 1852, per 112 lbs.	Prices in 1873.
	s. d.	s. d.
Wheat, . . .	7 6	12 0
Oats, . . .	4 10	6 10
Barley, . . .	5 6	8 6
Flax, . . .	49 0	66 7
Butter, . . .	65 4	110 0
Beef, . . .	35 6	70 0
Mutton, . . .	41 0	74 0
Pork, . . .	32 0	50 0

Where such great difference exists between the valuation of Ireland as it is and as it ought to be, the time apparently has come for a revision. Indeed, so materially would a re-valuation alter her relative position in this respect to Great Britain, that it would appear desirable on that ground alone that a re-valuation should be made; but when in addition to this we consider how unequal has been the distribution of this increase, and how unfairly the valuation now acts upon individuals, the case for revision becomes much stronger.

The unfairness of the present valuation, so far as it affects individuals, arises from the great alteration in the relative value of grazing farms and tillage farms in Ireland. Into the causes of that alteration I need not enter. The fact is all that need be noticed.

The present valuation was based upon the prices of agricultural produce at a time when circumstances were very different from what they are now; but though circumstances have changed, the valuation of land has been left the same, and that too although the twenty-five years which have passed since the valuation was made have only served to bring into ever stronger relief the inherent defects of the system upon which property in Ireland is valued.

Other circumstances which I have not at present time to state in detail, show the inequality of the valuation in the different provinces of Ireland.

Suffice it, that the inconveniences of having an antiquated

valuation, are felt not alone in all proceedings connected with the sale and transfer of land, but also in innumerable other branches of public and private business.

These I think are very strong, if not indeed absolutely conclusive reasons why property in Ireland should be re-valued.

A revision of valuation being therefore necessary, the question is, whether property in Ireland should be re-valued on the present Irish system or whether the re-valuation should be made on the English and Scotch system.

To that question I think there can be but one answer.

The Committee of 1844, as I have already said, investigated this subject, and the question is very well discussed both in their report and in the evidence of some of the witnesses. Amongst other witnesses examined was Sir G. Cornwall Lewis, and the following passages are taken from his evidence.

He is asked (Q. 1726)—

“Supposing that it were determined to have one general valuation, according to which all local taxation should be levied, which principle would you prefer to be adopted; that laid down in the Poor Law Act, or that adopted for the Townland Valuation?”

He says:—

“I should decidedly prefer the principle laid down in the Poor Law Act, because that is upon the whole the most equitable, and has stood the test of the longest and widest experience. I am unable to understand the advantages of adopting the principle which is laid down by the Valuation Act for the county rate Valuation of Ireland. As far as I understand that principle, it is that the value of land is to be determined by its productiveness, ascertained according to a scale of certain prices prescribed by the Valuation Act. I have great difficulty in conceiving how the productiveness of land can be taken as the test of its value, independent either of the annual rent or of the value of the fee-simple.

“I can conceive no safe or intelligible guide for the valuation of land, except either the annual rent of the land or the value of the fee-simple; and it will be observed that in estimating the value of the fee-simple, it is common to take the rent as the standard, inasmuch as it is the usual mode of stating the value of the fee-simple to say it is worth so many years' purchase; that is to say, the fee-simple of the land is worth the annual rent multiplied by a certain figure.

“I, therefore, can only come to the conclusion that the fairest and most practicable standard for the value of land is the rent, and that no other can be safely adopted in framing a general valuation either for the purposes of local or other taxation.”

“The attempt which the Valuation Act appears to make to fix upon land a permanent value, independent of the changes of prices and means of cultivation, is a chimerical attempt. No such value can be fixed. All you can do is to estimate the probable value of land at the time being, and to alter that value according to the improvement or other variations in the mode of cultivation, increase of capital, increase of skill, the amount of crime, the growth of large towns in the vicinity, and any other circumstances which may affect the value and profit of the land.”

And the Committee in their Report set forth the conclusion they have come to—

“It appears to your Committee that no practical standard can be safely assumed for estimating the annual value of land, other than the probable sum at which it could be let to a tenant with ordinary skill and capital under the average existing circumstances of the country, and with its actual advantages and disadvantages.”

“The witnesses concur in opinion that the valuation should be constructed on the principles laid down in 1 & 2 Vic., cap. 64, viz., ‘the net annual value.’”

The conclusions of the Committee and the reasoning of Sir G. C. Lewis will, I think, be admitted to be sound, and it appears safe to conclude that a valuation of property, based upon the net annual value is likely to be more correct than when based upon the prices of agricultural produce. The former gives the actual, the latter only a problematical value. But what appears to me to be a still stronger argument—indeed a conclusive one—in favour of the adoption for Ireland of the English and Scotch system is, that it would bring the system of valuation of the United Kingdom into harmony. That I conceive to be an object most eminently desirable, for I think I may say, without trenching too much on political ground, that as regards Ireland, few objects are more desirable than the further strengthening of the ties that unite the component parts of the United Kingdom. I believe there is no such easy and successful a way of strengthening those ties between England and Ireland as that of removing legislative differences between them. With similar laws Ireland would come to be regarded (and in an ever increasing degree would, I think, regard herself) as really an integral portion of the Kingdom, and the idea of her being a separate and peculiar country, which finds expression, not alone in the conduct of her people, but in the legislation of Parliament, would

gradually fade under the realisation of the fact of her being a component part of this great empire.

Though the arguments are thus remarkably strong for this change, arguments have been used against it which require some consideration.

The tenantry of Ireland have frequently agitated for perpetuity of tenure at fixed rents—the rent to be ascertained and fixed by the Government. Now, it is feared by some that an effort would be made to use a Government valuation, based upon the net annual value, as furnishing a scale of reference for the determination of rent, and for affording the means of arbitration between landlord and tenant.

It appears to me, however, that the argument is equally applicable to any valuation at all—and further that it applies with more force to a valuation based on the prices of agricultural produce than to one based on the rent—for the very idea of a valuation based on agricultural produce is the value of land *as it ought to be*—based upon rent, it is the value of land *as it is*.

Another very important consideration is that the valuation would follow the rent, and not the rent follow the valuation.

Thus, I think, the danger feared would in a great measure be obviated; and if at the time of making the valuation it be distinctly stated that its sole object is to secure a fair standard for the imposition of taxes, and for defining certain duties and privileges, I do not anticipate that any evil result such as is anticipated could spring from adopting the rent as the basis of the valuation of the land.

Once settled on this basis, the revision could, as in the case of England and Scotland, be made annual, and no inequalities from change of values could henceforth arise.

Though thus advocating the application to Ireland of the English and Scotch system, I will take the opportunity of claiming for the present system of valuation in Ireland one great advantage over the English system, and that is, that being controlled by a central department, the valuation is conducted on more uniform principles, whilst being made by men having no interest in the localities valued, it is less likely to be biassed.

The limited time at my disposal prevents me entering more in detail into this most important subject. As it is, I have been obliged to omit much which I should have liked to have said, and to content myself with stating opinions without the arguments in support of them; but though thus briefly stated, these opinions have not been hastily arrived at.

I have endeavoured to bring briefly before you the different systems in use in the countries; I have shown how urgent is the necessity for a revision of the valuation of property in Ireland; and I trust that I have convinced you that in legislating on this subject the present system should be set aside, and the principle embodied in the English and Scotch Valuation Acts be applied to Ireland.

Though objections may be raised as to the difficulty of thus valuing land in Ireland on account of particular forms of tenure, yet it is evident that the circumstances of the countries in that respect are sufficiently similar to afford numerous English and Scotch precedents for carrying out the principle in Ireland.

The revision of the valuation of Ireland on this principle would be a work of great labour, but the machinery exists for carrying it out with expedition and efficiency. It would entail the alteration of the Parliamentary and Municipal Franchises, of the qualifications for jurors, and some other minor changes; but I think the result would fully compensate for all the labour incurred; for, not alone should we remove the inequalities in the incidence of taxation which exist at present, and distribute the burden more equitably, but we should make another stride, and a great one, towards the assimilation of the laws of the two countries, and should thus help to unite Ireland still closer to her sister isle, and to consolidate still further the power of this great empire.