

Appeal No. VA00/1/003

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

**John O'Brien**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed Shop at Map Reference 21 Connolly St., Youghalls, Clonakilty Urban,  
Co. Cork.

Quantum - Valuation based on turnover

**B E F O R E**

**Fred Devlin - FRICS.ACI Arb.**

**Deputy Chairman**

**Tim Cotter - Valuer**

**Member**

**Finian Brannigan - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 20TH DAY OF SEPTEMBER, 2000**

By Notice of Appeal dated the 10th day of April 2000, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £65 on the above described hereditament.

The Grounds of Appeal as set out in the Notice of Appeal are *inter alia* that the rates had been increased by nearly 60%, following refurbishment and addition of 70 sq. ft., and appellant considers this increase excessive.

The appeal proceeded by way of an oral hearing which took place in the Council Chamber, Cork County Council, Victoria Cross, Cork on the 13<sup>th</sup> day of September, 2000. The appellant was represented by Mr. Alex Gibbons of P.J. O'Driscoll & Sons, Solicitors and the respondent was represented by Mr. Liam Cahill, B.A. MIAVI, a District Valuer with 20 years experience in the Valuation Office. In accordance with practice, the parties, prior to the commencement of the hearing, had exchanged their précis of evidence. Having taken the oath both adopted their said respective précis as being and as constituting their evidence in chief.

### **The Property**

The property, located at Connolly Street, Clonakilty, Co. Cork, comprises a terraced three-storey building with a bar on the ground floor. Internal walls are part brick, part stone and part rendered. The kitchen area has been upgraded but no equipment has been connected. There is a beer garden to the rear. The upper floors are in poor repair and are in need of total refurbishment.

### **Valuation History**

At 1983 Revision, the Rateable Valuation was fixed at £25. This was increased to £40 at 1991 Revision and at 1999 Revision it was increased to £80 following extension and refurbishment. On 1999 First Appeal, the Rateable Valuation was reduced to £65 which figure is the subject of this appeal

### **Respondent's Valuation**

Estimated potential turnover, say	£4,500/week
Estimated annual turnover	£230,000
Adjust to November 1988, say	£160,000
Estimated net annual value at 8%	£12,800
Rateable valuation at 0.5%	£64
	Say £65 RV

Four comparisons were given by the respondent as set out in Appendix 1 attached to this judgement.

## **Appellant's Valuation**

The Appellant proposed a valuation of £45 taking into account the RV's of comparisons in the locality.

The quality of the evidence produced at this appeal was not very helpful to the Tribunal. It was less than satisfactory and that has to be said for both sides in that there is no hard evidence made available in relation to turnover of the subject property and of any of the comparisons that were proffered by both parties. All figures were estimates. In the one instance indeed where there was evidence of rent i.e. the Brass Razoo it was made known that the revising valuer disregarded this rent in arriving at his RV of £60. And not only did he disregard the rent but he made absolutely no record or no reference to what the turnover may be or was.

## **Findings**

As far as the subject property is concerned the Tribunal accepts that the property was purchased in 1992 at £75,000 and that the appellant subsequently spent £53,000 in refurbishing the property, which work was done by direct labour. Having regard to the fact that the appellant is himself or was himself a builder, there is no doubt that that led to considerable savings and if the notional cost of labour was added into that it is undoubtedly true that a sum considerably more than £53,000 was spent on the property.

In relation to the evidence of Mr. Cahill, there is no doubt that he was provided with very little information on which to base his opinion of valuation. And no doubt this made his task more difficult than it ought to have been. In the circumstances and using the best judgement he could he estimated the turnover to be £230,000 and on that basis arrived at his Rateable Valuation of £65. In the light of further information given to him at the hearing Mr. Cahill reduced his figure to £60 and for that he is to be commended.

### **Determination**

The decision of the Tribunal is that in the light of the evidence and argument adduced such as it was, the Tribunal considers that the Niall Johnson premises is probably the most helpful comparison to arrive at the NAV of the subject property. Both premises are located in secondary locations. The Brass Razoo, notwithstanding the fact that it is nearby is not helpful in that there is really no evidence given to the Tribunal as to how the RV of £60 assessed in 1999 was arrived at which can be used as the basis for assessing the NAV of the subject property. In relation to the turnover and having regard to the turnover of all the other pubs that have been offered as comparisons, the Tribunal has come to the decision that a hypothetical tenant looking at these premises would come to the conclusion that a turnover that is in the order of £200,000 would be attainable. This figure was supported by Mr. O'Brien in oral evidence where he indicated that the turnover for the year was in fact somewhere in the order of £200,000. The Tribunal therefore accepts that the valuation should be based on a turnover of £200,000 and by allowing the reduction factor which has been put forward by Mr. Cahill of 70% or thereabouts, arrives at the rateable valuation of £55 as follows:

<b>Valuation</b>	
Estimated turnover:	£200,000
Adjust to Nov 1988: (Say 70%)	£140,000
8% of turnover	£11,200
x 0.5%	£56
Say	£55

And the Tribunal so determines.