

Appeal No. VA01/3/050

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 2001**  
**VALUATION ACT, 2001**

**Ballinrobe Race Committee**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Stadium, restaurant/cafe out office and land at Map Reference:1aaB Rathcarreen,  
ED: Ballinrobe, RD: Ballinrobe, County Mayo.

**B E F O R E**

**Fred Devlin - FSCS.FRICS**

**Deputy Chairperson**

**Maurice Ahern - Valuer**

**Member**

**John Kerr - FIAVI**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 5TH DAY OF FEBRUARY, 2003**

By Notice of Appeal dated 17 October 2001 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £135 (€171.41) on the property concerned. The Grounds of Appeal as set out in the said Notice of Appeal are that:

The valuation is excessive, inequitable and bad in law.

1. The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 29<sup>th</sup> April 2002.
2. Prior to the hearing the parties exchanged and submitted précis of evidence and valuations, which were subsequently received in evidence by the Tribunal.
3. At the oral hearing the appellant was represented by Mr. Martin P. O'Donnell BA., MIAVI of Frank O'Donnell and Company. The respondent was represented by Mr. Colman Forkin BSc (SURV) MRICS., ASCS., MIAVI., a district valuer in the Valuation Office.
4. The relevant property comprises a small rural racecourse just outside the town of Ballinrobe on the N54 Castlebar Road. The course is run by Ballinrobe Race Committee a locally based non-profit making organisation and all profits made are reinvested into improvements and the general maintenance of the course. Ballinrobe hosts on average six meetings a year and is regarded as being an important tourist facility for the area. The course is classified as category 3 establishment and hence the races held attract low value prizes. The facilities at the course have been improved over the last several years, financed mainly by grants from the Irish Horse Racing Authority.
5. Following the construction of the new stand and other facilities the property was listed for the 2000/4 revision as a result of which the rateable valuation was increased from £85 to £135 (€171.41). No change was made at first appeal stage and it is against this determination that the appeal to the Tribunal now lies.
6. The accommodation measured on a gross external area basis was agreed to be 1560m<sup>2</sup> although there were minor differences in the areas attributed to the various buildings. The main stand (with bar under) restaurant and entrance turnstiles are newly built structures of good quality whilst the stables and changing rooms are of older and more basic construction.

#### **The Appellant's Evidence**

7. Mr. O'Donnell having taken the oath adopted his written précis, which had previously been received by the Tribunal as being his evidence in chief. In evidence

at hearing Mr. O'Donnell revised his opinion of net annual value to €16,000 as against €13,251 in his précis of evidence. The change arose from an amendment to the area of the bar under stand from 59 sq.m. to 242 sq.m..

### **Appellant's Valuation**

| <u>Details</u>  | <u>Area(SM)</u> | <u>Rate(€/SM)</u> | <u>N.A.V. (€)</u>    |
|-----------------|-----------------|-------------------|----------------------|
| Bar under Stand | 242             | 13.66             | 3,305.71             |
| Open Stand      | 488             | 5.47              | 2,669.36             |
| Restaurant      | 206             | 17.08             | 3,518.48             |
| Turnstiles      | 65              | 13.66             | 887.90               |
| W.C. Block      | 79              | 10.25             | 809.75               |
| Changing Room   | 310             | 11.61             | 3,599.10             |
| Stables         | 352             | 2.73              | <u>960.96</u>        |
|                 |                 |                   | 15,751.27            |
| R.V. @ 0.5%     |                 |                   | €78.76               |
|                 |                 | <b>Say</b>        | <b><u>€80.00</u></b> |

In support of his opinion of net annual value Mr. O'Donnell introduced five comparisons, details of which are set out in the appendix 1 attached to this judgment.

8. In supplementary oral evidence Mr. O'Donnell said that he considered Roscommon Race Course (comparison no.1) to be the most relevant. The rateable valuation of this course (€152.37) was agreed prior to the hearing of an appeal to this Tribunal. The devaluation of the assessment was his and was not agreed with the respondent. In his opinion Roscommon was a better course and had a Category 2 rating and hence attracted more valuable races.
9. Mr. O'Donnell said that in arriving at his opinion of net annual value he had examined the valuations of a number of other courses and had regard to the square metre rates attributable to the constituent buildings as set out in the details of his comparison.
10. Under cross-examination Mr. O'Donnell agreed that most rural racecourses were managed by locally based committees on a non-profit making basis. He also agreed

that over £700,000 had been spent in carrying out the recent improvements to Ballinrobe. Mr. O'Donnell pointed out however, that this level of expenditure does not necessarily lead to a corresponding increase in net annual value. In his opinion a rural racecourse such as the subject would not let on the open market as it was a loss-making venture and continued in operation solely on the basis of grants received from the horse racing industry and the continuing support of racing enthusiasts in the area.

### **Evidence for the Respondent**

- 11.** Mr. Forkin having taken the oath adopted his précis which had previously been received by the Tribunal as being his evidence in chief given under oath. In evidence Mr. Forkin contended for a rateable valuation of £135 (€71.41) calculated as set out below:

#### **Valuation**

|                   |                      |      |         |                |
|-------------------|----------------------|------|---------|----------------|
| “BL1 Clubhouse    | 206m <sup>2</sup>    | @    | £26.91  | = £5543        |
| BL2 Turnstiles    | 59.73m <sup>2</sup>  | @    | £21.53  | = £1286        |
| BL3 Stand         | 486m <sup>2</sup>    | @    | £26.91* | = £13078       |
| BL 4 WCs          | 76.48m <sup>2</sup>  | @    | £21.53  | = £1647        |
| BL 5 Changing rms | 310m <sup>2</sup>    | @    | £10.76  | = £3336        |
| BL6 Stables       | 353.40m <sup>2</sup> | @    | £5.38   | = <u>£1901</u> |
|                   |                      |      |         | £26791         |
| say               | £27,000@             | .05% | =       | £135 (€71.41)  |

\*Takes into account bar under stand.”

In support of his opinion of net annual value Mr. Forkin introduced three comparisons as set out in the appendix attached to this judgment.

- 12.** In supplementary oral evidence Mr. Forkin said that he had regard to his comparisons when arriving at his opinion of net annual value. In his opinion Killarney Race Course was the most relevant as it also was a Category 3 racecourse and only hosts a small number of meetings each year. The valuation of Killarney was agreed at first appeal stage on the basis of accounts submitted by the appellant. In relation to Roscommon the valuation was also agreed on the basis of accounts and not on a

comparative basis. The devaluation of the agreed figure contained in his précis was his and was not the one agreed at the Tribunal appeal stage. He agreed with Mr. O'Donnell that Roscommon was a better location than the subject and that this was a factor to be taken into account in arriving at an opinion of its net annual value. He further agreed with Mr. O'Donnell that the stand in Roscommon was much larger than the new stand in Ballinrobe. Mr. Forkin said that when examining the details of his comparison he had come to the conclusion that the agreed valuation of Roscommon was if anything on the low side and hence not a very reliable comparison.

13. When asked about Killarney Race Course Mr. Forkin agreed that it occupied a much better location than Ballinrobe and benefited substantially from being situated in an established tourist area. Mr. Forkin said that whilst the location was much better, the facilities in Killarney were not as good as those in Ballinrobe.

#### **Closing Remarks**

14. Mr. O'Donnell in his closing remarks said Roscommon Race Course was not agreed on an accounts basis. As far as he was concerned the Rateable Valuation was agreed at £120 (€152.37) with no mutual agreement as to how this figure was arrived at.
15. Mr. Forkin in his closing remarks reiterated his contention that Roscommon was agreed on an accounts basis and in the absence of agreement as to the method of valuation used it was, in his opinion, an unreliable comparison.

#### **Findings**

1. It is common case that Ballinrobe is a non-profit making racecourse in a rural location that would not continue to exist without the support of the Irish Race Horse Industry.
2. The fact that an enterprise is non-profit making does not preclude it from having a rental value. However in the absence of actual rents being paid for racecourses it follows that the comparison and or accounts method would be appropriate methods of arriving at the net annual value of the relevant property. In this appeal neither valuer relied upon accounts and their valuations were supported solely by the comparison method.

3. Of the racecourses referred to at hearing Roscommon was the only common comparison and this was discussed in great detail. Both valuers considered it to be relevant but differed as to how the valuation was agreed prior to a hearing of this Tribunal.
4. Mr. O'Donnell in his précis set out a useful analysis of his comparisons, which produced an overall rate per square metre ranging from a high of €2.13 (Punchestown) to a low of €0.64 for Roscommon. A similar analysis of Mallow and Killarney racecourses produces figures of €8.53 and €0.64 respectively.
5. Having regard to all the evidence adduced and bearing in mind that Ballinrobe is a category 3 facility and the low level of horse racing activity, the Tribunal has come to the view that an overall rate of €10.50 per sq. m. is appropriate having regard to the nature and scale of the buildings.

Accordingly therefore the Tribunal determines the net annual value of the property concerned to be €18,400 calculated as follows.

|                            |                                |         |
|----------------------------|--------------------------------|---------|
| Gross area of buildings    | 1742 m <sup>2</sup> @ €10.50 = | €18,291 |
| Net Annual Value           | Say                            | €18,400 |
| Rateable Valuation at 0.5% | =                              | €2.     |

6. The Tribunal therefore determines the rateable valuation of the property concerned to be €2.