

Appeal No. VA14/5/158

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

The Cavalier Tavern T/A McGowan's of Phibsborough

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the issue of Quantum of Valuation in respect of:

Property No. 705187, Hospitality, (Pub) t/a McGowan's, 18-19 Phibsborough Road, County Borough of Dublin.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 11TH DAY OF FEBRUARY, 2016**

BEFORE:

Barry Smyth – FRICS, FSCSI, MCI Arb

Deputy Chairperson

Michael Lyng - Valuer

Member

Mairead Hughes – Hotelier

Member

By Notice of Appeal received on the 4th day of September, 2014 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a net annual value of €320,000 on the above described relevant property on the grounds as set out in the in the Notice of Appeal as follows:

"The valuation as assessed is excessive, inequitable and bad-in-law".

The Tribunal, having examined the particulars of the property the subject of this appeal; having confirmed its valuation history; having examined and considered the written evidence and having heard the oral evidence adduced before us on the 5th day of January, 2016 by Mr Donal O'Donoghue of OMK Property Advisors for the Appellant, who proposed a NAV of €183,000, and by Mr Patrick Nolan of the Valuation Office for the Respondent,

DETERMINES

That the net annual value of the subject property be as set out below:

€275,000.00

The reasons being as follows:

The Tribunal is conscious of the different valuations relative to pubs as set out in the various Comparisons used by both Parties.

The Appellant's Comparison 7, The Porterhouse, is similarly sized and in a nearby location to the subject property and has a valuation of €160,000. Comparison 2, Hedigan's Limited is also similar in size and location, has a carpark and a food trade that is 33% of total turnover and is valued at €127,400.

The subject property has a Fair Maintainable Trade (FMT) of €3,200,000, and while there are exceptional overheads as acknowledged by the VO, nevertheless there is a 75% gross profit on trade.

It is important that it is the premises that is being valued and not the business. The Tribunal is of the view that the level of Turnover in the subject premises compared with that of the two comparisons noted above indicates that the current proprietor has a particular business acumen and ability that the hypothetical tenant would not necessarily have.

The shortened method is long established as a method of valuation for the Licenced trade. The receipts and expenditure method is not usually adopted and if this approach were to be adopted with the subject property then there would have to be add backs such as Director's remuneration etc.

Having taken a stand back and look at all of the issues raised at the Hearing, the Tribunal is satisfied that an NAV of €275,000 for the subject property is fair and consistent with the other comparable properties in the area calculated as follows:

Drink FMT	€3,200,000	@	10%	=	€320,000
Less end allowance @ 15% for exceptional expenses and owners special skills					€48000
					€272,000
Food FMT	€142,066 (Less €100,000)	@	7%	=	<u>€2,944</u>
Total					€274,944

SAY €275,000