

Appeal No. VA93/4/005

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

**Charlie Chawke**  
**(Charjon Investments Limited) t/a "The Goat"**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed Shop, Restuarant and Land at Map Reference: 3a, Townland: Drummartin -  
Village of Goatstown, E.D.: Dundrum-Kilmacud, R.D.: Dun Laoghaire-Rathdown Co. Dublin  
Quantum

**B E F O R E**

**Mary Devins**

**Solicitor (Acting Chairman)**

**Brian O'Farrell**

**Valuer**

**Paddy Farry**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**

**ISSUED ON THE 4TH DAY OF MAY, 1994**

By Notice of Appeal dated the 14th day of October, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,100 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

"The valuation is excessive and inequitable in comparison with similar premises valued by the Commissioner of Valuation in recent years and in accordance with the provisions of the Valuation Acts."

**The Property:**

The premises is located in the village of Goatstown on a large corner site at the junction of Lower Kilmacud Road, Goatstown Road, Taney Road and Mount Anvil Road, about 5 miles from the city centre.

It comprises a substantial two-storey building of concrete and brick walls and pitched slate roof, plus a number of single storey additions at the side and rear.

A tarmac carpark at the rear provides car parking for over 200 cars.

**Valuation History:**

***1986 Revision:*** The premises was listed to value alterations and additions; the valuation was increased on revision from £300 to £640.

***1986 First Appeal:*** The valuation was reduced to £540.

***1988 Revision:*** The valuation was listed to value extensions, including new restaurant and conservatory and the valuation was increased to £700.

***1988 First Appeal:*** No change was made at First Appeal. The agreed fraction was 0.5% of N.A.V..

***1991 Revision:*** The premises was listed again as part of a general listing of 170 properties in this area and the valuation was increased to £1,100.

***1991 First Appeal:*** The valuation of £1,100 was affirmed on First Appeal and agents appealed this decision to the Valuation Tribunal.

**Written Submissions:**

A written submission was received on the 4th March, 1994 from Mr. Eamonn O'Kennedy, a Principal of Eamonn O'Kennedy & Company, Valuation & Rating Consultants, on behalf of the appellant.

In the written submission Mr. O'Kennedy gave details of the situation, description and valuation history of the subject premises. He said that in his opinion the open market rental value of the premises is £100,000 which, in his opinion, yielded a fair rateable valuation of £630.

Mr. O'Kennedy set out 30 comparisons in the written submission for the attention of the Tribunal.

A written submission was received on the 3rd March, 1994 from Mr. Jim Gormley, a District Valuer with the Valuation Office, on behalf of the respondent.

In the written submission in addition to describing the property and its valuation history, Mr. Gormley said that the subject premises is one of Dublin's best pubs located in an area of extensive and prosperous residential development attracting a good passing trade by reason of its prominent crossroads position and excellent off street parking facilities.

He said that the premises was purchased in 1982 by Mr. Chawke for £600,000 and that since then total expenditure on renovation and extension amounted to £1.8 million.

He set out his calculation of the rateable valuation on the subject premises by two means; Capital Value and Turnover as follows:-

|    |  |                 |
|----|--|-----------------|
| 1. | Capital Value (November 1988)              | £2,000,000      |
|    | Net Annual Value: £2,000,000 x 8½% yield   | £ 170,000       |
|    | Rateable Valuation: £170,000 x 0.63%       | £ 1,071         |
|    |  | SAY £ 1,100     |
| 2. | Turnover say £1,658,000 x 44% Gross Profit | £729,520        |
|    | x 0.25%                                    | £182,380 N.A.V. |
|    | x 0.63%                                    | £ 1,148         |

Mr. Gormley supplied four comparisons:-

- (1) *Quinns*  
Lower Drumcondra Road

Revised 1991 - R.V. £700

- (2) *Searsons*  
42.44a Upper Baggot Street  
R.V. £700
  
- (3) *The Red Cow Inn*  
Clondalkin  
1993 Revision - R.V. £1,250
  
- (4) *The Dropping Well*  
1993 Revision - R.V. £650

**Oral Hearing:**

At the oral hearing, which took place on the 9th March, 1994, Mr. Eamonn O'Kennedy of Messrs. O'Kennedy & Company, Valuation & Rating Consultants, appeared on behalf of the appellant.

The respondent was represented by Mr. Jim Gormley, District Valuer, of the Valuation Office.

Also present was Mr. Charlie Chawke of the appellant company.

Mr. O'Kennedy submitted that while commercial properties were usually valued once every 15 years, the subject property had been the subject of revaluation three times since 1986. He said that while reconstruction works may have given rise to the revisions in 1986 and 1988, there was no apparent reason for the current revision from £700 to £1,100.

He pointed out that turnover should not be the sole basis of valuation. In the instant case the subject was trading to its full potential and its success was due greatly to a combination of hard work and full time service on the part of the owner.

Mr. O'Kennedy submitted that a sizeable element of the turnover related to food and since there was a very low profit margin in food, the turnover of the subject would then equate to

that of the comparisons referred to in Mr. O'Kennedy's written submission, none of which had R.V.'s greater than £500.

In relation to Mr. Gormley's estimate of capital value as of 1988, Mr. O'Kennedy submitted that the figure of £2 million was unrealistic and indeed outlandish, particularly in view of the fact that in a previous Tribunal judgment, *VA89/269 - O'Dwyer Brothers Limited*, O'Dwyers which was claimed to be the best public house in the city, had an estimated market value of £1<sup>1</sup>/<sub>4</sub> million in 1988.

Mr. Chawke gave evidence of his full time personal effort in running the subject premises and submitted that the most recent increase in rateable valuation was completely unjustified.

Mr. Gormley stated that the subject premises had been revised in 1991 as part of a major revaluation of properties in the area and that it was not a question of singling out the subject. Mr. Gormley referred to the revaluation in 1988 and said that while it was carried out on a square metre basis, there may also have been an exercise carried out in the Valuation Office on an N.A.V. basis.

Mr. Gormley submitted that the estimate of capital value of the subject premises in 1988 at £2 million was not his own estimate but that of an agent for the appellant company at that time.

Mr. Gormley referred to the appellant's comparisons and noted that while all of them had R.V.'s of around or less than £500, they were mainly inferior to and different from the subject and not on a par with it. He submitted that the subject premises were well-known as a landmark premises and had an excellent carpark.

**Findings:**

Although the respondent has offered evidence of comparative rental values, the Tribunal notes the appellant's contention that the circumstances pertaining to these letting arrangements may be somewhat unusual and therefore of limited value in assessing open market rents.

Much emphasis has been placed on the degree of success of the subject property, which is directly attributable to the enthusiasm and dedication of the present owner.

The Tribunal accepts that a sizeable percentage of turnover relates to food and also accepts that the net profit on food is considerably less than that on drink sales.

For both of the above reasons the Tribunal is loath to base its assessment of R.V.'s solely on a turnover basis.

The subject property is undeniably an extremely successful and thriving enterprise, situate in a good location with attractive ancillary services.

The Tribunal accepts the appellant's submissions that the premises are being used to their full potential and is conscious that an appellant's business acumen should not be taken into account in assessing the rateable valuation of a hereditament.

In the circumstances and in taking into account all of the evidence adduced, the Tribunal is of the opinion that the correct rateable valuation of the subject premises is £825 and so determines.