

Appeal No. VA89/0/006

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

Patrick Cronin

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Public House Lot No. 110, Newmarket, Sixmilebridge Road, Newmarket-on-Fergus, E.d.
Newmarket, R.D. Ennis, Co. Clare
Quantum - Turnover method

B E F O R E

Paul Butler

Barrister (Acting Chairman)

Mary Devins

Solicitor

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF JANUARY, 1990

By notice of appeal dated 26th July 1989, the appellant appealed against the fixing by the Commissioner of Valuation of a rateable valuation of £78.50 (Buildings £78.00 Land 50p) on the above described hereditament.

The valuation history of the property is as follows:

The hereditament first appeared in the Valuation Lists in 1862, probably the initial revision in this area, and was described as house, off. yd. and garden. The R.V. was £11.50 on buildings and 50 pence on lands giving a total R.V. of £12.00. The initial occupier was a Mr. Reidy.

Ownership changed in 1891 when Mr. Thomas Murray became the occupier and the buildings were then licensed. The description was amended to read public ho., off. and gar. The valuation was unaltered.

There was no further change to this lot until 1969 when a Patrick J. McMahon was included as the occupier. The R.V. was not subjected to any revision at this stage nor at any stage since first being revised in 1862.

There was a request for a revision in 1983 to apportion the valuation between P.J. McMahon and Pat Cronin. The result of this revision was that the R.V. was increased from £11.50 on bldgs. to £35.00. Patrick Cronin was listed as occupier.

In 1988 there was a further request for revision to value renovations to the lounge and bar. The property was inspected and it was found that large scale improvements and additions had taken place. The cost of these extensions and refurbishments were not revealed. The valuation was fixed at £78.00.

The appellant was aggrieved by this valuation and appealed to the Commissioner of Valuation.

Mr. Thomas D. Brannigan B.Agr.Sc.M.Sc., a Valuer with 13 years experience in the Valuation Office was deputed by the Commissioner of Valuation to inspect the premises and

report. Having considered this report the Commissioner made no change in the valuation. It is against this decision that the appellant has appealed to the Tribunal.

Mr. Brannigan, on behalf of the Respondent, presented a written submission to the Tribunal dated the 20th of November, 1989. The same is annexed to this judgment at Appendix A.

In his submission Mr. Brannigan said that the property is situated at the western end of Newmarket-on-Fergus and has a frontage to the Sixmilebridge road near its junction with the main Galway-Limerick road. He said that it was a prime location as the premises are in full view of the Galway-Limerick road and yet do not suffer any inconvenience from passing traffic. The properties in the immediate vicinity of the subject property are a mix of residential and retail outlets. Mr. Brannigan said that he inspected the premises in April 1989 and found that the same consisted of a modern bar, restaurant and lounge together with ancillary passages, toilets, stores and kitchen on the ground floor. The first floor was confined to residential accommodation. The property is, in the main, constructed of rubble masonry/concrete and slate. However, a small area of the roof to the rear is single storey and has a mineral felt roof. He described the property as being in good condition and of compact layout allowing economic management of all bars and restaurant areas. The toilets are well located as are bottle stores and wine stores. The front bar and lounge to the rear are of adequate size having a total floor area of 826 sq.ft. The restaurant has a frontage to Sixmilebridge road and comprises 447 sq.ft. The function room/lounge lies directly behind the restaurant area and is quite large, 1,238 sq.ft. Usage is confined to reunions and large parties where meals may be served in addition to alcohol. The kitchen area is, said Mr. Brannigan, ideally situated to serve both the restaurant and the function room.

Mr. Brannigan, in his submission, pointed out that a request for accounts in the case was not complied with and he, therefore, could not approach the valuation on a capital value basis or a rental basis as both approaches demand accurate trading accounts. He used the square

metre comparative method. Using this method he came to a valuation of £78 as set out at P.10 of his said report. Mr. Brannigan gave two comparisons which are set forth in his submission.

Mr. Michael Fitzpatrick of Messrs. Fitzpatrick & Co. Shannon and Ennis presented an undated written submission which is appended to this judgment at Appendix B. Mr. Fitzpatrick estimated the open market value of the property as of the 27th November, 1989 at £145,000. He said that the residential area comprises approximately 30% of the entire property and he estimated that the open market value of the residential contract of the property to be £35,000. The open market value of the property exclusive of the residential area was, therefore, £110,000.

Mr. Fitzpatrick was of the opinion that the rateable valuation should be £35 and commented that the increase in valuation from £11.50 to £78 represents an increase of 678% since 1972 which by any standards must be considered exorbitant.

The oral hearing took place in Ennis, Co. Clare on the 29th November, 1989. Mr. William M. Cahir Solicitor appeared on behalf of the appellant and Mr. Aindrias O'Caomh, Barrister-at-Law, instructed by the Chief State Solicitor appeared on behalf of the respondent.

Mr. Michael Fitzpatrick of Messrs. Fitzpatrick & Co. aforesaid that he had been in practice in the region for some 19 years. He said that his client was not submitting certified turnover accounts but his instructions were that turnover for the past 3 years has been in or about £216,800 net of value added tax. He gave evidence in terms of his written submission. The respondent also gave evidence and laid emphasis on what he described as the high percentage increase in valuation.

Mr. Brannigan gave evidence in terms of his written submission and pointed out that the original valuation in the sum of £11.50 was first fixed in the 1850's. He said that between 1983 and 1988 the floor area of the subject premises increased from 59.4 sq. m. to 121 sq.m. (trading area) and 25.8 sq. m. to 139.3 sq.m. ancillary area. He stressed that the desirable method of valuation of premises such as this was on the basis of turnover figures. At this stage the Tribunal asked Mr. Fitzpatrick did he agree in principal the method of computation set forth at page 12 of Mr. Brannigan's report. He said he did. Mr. Cronin then said that he was paying interest in the sum of approximately £14,000 on his borrowings, about two thirds of which was in respect of the licensed premises.

The Tribunal accepts the view the best basis upon which to reach a valuation in respect of licensed premises is on the average turnover of the premises having regard to other comparisons. Applying the turnover of £216,800 to the method appearing on page 12 and allowing a full £14,000 for interest one would come to a valuation of £74.64 if a third of this interest were to be deducted the valuation would be roughly in line with that fixed by the Commissioner and the Tribunal, therefore, affirms the Commissioner's decision.