

Appeal No. VA90/2/075

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

**Graingers**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed House at 51.52 Talbot Street, Mountjoy A Ward, County Borough of Dublin

**B E F O R E**  
**Henry Abbott**

**Barrister Chairman**

**Mary Devins**

**Solicitor**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 29TH DAY OF MARCH, 1991**

By notice of appeal dated the 30th day of July 1990, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £180 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 and that the description should be amended to reflect the residential content.

The property is located at the corner of Amiens Street and Talbot Street opposite the entrance to Connolly Station. It is a three storey over basement building trading as a licensed house with the bar on the ground floor. The first floor consists of a disused lounge and living accommodation on the 2nd floor. The basement is used as a store.

### **Valuation History**

The subject property was revised in 1960 when the rateable valuation was fixed at £215. It was listed for revision in 1989 on the basis that the valuation was excessive and the valuation was fixed at £180. This was appealed again in December 1989 and the Commissioner made no change to the R.V. of £180. It is against this determination that the appeal lies with the Tribunal.

### **Written Submissions**

A written submission was received on the 1st February, 1991 from Mr Brian O'Flynn, a valuer with 15 years experience in the Valuation Office, on behalf of the Respondent.

Mr O'Flynn said that the subject property consists of a licensed premises with bar on the ground floor and a disused lounge on the first floor. The living accommodation on the second floor, which consists of four bedrooms, kitchen, livingroom and bathroom, is not used at present and needs considerable redecoration. The basement which has approx 6 ft head clearance consists of gents wc's and store for kegs and bottles. He stated that the interior is dated and does not have any great character but the building generally appears to be sound.

Mr O'Flynn, in arriving at the rateable valuation, stated that it is based on an estimate of the capital value and that the net annual value is calculated by the use of an appropriate yield which reflects the location and the type of premises. He outlined the method by which he arrived at the rateable valuation as follows:-

### **Estimate of capital value**

£320,000 @ 10% yield or 10 years purchase

gives Net Annual Value of £32,000 x 0.63% = £200 R.V.

He stated that the reduction on rateable valuation at revision reflects the present net annual value of the property i.e. from £215 to £180.

Mr O'Flynn also submitted three comparisons as follows:-

1. The Master Mariner, 1 Store Street, which was sold in April 1989 for £350,000 and has a rateable valuation of £200.
2. Molloy's, 59 Talbot Street, which was sold in November 1989 for £313,000 and has a rateable valuation of £230.
3. Grace's, 47 Amiens Street and corner of Buckingham Street, which has a rateable valuation of £180

A written submission was received on the 31st January, 1991 from Mr Adrian Power-Kelly A.R.I.C.S., Partner, Harrington Bannon, Chartered Valuation Surveyors, 40 Fitzwilliam Place, Dublin 2, on behalf of the appellant.

Mr Power-Kelly describes the property as a three storey over basement licensed house. The walls are of rubble masonry construction rendered and painted on the external elevations. Internally the walls are smooth plastered while the floors are of suspended timber type and the ceilings are generally smooth plastered. He outlined the accommodation as follows:-

**Ground Floor**

Bar and lounge	1,375 sq. ft.	127.7 sq. m.
Kitchen	40 sq. ft.	3.6 sq. m.

**First Floor**

Lounge	775 sq. ft.	71.9 sq. m.
Store	55 sq. ft.	5.1 sq. m.

**Second Floor**

Apartment (Gross Area)	1,250 sq. ft.	116.1 sq. m.
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**Basement**

Stores	<u>1,145</u> sq. ft.	<u>106.3</u> sq. m.
<b>TOTAL</b>	4,640 sq. ft.	430.7 sq. m.

All mains services are available and connected to the property i.e. mains water, sewerage, electricity and telephones.

Mr Power-Kelly gave the following factors which affect turnover and net annual value.

1. Decrease in population of the Inner City.
2. Decline of the working population in the area.
3. Competition within the area. Approximately 7 public houses in the Talbot Street/Amiens Street area.
4. Parking restrictions.
5. The second floor apartment has been vacant for approximately 10 years and the net annual value of this accommodation is affected by the fact that access is via the lounge bar only.

He also supplied the gross turnover figures exclusive of V.A.T. as follows:-

Year ending November 1986 £125,928

Year ending November 1987 £125,630

Year ending November 1988 £128,640

Year ending November 1989 £148,992

In arriving at his opinion of net annual value Mr Power-Kelly had regard to the certified turnover figures, as shown above, supplied by Fanning McLoughlin, Accountants. He outlined his

method of arriving at the net annual value and rateable valuation as follows:-

Average turnover	£132,296
x 7%	<u>.07</u>
Net annual value	£ 9,260
Net annual value of second floor	say <u>£ 2,500</u>
Total	£ 11,760 p.a.
x 0.63%	<u>0.0063</u>
	£74

**R.V. say £75.**

#### **Alternatively**

Estimated Value Capital                      £185,000 x 0.04% = £74

**R.V. say £75.**

#### **Oral Hearing**

The oral hearing of the appeal took place on Wednesday the 6th February, 1991. The Appellant was represented by Mr Adrian Power-Kelly. The Respondent was represented by Mr Brian O'Flynn.

Mr Power-Kelly elaborated on the points outlined in his precis and stressed the importance of the actual turnover figures as supplied by accountants. He emphasised again the stiff competition in this particular area and the fact that at least two public houses were between the subject and the main residential area. He said that the comparison public houses benefited from being adjacent to a large Bingo Hall which operates six nights per week. He stressed the difficulties encountered in parking cars in this area and said that other licensed premises had cornered the business community in the area. Mr Power-Kelly said that the census of population shows that between 1981 and 1986 there was a 12% drop in population in the immediate area and that there was a 42% drop between 1971 and 1981.

Mr O'Flynn said that the actual turnover figures did not reflect properly the net annual value of these premises. He said that in comparison to other premises the turnover figures were very low. He said that with perhaps a more progressive attitude the turnover of the subject could be increased substantially. He outlined turnover figures for other premises. He said that "Graces" had a turnover of £272,000 net of VAT in 1988/89 and that "The Master Mariner" had a turnover of £236,000. Mr O'Flynn said, while he could not dispute the audited turnover figures for the subject, the indications are that with a more progressive approach the turnover could be significantly higher. He said that by applying the turnover of the Master Mariner on area basis to the subject premises a turnover of £313,000 could be expected on the ground floor alone. Mr O'Flynn said that the location of the subject, directly opposite the entrance to Connolly Station and adjacent to the Custom House docks development is a good one.

### **Findings**

The Tribunal has considered all of the points elaborated on by both parties at the oral hearing and in the written submissions. It is aware that there are disadvantages in the immediate area in terms of the decline in population but that there is an ever increasing day time business population and increasing numbers using Connolly Station, factors which it feels could have been capitalised

upon by the subject. While the Tribunal is aware that the future prospects for this area look promising, with the financial services area and its consequent spin-off due to come on stream, this was not something which affected its determination. The Tribunal considers the location to be a reasonably good one and while this may not have been reflected in the relevant turnover figures the Tribunal feels that the subject premises could have improved significantly on those, though not, perhaps, to the degree proposed by Mr O'Flynn. In all the circumstances the Tribunal determines that the rateable valuation of the subject premises should be £160.