

Appeal No. VA92/2/021

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

**Reps. Sean Hynes**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed House at Lot No. 18 St. Patricks Street, E.D. Castlerea, R.D. Castlerea, Co.  
Roscommon  
Quantum

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

**S.C. Chairman**

**Mary Devins**

**Solicitor**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 9TH DAY OF SEPTEMBER, 1992**

By notice of appeal dated the 23rd day of March, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation on the above described hereditament at £45.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive, inequitable and bad in law".

**The Property:**

The premises is a small licensed house in a terrace of buildings just outside the main retail area of Castlereagh. The accommodation consists of a bar and lounge - 570 sq.ft., taproom, toilets - 120 sq.ft., residence - 1,000 sq.ft. gross comprising livingroom, kitchen, 4 bedrooms and bathroom.

**Valuation History:**

The premises was previously revised in 1951 and at that time the business included grocery and hardware with the bar all in the 300 sq.ft. of what is now exclusively the bar. The valuers reports states that there has been no structural alterations since 1939 Revision and the buildings were in fair repair. The R.V. was fixed at £10. Premises were purchased in 1981 for £48,000 and in 1990 a request was received from Roscommon County Council to value the reconstruction and extension. A new lounge had been constructed where the old taproom, kitchen and yard used to be and kitchen/livingroom had been added behind this. It was at this stage that the R.V. was increased to £45 and no change was made on 1st Appeal.

**Written Submissions:**

A written submission was received from Mr. Patrick J. Nerney, Rateable Valuation Consultant, on behalf of the Appellant and from Mr. Christopher Hicks on behalf of the Respondent.

In his written submission Mr. Nerney sets out details of the subject property and the valuation history attaching to it. Mr. Nerney's submission also sets out details of his calculation of the Net Annual Value of the premises and the appropriate R.V. attaching to it as follows:-

**Nett Annual Value**

Licensed house at £60 per week x 52 = £3,120 say £3,000

**R.V.**

N.A.V. £3,000 @ 0.5% = £15

Following application by the Commissioner of Valuation, details of the turnover of the subject premises are included in Mr. Nerney's written submission. Mr. Nerney states that in arriving at the valuation stated in his submission that he had regard to a number of factors which included the number of licensed premises (23) in the town, the old-fashioned state of the subject premises and the access being through the bar or rear laneway. The fact that Castlerea as a town has been in decline for the last number of years with an increasing unemployment rate. Mr. Nerney also give an example of property values in the area, for example:-

- 1) 2 shop units in Main Street vacant for over 2 years,
- 2) tenants sought for the last nine months for licensed shop at £100 per week with no takers.
- 3) Licensed premises in Barrack Street sold for £32,000 -not in good condition but is trading.

Mr. Nerney attaches to his submission a schedule of valuations of licensed premises in Castlerea attached as Appendix "A".

In his written submission Mr. Hicks describes the property and the Valuation History. He indicates the calculation of the valuation on the subject premises as follows:-

**Valuation:**

Purchase price 1981 = £48,000

Allow for current value and improvements say: £55,000

@ 7½ years purchase = N.A.V. £7,300 (£140 per week)

@ .63% = R.V. £45.00

**Apportionment:**

Grant sized bungalows of standard design and construction in the Castlerea area are at present letting for from £35 to £40 per week and a single residence over a bar with a shared access would have a lesser value than this i.e.:-

Residence worth £30 per week @ .63% = £10.00

Business worth £110 per week @ .63% = £35.00

R.V. £45.00

In his submission Mr. Hicks refers to two comparisons in the vicinity:-

- 1) Michael O'Rourke, 29a St. Patrick Street - Valued in the 1989 Revision - R.V. £55 - this property is located 150 yards away from the subject premises.
- 2) A Tribunal judgment VA/89/233 - William Elwood V The Commissioner of Valuation which consists of a licensed house, shop and offices in the townland of Leacarrow, Co. Roscommon. In this case the capital value was agreed at £60,000 and rateable valuation was fixed at £27.00.

Details of rateable valuation's in Co. Roscommon are also supplied by the Respondent in this case and are attached as Appendix "B".

**Oral Hearing:**

At the oral hearing which took place in Galway on the 8th of September, 1992 the appellant was represented by Mr Patrick J Nerney. Mr Christopher Hicks appeared on behalf of the respondent.

Mr Nerney referred to the comparisons put forward by Mr Hicks. He said that where the decision of the Tribunal in the Elwood case referred to sparse population in a rural area, the same could

be said of the subject premises which were located in a small town and in a street where there were already many other licensed premises.

He said that O'Rourkes was not a good comparison since it had been recently refurbished and had gone into pub food and ran an entirely different type of business.

He stressed that because of the nature of the site of the subject property, it could not be extended.

In his view the present occupier was obtaining the maximum possible take from the business, considering the generally depressed state of Castlereagh.

In his view the maximum rental that could be achieved was in the region of £60 per week.

Mr Hicks, in evidence, said that the subject property, while old- fashioned, could certainly be described as comfortable.

He said that, in the absence of evidence in relation to rents and ratios he relied entirely on comparative evidence.

He had applied an estimated 7.5 years purchase to the known capital value of O'Rourkes because of the low capital values in Castlereagh generally.

He stated that the premises known as Hackers Lane Ltd., also in St. Patrick Street was a reasonable comparison and had been purchased in 1988 for £65,000. This equated broadly with the purchase price of £48,000 paid for the subject premises in 1981.

In his view the Elwood premises were not strictly comparable because of their location in a rural area. Castlereagh, while not exactly a thriving town, could not be reasonably compared to a quiet, rural location.

### **Findings**

The Tribunal accepts the evidence given in relation to the general trading pattern of the subject premises. It is satisfied that the business is achieving close to its maximum potential.

Although the appellant has given persuasive evidence in relation to property values in Castlereagh generally, the Tribunal is of the opinion that a rental figure of £60 per week is on the modest side.

While the Tribunal notes the validity of the comparisons adduced by the respondent, in particular O'Rourkes and Hackers Lane Ltd., it has had regard to the particular limitations of the subject property, particularly when taken in the context of the overall depressed state of trading and business in Castlereagh.

In all the circumstances the Tribunal feels that a realistic rental figure for the subject would considerably exceed £60 per week based on location, estimated turnover and the general state of the market.

The Tribunal is of the opinion that the correct rateable valuation of the subject premises is £30 and so determines.

