

Appeal No. VA92/3/016

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

Michael Gunning

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed House Shop, Workshop, Petrol Tanks and Yard at Lot No. 18a Townland of Ballyglass, E.D. Rathconrath, Co. Westmeath
Quantum

B E F O R E

Padraig Connellan

Solicitor (Acting Chairman)

Brian O'Farrell

Valuer

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF NOVEMBER, 1992

By notice of appeal dated the 25th day of May, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £65 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that the valuation is inequitable and excessive and bad in law, and that the grounds of the subject premises are used for the storage of vintage vehicles.

The Property:

The property is situated in a rural area about 7 miles from Mullingar on the Ballymahon Road. The ground floor consists of a bar and grocery shop, snooker room, snug, toilets, store, hall and sittingroom. Part of the first floor is used by occupier as residential accommodation, the balance is unused. The workshop consists of concrete walls and corrugated iron roof. The eaves height is 16' - 18'. This is partly used for panel beating and part for storage and restoration of vintage vehicles.

Valuation History:

1912: Premises was revised as licensed house and shop to £25. The pre-1912 valuation was £28.

1988: The premises was listed by the Local Authority to revalue renovated house and garage. Valuation was increased to £79.

1990: Premises was listed for revision at the request of the owner on the grounds that the valuation was excessive. No change was made in the valuation on 1990 Revision.

Dec. 1990: Occupier lodged an appeal to the Commissioner of Valuation.

Apr. 1992: Commissioner of Valuation reduced the valuation from £79 to £65.

May 1992: Occupier lodged an appeal to the Valuation Tribunal.

Written Submissions:

A written submission was received from Mr. Jim Gormley, B.Agr.Sc., a District Valuer and Chartered Valuation Surveyor with 18 years experience in the Valuation Office. In his written

submission Mr. Gormley sets out details of the property and the valuation history. Commenting on the grounds of appeal of the Appellant, Mr. Gormley said that the valuation having been reduced at first appeal is no longer excessive in relation to recently revised premises of similar function and location. Mr. Gormley sets out his calculation of the rateable valuation of the subject premises as follows:-

Valuation

Average Sales (Net of VAT)	£178,500 pa (£3,432 per week)
Average Gross Margin (over 2 years) 21.7%	£ 38,734 pa (Gross Profit)
Net Margin (over 2 years) 45%	£ 17,430 pa (Net Profit)
Available for Rent 50%	£ 8,715
Net Annual Value	£ 8,715
Rateable Valuation	£ 8,715 x 0.5%
	= £43.57

<u>ADD</u> (a) Workshop	4015 ft ² x 1ft ²	
		= £4015 x 0.5% = £20
(b) Residential 5974 ft ² @ say	=	<u>£12</u> £75

Allow for part use of workshop
and other disabilities say £65

<u>Breakdown of £65 R.V.</u>	-	Pub & Shop	£35)
		Petrol Tanks	£ 5)
		Workshop	£15) £65
		Residential	£10)

Mr. Gormley stated in relation to the above calculation of R.V. that the approach is a standard form of profits valuation and relates to level of business activity. The figures added for workshop and residential content are very reasonable considering the large areas involved and the valuation levels of comparable premises in rural locations.

Mr. Gormley set out a number of comparisons of petrol stations and licensed premises in the area:-

- | | | |
|----|---------------------------------------|-----------------------------------------------------------------------------|
| 1) | Michael Cooney
Rochfordbridge | House, workshop & petrol tanks
R.V. £35 (£23 - Workshops & petrol tanks) |
| 2) | Star Alliance Ltd.
1Bb Walterstown | Workshop - Agreed R.V. £24 |
| 3) | Kevin Geraghty
Kinnegad | Filling station & shop
R.V. £37 (£24 - petrol tanks) and (£13 - shop). |
| 4) | Patrick Manny
17B Rathnamuddagh | Lic'd House, shop offs & land
R.V. £28 |

Mr. Gormley stated in relation to the above comparisons that the ratio of R.V. to N.A.V. in all cases is 0.5%.

No written submission was received in advance of the hearing from Mr. Michael Gunning.

Oral Hearing:

At the oral hearing which took place in Dublin on the 2nd September, 1992 the appellant appeared on his own behalf and the respondent was represented by Mr. Jim Gormley, B.Agr.Sc..

The appellant argued that the premises are located in a disadvantaged area; that the County Council in relocating the main road left the old road which now forms the forecourt of his premises in an unfinished and uneven state; that they relocated the petrol pumps and in relaying

the pipes supplying petrol from the tanks to the pumps placed them too close to the surface. As a result he cannot use the pumps in warm weather with a 20 degrees celsius temperature. He complained that his petrol sales were affected by blocked gully traps and the poor condition of the roadway immediately outside his shop premises. He said that although the buildings are large they are very old and in poor condition and that he extended by building a kitchen with three bedrooms overhead. He also rebuilt the store in or about the year 1990 which is used for the restoration of vintage cars and repairs to agricultural machinery. The new store is somewhat larger than the old one. He said that his shop is the only one in the parish of Milltown with Mullingar 8 miles distance, and Moyvore 4 miles. He also complained that he lost the sub post office a few years ago resulting in loss of revenue and spin-off trade.

Mr. Gormley said that the first floor is generally in poor condition with some of it unused and the ground floor is used as a bar, grocery, snooker room, store and sittingroom. He said that the workshop, which is of reasonable quality, is used for panel beating and storage of vintage cars. He elaborated on Section 7 of his written submission and submitted that the approach set out therein is a standard form of profits valuation reflecting the levels of business activity in the premises. He said that he understood that the ground upon which the pumps are located is in dispute and that the problem has been referred to the Ombudsman. He described the premises in general terms and said that the ground floor is an open concreted area used for motor vehicles but largely waste space with the shop/workshop badly laid out. He referred to the comparisons detailed in his written submission and particularly to Comparison No. 4 which is compared to the subject premises. He agreed that the loss of the sub post office would result in loss of spin-off trade from pensioners and other social welfare recipients.

Findings:

The Tribunal in taking everything into consideration including the oral evidence and the contents of the written submission of the Respondent; the fact of the loss of the sub post office and spin-

off trade; the condition and layout of the premises; the trade figures and problems relating to the petrol pumps, finds that the correct R.V. of the hereditament is £60 and so determines.