

Appeal No. VA92/4/010

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

Conlyn Holdings Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Leisure Centre at Lot No. 1B./17, Bayside Square, E.D. Sutton, Co. Dublin
Quantum

B E F O R E
Henry Abbott

S.C. Chairman

Paul Butler

S.C.

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF NOVEMBER, 1992

By notice of appeal dated the 23rd day of June, 1992, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation on the above described hereditaments at £170.

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

"the R.V. is excessive and inequitable on the grounds of comparisons with other commercial sports arenas and clubs in the area. The premises has not changed since the original R.V. was fixed, there are no extensions or internal alterations. Other premises have been substantially reduced by the Commissioner."

The Property:

The premises consists of squash courts one of which has recently been converted to a gym and sunbed facility, changing rooms and sauna, reception area, toilets and showers and a snooker area with four full size tables.

Valuation History:

A rateable valuation of £100 was fixed on the premises in 1983 and affirmed by the Commissioner of Valuation at first appeal stage. In 1990 the premises were revised as part of a general revaluation of commercial property in the Bayside and Sutton area and the valuation was increased to £170. This amount was appealed to the Commissioner of Valuation and no change was made at first appeal. It is against this valuation that the appeal lies with the Tribunal.

Written Submissions:

A written submission was received on the 14th of October, 1992 from Mr. Tony Brooks of Tony Brooks & Company, Valuation, Rating & Property Consultants on behalf of the appellant. In the written submission Mr. Brooks gave details of the premises, accommodation and services attaching to it. Mr. Brooks stated that the business had been gradually on the decline over the last number of years due to location and fall off in membership. The appellant had endeavoured to lease the premises on a number of occasions and had failed to do so. He stated that squash is very much on the decline at the moment and has recently been subjected to VAT payments. Mr. Brooks gave an estimate of N.A.V. on the subject premises of £11,625. He stated that this figure had been calculated as follows:-

c. 4650 sq.ft. @ £2.5 p.s.f. = £11,625

R.V. £73

Mr. Brooks set out details of comparisons as follows:

- 1) Edenmore Centre - 6800 sq.ft.

R.V. reduced from £315 to £75

2) Innisfail Club - Cost £1.5m

R.V. reduced from £270 to £165 in 1989

3) Ayrfield District & Community - L'icd Club & Leisure Centre - R.V. £80

A written submission was received on the 16th of October, 1992 from Mr. Jim Gormley, B.Agr.Sc., District Valuer and Chartered Valuation Surveyor with the Valuation Office on behalf of the Respondent. In the written submission Mr. Gormley set out details of the premises and the valuation history attaching to it. Mr. Gormley, commenting on the grounds of appeal, stated that the premises is valued on the basis of .63% of Net Annual Value, the basis on which all commercial property in the Bayside and Sutton area are now assessed. The estimated Net Annual Value of £27,000 on which the valuation is based is very moderate he said in light of the fact that the open market value of the premises is in excess of £0.5 million. Mr. Gormley set out his method of calculating the R.V. on the premises as follows:-

Valuation

Area 7233ft² x £4/ft² = £28,932 (N.A.V.)

x 0.63% = £182

Say **no change** in R.V. £170

OR

Capital Value £400,000 x 8% = £33,000 (N.A.V.)

x 0.63% = £201

Say **no change** in R.V. £170

The above estimates of rental and capital value are extremely conservative in light of the sale price of £1.9m achieved at public auction in April 1991. Analysis of this sale would indicate that the capital value of the premises at 1988 was a minimum of £450,000.

Mr. Gormley set out details of comparisons as follows:-

- 1) Robert Bishoff - Gymnasium & Sauna, Raheny
Gymnasium, health club, showers & toilets
R.V. £125 - Area 2981ft²
Building of very basic construction located at Raheny Purchase 1986 for £85,000

- 2) Swords Leisure Centre Limited
R.V. £230
1990 First Appeal
Leisure centre in Swords comprising ground floor snooker and games rooms, first floor snooker rooms and toilets

- 3) Colm Holdings Limited ("Breaks Club"), Drumcondra
R.V. £150
1991 Revision
Amusement hall and snooker club in industrial type building. Poor access via laneway opposite Skylon Hotel. Poor parking facilities.
Held on 10 year lease from June 1986. Rent £24,380 p.a.

Oral Hearing:

The oral hearing took place in Dublin on the 21st of October, 1992. Mr. Binchy of Messrs. Smith-Foy & Partners, Solicitors, appeared on behalf of the appellant. Evidence was given on behalf of the appellant by Mr. Tony Brooks of Messrs. Tony Brooks and Company, Valuation,

Rating and Property Consultants, by Mr. Martin Kinsella of Mr. Frank McHugh and Company, Auditors and by Mr. Sean Lynch, Proprietor of the appellant company.

Mr. Jim Gormley, B.Agr.Sc., District Valuer and Chartered Valuation Surveyor, appeared and gave evidence on behalf of the respondent.

Mr. Lynch, in evidence, said that the premises had been operating at a loss for the past three years. Membership of the centre used to cost £50 but they found that people were unable to pay this to use the facilities and are now charged on the basis that they pay as they use the facilities. He said that he would probably have to close the premises and expressed the view that if he was offered £1,000 a month as rent therefor he would take the same without hesitation.

There was little controversy over what Mr. Lynch had to say. Mr. Gormley referred to his written submission and to the comparisons therein mentioned and indicated that the sum of £170 represented a reasonable rateable valuation.

There was a dispute between the parties as to the square footage involved in the premises. The Tribunal is, however, satisfied that the same is not of great significance as the use of the premises is a paramount consideration.

Determination:

The Tribunal accepts the evidence that the subject premises is a loss making concern that would be difficult to rent on the open market. Taking the foregoing into consideration the Tribunal is satisfied that the rateable valuation thereof should be £90 and so determines.

