

Appeal No. VA92/4/018

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

Castlebar Sports Complex

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hall at Lot On 1y Townland of Gorteendrunagh, Urban District of Castlebar, E.D.
Castlebar Urban, Co. Mayo
Quantum

B E F O R E
Henry Abbott

S.C. Chairman

Veronica Gates

Barrister

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 3RD DAY OF FEBRUARY, 1993

By notice of appeal dated the 3rd day of July, 1992, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £100 on the above described hereditament.

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 property is located on the outskirts of Castlebar town adjacent to Mc Hale G.A.A. park and close to the Golden Mile Industrial Estate. The property comprises a large hall, racket ball courts, squash court, tea room, changing rooms and toilet facilities on the ground floor and a lounge/bar, hall, kitchen, balcony and additional toilet facilities on the first floor. A liquor license extends to the entire building. The approximate floor areas are as follows:

Ground Floor	11,039 ft ²
1st Floor (excluding bar/lounge & W.C.'s)	2,431 ft ²
Bar/Lounge & W.C.'s	1,568 ft ²

All main services are available and the property is in good structural condition.

Tenure

The property is held by Castlebar Sports Complex Limited in fee simple.

Valuation History

The property was first assessed for rating purposes in 1979 at R.V. £125. In 1991 a request was lodged by Castlebar Urban District Council to attribute a separate valuation to the licensed area occupied by Castlebar Mitchels Club. No change was made to the valuation under the 1991 revision. The appellant was aggrieved by this decision and appealed to the Commissioner of Valuation. The Commissioner reduced the valuation to £100 at first appeal.

Written Submissions

A written submission was received from Mr. Patrick J. Nerney, Rateable Valuation Consultant, Valuer & Auctioneer on the 29th January, 1993 on behalf of the appellants. In the written submission Mr. Nerney set out details of the subject premises. He stated that the sports hall was built in 1978 at a cost in the region £110,000 which was funded by way of contributions from

individuals and local business interests, various fund raising activities and a grant of £25,000 from Mayo County Council and a grant from Bord na Gaeilge and contributions from Castlebar Mitchells Gaelic Football Club.

He stated that the premises were operated to a large extent on a voluntary basis and leased to Officers of Castlebar Mitchells trading as An Sportlann at a rent of £100 per annum since the year 1989.

Revenue from the operations accrues to An Sportlann which in turn is responsible for payment of operating costs.

Funds to meet operating costs are raised in a variety of ways including membership fees and charges for the various activities operated in the sports complex. Copies of the accounts for 1989 and 1990 were attached to the written submission. Mr. Nerney stated that from the accounts it was clear that the operation of the bar had a significant impact on the overall funding of the operation and that the survival of the complex depended on having a bar in the premises.

Mr. Nerney stated that the present valuation of £100 represented a net annual value or rental value of £20,000 which is equivalent to almost £400 per week. Mr. Nerney submitted that on any reasonable basis and having regard to the profit earnings capacity of the premises as evidence by the accounts it did not have a net annual value of the order suggested. He stated that the complex operated on a break even situation and that it had accumulated debts prior to 1989. Mr. Nerney submitted that the valuation on the subject hall was considerably higher than that of many business premises in the principal streets of Castlebar town, for example, The Imperial Hotel which had an R.V. of £105. He said that it was £20 higher than the valuations of £80 on a large newsagency, toys, fancy goods, coffee shop in Market Square held under lease at a rent in the region of £20,000 and with direct access to a large public car park. Mr. Nerney stated that

the premises was erected and operated voluntarily by dedicated individuals in the locality encouraged and assisted by the local authority and was not a commercial undertaking. He suggested that it was closer to public use aimed at young and old and had educational elements and is a place in which individuals and groups may participate in sporting, educational and recreational activities at a nominal cost.

He submitted that the operators of the premises would not be in a position to find £4,000 annually to pay the existing level of rates, however, if rates of a realistic order were charged they would in fact be paid. He suggested that a realistic net annual value is the actual lease rent of £100. He referred to Longfords Golf Club (VA/90/2/4) on which a valuation of £50 had been fixed on appeal and suggested that that was a more appropriate level of rateable valuation for the subject premises. Taking everything into account, Mr. Nerney submitted that the N.A.V. on the subject premises should be £6,000 and at .5% that equated to a rateable valuation of £30.

A written submission was also received from Mr. John Colfer a Valuer with 13 years experience in the field of property valuation and an associate member of the Society of Chartered Surveyors in the Republic of Ireland on behalf of the respondent on the 20th January, 1993. In the written submission Mr. Colfer set out details of the property and the valuation history attaching to it.

Commenting on the appellants grounds of appeal, Mr. Colfer stated that the rateable valuation on the subject property is in line with valuations attributed to recently revised properties in the locality, in that it is assessed at .5% of Net Annual Value. He stated that because of the specialised nature of the building and that fact that most halls are owner occupied there was little market rental evidence available in determining N.A.V. so he had had regard to the valuations of properties of a similar nature which were recently revised.

Mr. Colfer set out details of his calculation of the rateable valuation on the subject premises as follows:-

Valuation:

Ground Floor	11,039 ft ² @ £1.20	=	£13,246
1st Floor (part)	2,531 ft ² @ £0.50	=	£ 1,215
Bar/Lounge	1,568 ft ² @ £3.50	=	<u>£ 5,488</u>
			£19,949
@ 0.5%	=	£99.74	Say £100

Mr. Colfer supplied details of four comparisons which are summarised below:-

- (1) Community Centre and Land in R.D. Ballina, Co. Mayo. Rateable Valuation

£125. 1991 revision. Valuation as follows:-

Ground Floor	15,024 ft ² @ £1.50	=	£22,536
1st Floor	2,156 ft ² @ £1.00	=	<u>£ 2,156</u>
			£24,692
@ 0.5%	=	£12,356	Say £125

- (2) Community Centre and Land in R.D. Belmullet, Co. Mayo. Rateable Valuation

£50. 1986 Revision. Valuation as follows:-

Ground Floor	6,197 ft ² @ £1.60/ft ²	=	£9,916
@ 0.5%	=	£49.58	Say £50

- (3) Community Centre, yard and Land in R.D. Gort, Co. Galway. Rateable Valuation

£115. 1987 Revision. Valuation as follows:-

Ground Floor	15,508 ft ² @ £1.30	=	£20,160
1st Floor	5,659 ft ² @ £0.50	=	<u>£ 2,829</u>
			£22,989
@ 0.5%	=	£114.94	Say £115

Mr. Colfer described the property as similar to the subject property although no bar or lounge facilities were available.

(4) Hall and Yard in Banna Chluain Meala, Co. Tipperary. Rateable Valuation £38.

1989 Tribunal determination VA/90/3/61. Valuation as follows:-

5,838 ft @ £1.60 per square foot = £7,740

@ 0.5% = £38.70 **Say £38**

Mr. Colfer stated that this was a band hall situated in the town of Clonmel.

Oral Hearing

The oral hearing took place in Galway on the 2nd day of February, 1993. Mr. Patrick J. Nerney, Rateable Valuation Consultant appeared for the appellants and Mr. John Colfer an appeal valuer who is an associate member of the Society of Chartered Surveyors with 13 years experience in the field of property valuations appeared for the respondent.

Evidence was given by both parties along the lines of their precis and debate ensued between the parties in relation to the fact that on the basis of the low valuation on the band premises in the *Banna Chluain Meala (VA/90/3/61)* appeal before the Tribunal, the valuation of the subject ought to be £120. Mr. Nerney placed great emphasis on the fact that the subject premises housed a struggling enterprise which was finding it extremely difficult to pay its way, he instanced the strong community use which in many instances militated against commercial type returns for the property. He emphasised that the local authority did not appear to have much hope of recovering any rates for the property and stated that the comparisons offered by Mr. Colfer were all in respect of community halls which had been granted the exemption under the 1978 Act. It emerged during the course of debate between the parties that Mr. Colfer had suggested that on a purely concessionary basis in view of the fact that there was a large element of community activity in the hall that a valuation of £80 might be fixed in respect of the property.

Mr. Colfer expressed the view at the hearing that this figure might now be used to the detriment of the tone of the list at a later stage and expressed a wish that the figure if it was to be agreed ought to be placed on record by the Tribunal as being one of concession and not as a determination which would be used in determining other valuations of property constructed in similar fashion.

The Tribunal finds the valuation of the premises to be £80 on the basis that the premises is not a valid comparison, and is not to be used as such.