

Appeal No. VA92/4/022

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

Maisie Teehan

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed House Office and Garden on Lot No. 30.31 Townland of Raghra, E.D.
Shannonbridge, Co. Offaly
Quantum

B E F O R E
Henry Abbott

S.C. Chairman

Mary Devins

Solicitor

Joe Carey

P.C. M.I.A.V.I.

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

By notice of appeal dated the 7th day of July, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £35 on the above described hereditament.

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

The Property

The property consists of a small single storey residential licensed premises. The original building was erected in the last century and constructed of stone wall, solid and timber floors and the entire is covered by a corrugated iron roof. The old premises was purchased in 1988 for £50,000 and £15,000 was expended on renovations which included new windows, some new floors, kitchen extension and general repairs.

Accommodation

The accommodation consists of a kitchen, bar, ladies and gents toilets and the residential area comprising a livingroom, store, one bedroom together with w.c. and shower.

Valuation History

Prior to the 1990 revision there was an old valuation of £2.85 on the premises. In 1990 the valuation was increased to £35, an appeal was lodged with the Commissioner of Valuation against this figure and no change was made as first appeal stage. It is against this valuation that the appeal now lies with the Valuation Tribunal.

Written Submissions

A written submission was received on the 19th October, 1992 from Tony Brooks of Tony Brooks and Company, Valuation, Rating and Property Consultants. In the written submission Mr. Brooks set out details of the property and the valuation history. Mr. Brooks set out details of why he considered the rateable valuation should be reduced as follows:-

- (1) The village is a small village of around 1,300 people and the environs of Shannonbridge are sparsely populated.
- (2) Apart from the E.S.B. station there is no industry in the area.

- (3) The cruisers and boating people tend to stop at the larger towns for example Killaloe, Portumna and Athlone.
- (4) There is competition from the three other licensed premises in the vicinity.
- (5) The premises is an old one with a corrugated iron roof.

In the written submission Mr. Brooks set out details of his method of calculating the rateable valuation as follows:-

"We have estimated an N.A.V. of the subject premises to be £4,492 when all factors are taken into account.

We have calculated this figure as follows:

Bar	548 sq.ft. @	£4.00 p.s.f.	=	£2,192
Kitchen	105 sq.ft. @	£3.00 p.s.f.	=	£ 315
Store	70 sq.ft. @	£1.50 p.s.f.	=	£ 105
Add for Licence	£12,000 @ 15y.p.(x7%)		=	£ 840
Residential	£12 per week		=	<u>£1,040</u>
				£4,492

N.A.V. £4,492

R.V. @ .5% **Say £22"**

Mr. Brooks also supplied details of the competing premises in Shannonbridge, i.e. Killeen's R.V. £75 which is also subject to a Tribunal appeal, Flynn's an old two storey premises with an old R.V. £6 and Eric Luker's a modern two storey premises erected in 1989 with an R.V. £60, also subject to a Tribunal appeal.

A written submission was also received from Mr. Christopher Hicks of the Valuation Office on behalf of the Respondent. In the written submission Mr. Hicks described Shannonbridge as a small town with only 300 inhabitants but with an E.S.B. generating station which employed over 200 people. He included a list of all Valuation Office recorded sales of licensed premises in County Offaly as relevant comparisons for his estimated capital value on the subject premises of £65,000 see Appendix A.

He also gave details of other relevant comparisons as follows:

- (1) Potters Bar, Daingan, Co. Offaly. R.V. £60 fixed on 1990 First Appeal.
- (2) Ryans Pub, Horseleap, Co. Offaly. R.V. £50 fixed in 1989.
- (3) Repts. Sean Hynes, Castlerea, Co. Roscommon. R.V. £30 fixed by the Tribunal.

Mr. Hicks set out details of his calculation of the R.V. on the subject premises as follows:-

"This property was purchased in a derelict condition in 1988 for £50,000. Major improvements involving significant expenditure have been carried out since then and appellant states that he has had a professional valuation carried out recently giving a value of £65,000.

I propose to accept this figure as the capital value:-

£65,000 @ 11% yield = N.A.V. £7,150 @ .5% = £35.75

Say R.V. £35.00

OR

Turnover £75,000 @ 9% = £6,750 @ .5% = £33.75

Say R.V. £35.00"

Oral Hearing

At the oral hearing which took place on 28th October, 1992, Mr. Anthony Brooks represented the appellant. Mr. Christopher Hicks appeared on behalf of the respondent.

Mr. Brooks stated that the property was a very small single storey stone structure with a corrugated iron roof which had been bought by the appellant in 1988 for £50,000. He said that £15,000 had been expended on renovations.

Mr. Brooks stated that the comparisons put forward by Mr. Hicks were mostly much better premises and in much better locations than the subject. He stressed that the subject property was very old and that in spite of the extremely hard work of the appellant, more trade could not be generated and that the maximum N.A.V. of the subject was £4492.

Mr. Anthony Teehan, the husband of the appellant gave evidence that the purchase price of £50,000 had been paid in stages over a number of years. He explained that he and his wife had done everything possible to generate trade but that because of the location of the premises, the bulk of the trade went to the neighbouring licensed premises, Killeens, which was a long established and successful business.

Mr. Hicks referred to his written submission and stressed the advantage of the location on the Shannon and the fact that there were only 3 other licensed premises in the town of Shannonbridge.

His estimate of Capital Value at £65,000 was based on recorded sales of other licensed premises in County Offaly as set out on page 3, also on his estimate of turnover at £75,000, and on the professional valuation which the appellant had had recently carried out.

Findings

The Tribunal accepts Mr. Hicks evidence in relation to the advantage of location and the capital value of the subject premises.

Mr. Teehan, however, has given convincing evidence as to the extreme efforts the appellant has made to achieve the full potential of these licensed premises.

The Tribunal is satisfied that a potential tenant would take note of the inherent and apparently insurmountable disadvantages of the premises. These disadvantages are exacerbated by the proximity of a long established and successful competitor.

Accordingly, the Tribunal is of the opinion that the correct R.V. of the subject premises is £27 and so determines.