

Appeal No. VA92/4/035

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

Eric Luker

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed House Office, and Garage at Lot No. 3 Town of Shannonbridge, Townland of Cloniffeen, 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 8th day of July, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £60.50 on the above described hereditament.

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

The Property

The property consists of a two storey premises built of concrete block walls and roofed with asbestos slates.

Accommodation

The accommodation consists of a street level commercial bar, lounge, store and toilets and residential kitchen and sittingroom, and at first floor level residential only of three bedrooms with a bathroom.

Valuation History

The valuation prior to 1990 was assessed at £11.50 because the building had fallen into disrepair. Mr. Luker was obliged in 1989 to build a new house along side. An R.V. of £60 was then assessed on the new premises and the Commissioner of Valuation made no change to the amount at first appeal.

Written Submissions

A written submission was received on the 16th October, 1992 from Mr. Patrick Gannon, a Valuer of Hennigan & Company, Rateable Valuation Consultants and Valuers of Upper Mount Street, Dublin 2 on behalf of the appellant. In the submission Mr. Gannon set out details of the premises, its history and valuation and described its location as being in a small Shannon side village with little through traffic throughout the greater part of the year. Mr. Gannon stated that it would be very difficult to secure a tenant on an annual basis for the premises as the village is too small and too distant from any centre of significant commercial activity, being 16 miles from Athlone and 25 miles from Birr. Details of the accounts for the licensed house from 1988 to 1991 were supplied.

Mr. Gannon set out his estimate of Net Annual Value and Rateable Valuation as follows:-

"Bar & Lounge 573 sq.ft. @ £4.00 p.s.f.	=	£2,292
Store/Toilets 228 sq.ft. @ £1.50 p.s.f.	=	£ 342
Add for Licence £12,000 @ 15 Y.P. (x7%)	=	<u>£ 840</u>
		£3,474
Residential: 1,140 sq.ft. @ £2.50 p.s.f.	=	£2,850
Plus Basement say	=	<u>£ 250</u>
		£6,574

N.A.V. £6,500

R.V. @ .5% = **Say £32**

Mr. Gannon also calculated the N.A.V. on the basis of turnover as follows:-

"Alternatively on the basis of turnover I would estimate the N.A.V. as follows:-

Turnover - £50,000 @ 7% for N.A.V.	=	£3,500
Residential (incl. Basement)		
At £60 p.w. X 52	=	<u>£3,120</u>
		£6,620

N.A.V. £6,500

R.V. @ .5% = **Say £32**

In the written submission Mr. Gannon offered the following comparisons:-

- (1) Killeen's - A large modern licensed house, shop, stores and yard in the centre of the village. R.V. £75 fixed in 1990 now subject to Appeal.
- (2) Teehan's - A smaller residential premises with a better location. R.V. £35 fixed in 1990 now subject to Appeal.
- (3) Flynn's - Also located in the centre of the village. R.V. £6.

A written submission was also received on 21st October, 1992 from Mr. Christopher Hicks, a Valuer with the Valuation Office on behalf of the respondent. In the written submission Mr. Hicks described the location of the licensed premises and offered details of recorded sales of licensed premises in County Offaly as relevant comparisons for his estimate of the capital value of the subject premises. Attached at Appendix A.

Mr. Hicks offered details of comparisons as follows:-

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

Oral Hearing

At the oral hearing which took place in Dublin on 28th October, 1992 the appellant was represented by Mr. Patrick Gannon of Messrs. Hennigan & Company. Mr. Christopher Hicks of the Valuation Office appeared on behalf of the respondent.

Mr. Gannon referred to his written precis of evidence, particularly to his supplementary submission which is appended hereto as Appendix A.

Mr. Gannon explained that the subject premises had been constructed in 1989 by the elderly owner alongside the original licensed house which had fallen into disrepair. He said, in evidence that the new premises had been built to the most basic standards.

Mr. Gannon went on to state that the premises were not open for trade until around 8.00 pm and that these limited trading hours resulted from lack of trade generally and from the owner's personal circumstances.

Mr. Hicks contended that there was no sound basis for Mr. Gannon's estimate of capital value and N.A.V. as set out in his supplementary precis. He said that to value a licence in Shannonbridge at £12,000 was a gross understatement of value and that the main factors in the sale of Teehan's public house (a comparison adduced by both parties) was the licence, which, in his opinion, represented half of the purchase price of £50,000.

Mr. Hicks stated that the location of the subject premises was excellent, situated as it was, on the Shannon which attracted a considerable amount of tourist trade. He also pointed out that even though Shannonbridge was a small town, it had only 4 licensed premises, a small amount by comparison with most other Irish towns.

Findings

The Tribunal notes and accepts Mr. Gannon's expertise in assessing the capital value of the subject premises. It is conscious, however of the considerable attractions to the location of the premises, taking into account its situation in a town accessible to the considerable boating tourist trade on the Shannon and the paucity of competitors in the immediate vicinity, and feels that his estimate of the value of the licence may be somewhat small.

It seems clear too, that the present owner, for various reasons is not maximising the property to its full potential.

The Tribunal however, accepts that the building has been constructed to an fairly basic and utilitarian finish.

Taking all of the above into account and valuing the premises "rebus sic stantibus" and on the basis of what a prospective tenant would pay in terms of rent the Tribunal is of the opinion that the correct R.V. of the subject is £50 and so determines.