

Appeal No. VA92/5/015

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

**Firkin Crane Development Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Theatre at Lot No. 1, O'Connell Square, E.D. Shandon B, County Borough of Cork  
Quantum

**B E F O R E**  
**Henry Abbott**

**S.C. Chairman**

**Brian O'Farrell**

**Valuer**

**Paddy Farry**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 25TH DAY OF MARCH, 1993**

By Notice of Appeal dated the 10th of August, 1992 the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £400 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive because the Centre will be used as a Cultural one by the North side Community in Cork which is an area experiencing high unemployment and charges must be kept relatively low, despite the running costs involved".

### **The Property**

The property comprises the former Buttery Exchange Building located in Shandon on the north side of Cork City. It is used as a cultural centre for dance, theatre, music and other forms of live entertainment. The building has been completely refurbished from a the state of total dereliction. It now has facilities for a variety of uses mainly in the field of the performing arts. The accommodation includes:-

- (1) Ground Floor - Display area, Changing Rooms, Theatre (70 seats), Office, Stores, Toilet, Green Room.
- (2) First Floor - Main Theatre (238 seats), 2 studios
- (3) Mezzanine - Stores, Offices

### **Tenure**

The Property is held in freehold.

### **Valuation History**

The property was first valued as Cork Buttery Market early 1900 at £40. In 1904 this valuation due to a fall off in trade was reduced to £25. It was then valued as Shandon Castle Margarine Factory in 1912 but the valuation was not increased until 1916 when it was valued at £27. In 1951 the valuation was further increased to £60 and remained at this level until 1979. The valuation was then struck out as the property had become derelict. It was then purchased by the National Ballet Company but later sold to the present owners. As a result of extensive refurbishment the valuation was increased to £440 in 1991. Following an appeal to the Commissioner of Valuation this was reduced to £400 which is now the subject of this appeal.

### **Written Submissions**

A written submission was received from Mr. William Peard, Secretary and Administrator of Firkin Crane Development Company Limited on the 3rd March, 1993. In the written submission Mr. Peard stated that the company had been granted charitable status on the 9th of June, 1986 CHY 6869. The centre is located on the north side of Cork City in an area which has a very high level of unemployment. The policy of the directors of the company who receive no fees is to maximise the use of the building over a wide spectrum of arts. Mr. Peard stated that this

involved the free use of the centre by Community groups for rehearsals and very low costs for performances.

He stated that the maximum seating capacity of 238 seats did not allow for touring companies to use the facilities as they required greater capacity for their shows. No grants were available from any authority or company towards the running costs of the centre. The proposed valuation of £400 would mean a rate demand of over £14,000 on the present rate of £35.30 in the pound. This amount in addition to the annual running of £400 would mean the centre would not be a viable one.

A written submission was received from Mr. Peter Conroy, a District Valuer with 22 years experience in the Valuation Office on the 19th March, 1993 on behalf of the respondent. In the written submission Mr. Conroy described the property and the valuation history. Commenting on the appellants grounds of appeal he stated that "the valuation was not excessive. It has been assessed in accordance with the provisions of the Valuation Acts in that it is comparable to other properties used for a similar purpose which have been recently revised".

Mr. Conroy stated that the property is located in a designated area and as a result it is entitled to 10 years remission of rates where new development is carried out. As the rateable valuation was nil prior to 1991 revision, the entire valuation of £400 qualifies for remission. In other words, no rates are payable on the property until the year 2000.

He calculated the valuation on the property as follows:-

Capital Value

|                        |                 |
|------------------------|-----------------|
| 1990 Purchase Price    | £ 64,000        |
| 1990 Expenditure       | £566,502        |
| 1991 Expenditure       | <u>£332,720</u> |
|                        | £963,574        |
| Estimate Capital Value | £900,000        |
| Decapitalise @ 7% =    | £ 63,000        |
| R.V. @ .63% =          | £396.90         |

**Say £400**

**OR**

|                        |                   |   |                |
|------------------------|-------------------|---|----------------|
| <b>Ground Floor</b>    | 5800sq.ft @ £6    | = | £34,800        |
| <b>Frist Floor</b>     | 5800sq.ft. @ £4   | = | £23,200        |
| <b>Mezzanine Floor</b> | 1300sq.ft @ £3.50 | = | <u>£ 4,550</u> |
|                        |                   |   | £62,550        |

**N.A.V. £62,550 @ .63% = £394.00**

**OR**

|                                  |                 |   |                |
|----------------------------------|-----------------|---|----------------|
| Ground Floor & Mazzanine N.A.V.  | £39,350 @ 0.63% | = | £247.90        |
| Theatre 238 Seats @ 60p per seat |                 | = | <u>£142.80</u> |
|                                  |                 |   | £390.70        |

Mr. Conroy offered a number of comparisons of social centres in the Cork area and these are summarised below:-

## (1) Donaghmore Community Centre,

R.D. Macroom,

1990 First Appeal

|                         |           |          |
|-------------------------|-----------|----------|
| Site Cost               | £ 4,500}  |          |
| Building                | £142,000} | £146,500 |
| Estimated Capital Value | £146,000  |          |
| Decapitalise @ 7%       | £ 10,220  |          |
| R.V. @ 0.5% =           | £51.10    |          |

**Say £50.00**

## (2) Aghabulloge GAA Community Centre,

R.D. Macroom,

Estimate of Capital Value £200,000

Decapitalise @ 7% £ 14,000

**R.V. @ 0.5% £70.00 (Agreed at £60)**

## (3) Conna Community Centre,

R.D. Fermoy,

Estimate of Capital Value £250,000

Decapitalise @ 7% £ 25,000

**R.V. @ 0.5% £125.00**

He also offered the comparisons of two grant aided cultural entertainment centres:-

(1) Siamsa Tire Teo

U.D. Tralee,

1991 First Appeal

R.V. £185

Basis used 360 seats @ 52p per seat.

(2) Bru Boru

U.D. Cashel,

1991 Revision

R.V. =£375

Basis used 12,620 seats @ £6 p.s.f. = £75,728

N.A.V. @ £75,700

R.V. @ 0.5% = £378.50

**Say £375**

**Oral Hearing**

The oral hearing herein took place at City Hall, Cork on the 25th March, 1993. Mr. Eric Peard, Company Secretary appeared for the appellant and Mr. Peter Conroy, a District Valuer appeared for the respondent.

Mr. Peard outlined and expanded on the history of the subject as it appears in the submission of the respondent. It is clear that the property was not funded in the normal commercial way but depended on contributions. It is a new project overshadowed by the high seating capacity of other more commercially established venues in Cork. It is hoped that it may establish a turnover of patrons through encouragement of schools variety and drama, small business meetings and the development of ethnic Irish entertainment with the assistance of such bodies as Comhaltas Ceoltoiri.

After some discussion, it was agreed that all indications were that while the N.A.V. put forward by the respondents had not much reality the embarking by the Tribunal to find an N.A.V. on any other basis would be highly speculative. While the Tribunal would not hesitate to resolve such a difficult situation normally, it is of the opinion that the valuation can be affirmed in this case without being in any way a precedent but for the purpose of clearing the way to have another opportunity for revision whenever the facts are clarified with arrangements to apply for a

subsequent exemption on the emergence of the pattern of user and potential of the premises pointing to a likely N.A.V..

On that basis only the Tribunal finds the valuation of the subject to be £400.00