

Appeal No. VA92/6/021

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

New Ross Rugby Football Club

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Clubhouse at Lot No: On 3B, Townland: Southknock, E.D. New Ross Rural, Co. Wexford

Quantum - Emphasis on youth training

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Mary Devins

Solicitor

Padraig Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 2ND DAY OF APRIL, 1993

By Notice of Appeal dated the 28th day of October, 1992 the appellants appealed against the Commissioner 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 as attached to this judgment and summarised below:-

- 1) Net Annual Value - the licence for the sale of alcoholic drink is non-transferrable and would cease should the club cease. The premises has no other commercial value.
- 2) Current Commercial Value - the turnover of approximately £25,000 is achieved with all voluntary labour. On a commercial basis with paid labour it would lose money.

- 3) The ground on which the club is built is owned by the I.R.F.U. and option of sale or lease is not open to the club. The grounds can only be used for the promotion of rugby and the landlord would not countenance any commercial use. The position of the grounds also mitigate against improving trade in that it is located outside of town with no pubs, shops or commercial premises adjacent. It is only open on Sundays for matches and occasional Friday nights. It is closed for the off season from early April to September. No discos can be held because the maximum number allowed on the premises under the Fire Regulations is 100. Furthermore, the club can only be used by members.

- 4) As a football club it is not a profit making organisation and no monies or profits or any other disbursements are made to members. Any profits earned are used to support areas of club activity which cannot generate funds themselves.

The Premises:

The property is situated in the grounds of New Ross Rugby Club on a secondary road on the outskirts of the town of New Ross. The buildings consist of a club bar and kitchen with ancillary buildings to the rear containing stores and boiler house and a separate building containing club dressingrooms, showers and toilets. The buildings contain the club bar and club dressingrooms and are single storey and are constructed of concrete block walls and tiled roof. The kitchen is constructed with concrete block walls and felt roof and the ancillary buildings are constructed with concrete block walls and roofs. All main services are connected to the property.

Valuation History:

The property was first listed by the local authority in 1975 to value new clubhouse and the valuation was fixed at £8.50. The property was again listed for revision in 1991 and the valuation was increased to £40 to take account of an enlarged bar and kitchen area, and an additional building containing dressingroom, shower and toilets. At First Appeal the Commissioner reduced the valuation to £35 and it is against this amount that an appeal lies with the Tribunal.

Written Submission:

A written submission was received on the 15th March, 1993 from Mr. Des Moloney, M.I.A.P.V., Auctioneer and Valuer of Moloney Auctioneers and Valuers, 16, North Street, New Ross, Co. Wexford, on behalf of the appellant. In the written submission Mr. Moloney set out the grounds of appeal as follows:-

- 1) The New Ross R.F.C. is not a commercial property. The bar is the only source of income that they have and it is only open on Friday nights and Sundays after matches. As the profit margin is so small i.e. 89/90 - £263, 90/91 - Deficit £5, the increase in rates is just not attainable.
- 2) The total costs in running a club are taken from the bar profits.
- 3) The club incurs enormous costs in training and coaching senior and especially youths teams.

A written submission was also received from Mr. Tom Cuddihy, a District Valuer with 25 years experience in the Valuation Office, on the 25th March, 1993 on behalf of the respondent. In the written submission Mr. Cuddihy set out details of the property and valuation history as summarised above.

Commenting on the appellant's grounds of appeal Mr. Cuddihy stated that the club was similar to most other sports clubs throughout the country which are also dependent on the voluntary support of members and whose success is measured not by the result from the balance sheet at the end of the year, but rather by the benefit accruing to members and their families through the participation in the various sports and activities provided by the club. The old R.V. of £8.50 referred to the original clubhouse which is a fairly basic type building with a felt roof. The present clubhouse comprises two main buildings, one containing a modern bar and kitchen and w.c.'s and the other, changing room and showers. The existing premises is more than four times the size of the old clubhouse.

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

Valuation Method

Given the nature of this premises and the availability of recently revised similar properties, the comparative method of valuation is relied upon.

Rateable Valuation And Net Annual Value

In arriving at the rateable valuation particular regard was had to the relationship of R.V.'s to rental levels for recently revised comparative properties in the area.

Valuation Basis

Clubhouse	1,333sq.ft. @ £2.50 psf = £3,332
Dressing Room	1,797sq.ft. @ £2.00 psf = <u>£3,594</u>
	£6,926

Est. N.A.V. = £7,000 x .5% = £35.00

Comment

This is an attractive clubhouse outside the town of New Ross and has a distinct advantage over many similar sports clubs in having a licenced bar on the premises allowing the club to hold social functions and entertain visiting teams.

Mr. Cuddihy also gave details of comparisons as follows:-

1) Trustees of St. Martins G.A.A. Club - R.D. Wexford

Entrance & Reception	1,076sq.ft. @ £2.50psf = £ 2,690
Kitchen, bar, snooker room Badminton, squash court, & handball ally	3,830sq.ft. @ £3.00psf = £11,490
Dressing Room	3,863sq.ft. @ £2.00psf = £ 7,726
	2,184sq.ft. @ £2.00psf = <u>£ 4,368</u>
	£26,274

Est. N.A.V. = £26,000 @ .5% = £130.00 R.V.

2) Wexford Wanderers Football Club - R.D. Wexford

Bar	2,647sq.ft. @ £3.00psf = £ 7,941
Est. hall & dressing room	3,583sq.ft. @ £2.25psf = £ 8,061
Store	129sq.ft. @ £1.00psf = <u>£ 129</u>
	£16,131

Est. N.A.V. = £16,000 x .5% = £80.00 R.V.

3) Buffers Alley G.A.A. Club - R.D. Gorey

Clubhouse G.F.	2,604sq.ft. @ £2.00 = £5,208
Clubhouse 1st floor	527sq.ft. @ £1.00 = £ 527
Drying Room	505sq.ft. @ £1.00 = <u>£ 505</u>

£6,240

Est. N.A.V. = £6,000 x .5% = £30.00 R.V.

Finally, Mr. Cuddihy stated that an examination of the comparisons adduced showed that the appellant premises compared favourably with similar type properties within the county.

Oral Hearing:

The oral hearing took place at the Courthouse, Wexford on the 1st April, 1993. Mr. Tom Cuddihy, a District Valuer, with 25 years experience in the Valuation Office and a Bachelor of Agriculture Science, appeared on behalf of the Commissioner. Mr. Desmond Moloney, Auctioneer and Valuer of Messrs. Moloney Auctioneers and Valuers, appeared on behalf of the appellant, and, in his capacity as a member of the appellant club, was in a position to give direct evidence. In addition Mr. Patrick Doyle also gave evidence on behalf of the appellant.

Mr. Moloney referred to his written submission and said that he agreed with the square footage areas given by Mr. Cuddihy in his submission. He did not accept that the comparisons offered by Mr. Cuddihy were valid on the basis that the clubs in question were long established. The subject club was established for only 21 years. It fielded two senior teams and an over 35's together with a number of junior teams. He said that the juniors contributed nothing financially to the club and the paid up membership was about 50 people at a subscription of £35 each. He said that the subject premises was smaller than all the comparisons and they could not hold functions such as discos. The bar only opened at weekends and, New Ross being well serviced by public houses, did very little business. He suggested a rateable valuation of £20.

Mr. Doyle said that in addition to the senior teams the club fielded two under 8 teams, two under 10 teams, two under 12 teams and one each of under 14's, under 16's and under 18's. He said that fire regulations limited the number of people in the bar to 100 people.

Mr. Cuddihy relied upon his written submission. He indicated that the rise in rateable valuation from £8.50 to £35 did not represent the true picture as the premises had been improved in the interim, but had not been listed for revision. He considered that an appropriate rateable valuation for the premises before the addition of the new building would have been £17-£18. On this, Mr. Doyle thought the appropriate figure would be £10-£12.

Determination:

The Tribunal has considered all of the foregoing. It is satisfied that Mr. Cuddihy's methodology is perfectly valid and that he has approached the case in a fair manner doing his best to achieve a form of uniformity between clubs such as this. The Tribunal is further satisfied that the subject premises differs considerably from the comparisons in that it is smaller and has a far greater emphasis upon youth and sports than on the money generating social side of such clubs. In these particular and somewhat exceptional circumstances the Tribunal would consider £2.25 to be an appropriate value per square foot in respect of the clubhouse and £1.50 in respect of the dressing room. Applying these figures to the valuation basis adopted by Mr. Cuddihy at page 7 of his submission the Tribunal determines that the appropriate rateable valuation should be £28.