

Appeal No. VA93/1/024

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

**Michael & Esther Regan**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed House, Jetty and Land at Map Ref: 3Aa Townland of Kilfaughna, Crossna Ward,  
R.D. Boyle I, Co. Roscommon  
Quantum

**B E F O R E**

**Paul Butler**

**S.C. (Acting Chairman)**

**Mary Devins**

**Solicitor**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 10TH DAY OF SEPTEMBER, 1993**

By Notice of Appeal dated the 23rd February, 1993 the appellants appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £60.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive owing to the nature and type of business carried on. The location of the premises is remote and the premises has to close down completely from January to Easter. The business is not able to sustain the level of rates nor is it justified when the type, structure, nature and square footage of the building is taken into account."

### **The Property**

The premises consists of an old building which has been reconstructed and extended and operates as a licensed house and restaurant. The main section is two storey stone and slate with conservatory style additions to each end. There is also a recently constructed fixed mooring on the lake shore. The location is a minor road between Boyle and Keadow on the banks of Lough Key close to its access point to the Shannon. It is two miles by water from the Lough Key Forest Park Complex.

### **Written Submissions**

A written submission was received on the 6th September, 1993 from Mr. Patrick J. Nerney, Rateable Valuation Consultant, Valuer and Auctioneer on behalf of the appellants. In the written submission (which is attached to this judgement) Mr. Nerney said that the valuation was revised in 1991 phase 4 and increased from £4.00 to £60.00 on buildings and noted that the property should be re-listed to value restaurant and domestic portions which were unfinished. The valuation was therefore revised again in 1992 phase 3 and an amount of £60.00 entered for buildings. Mr. Nerney stated that he understood that the entire premises were not included in the valuation of £60.00 and that the hereditament has already been listed for future revision. In assessing the Rateable Valuation on the subject premises Mr. Nerney stated that he proposed to deal with the valuation of the entire accepting however, that a proportion would require to be deferred pending further revision being carried out. He set out his calculation of the Net Annual Value and Rateable Valuation on the subject premises as follows:-

Turnover for the year ended 30th June was £102,000.

Turnover for the previous year was £76,800

On that basis Mr. Nerney stated that in his opinion the Net Annual Value of the entire as they stand at present is £8,000 and a fair valuation of £40.00 is estimated as follows:-

#### Net Annual Value

£150 per week X 52 = £7,800

#### R.V.

N.A.V. £7,800 @ 0.5% = £40

He further stated that an estimate of Net Annual Value based on, say 7%, of the more recent turnover figure of £102,000 indicated an N.A.V. of £7,000 for 1993. Adjusting to 1988 levels for valuation relativity purposes reduced the effective N.A.V. to approximately £6,000 which in

turn would give a Rateable Valuation of £30 based on R.V./N.A.V. ratio of .5%. Mr. Nerney said that the period of operation and trading for the new and different type venture was inadequate to gauge future trends. Mr. Nerney stated that Cootehall Yacht and Country Club was valued at £35.00 fixed in the recent past, which premises are in a better and more attractive location than the subject and effectively competed with it. He also compared the subject to Crew's Inn, Ruskey, with a Rateable Valuation of £55.00 fixed on First Appeal in 1984. Finally Mr. Nerney said that the valuation on the subject premises was one of the highest on public houses in the general area including the Town of Boyle.

A written submission was received on the 25th August, 1993 from Mr. Christopher Hicks of the Valuation Office on behalf of the Respondent. Mr. Hicks in the written submission set out his calculation of the Rateable Valuation on the subject premises as follows:-

|                              |                      |   |            |   |          |   |      |   |               |
|------------------------------|----------------------|---|------------|---|----------|---|------|---|---------------|
| Bar/Lounge:                  | 1400 ft <sup>2</sup> | @ | £6.00      | = | £8,400   | @ | 0.5% | = | £42.00        |
| Restaurant (Right hand wing) |                      |   | incomplete | = | no value |   |      |   |               |
| First Floor:                 |                      |   | incomplete | = | no value |   |      |   |               |
| Moorings:                    | Capital Cost £60,000 | @ | 6.5%       | = | £3,900   | @ | 0.5% | = | <u>£20.00</u> |
|                              |                      |   |            |   |          |   |      |   | £62.00        |
|                              |                      |   |            |   |          |   |      |   | R.V. £60.00   |

Mr. Hicks also compared the subject to Cootehall Yacht and County Club R.V. £35.00 and Eric Luker, Shannonbridge R.V. £50.00 fixed in 1992.

### **Oral Hearing**

The oral hearing took place in the Council Chambers, Galway on the 9th day of September, 1993. Mr. Vincent Harrington, Solicitor of Messrs Henry J. Wynne & Company appeared on behalf of the appellant and Mr. Hicks appeared on behalf of the respondent. One of the appellants, Mr. Michael Regan and Mr. Patrick J. Nerney, Rateable Valuation Consultant, Valuer & Auctioneer gave evidence on behalf of the appellant.

Both sides relied upon their written submissions. Mr. Regan indicated that the restaurant that was incomplete at the time of valuation is now open. He said that the capital cost of building "the moorings" amounted to £50,000 and not £60,000 used by Mr. Hicks in computing his valuation. He gave turnover figures as set out in the submission above referred to and said that

the turnover in the bar and lounge was almost entirely dependent upon usage of "the moorings" and he viewed the same rather as a public house car park.

The Tribunal accepts the method of valuation adopted by Mr. Hicks. It is, however, clear that the bar and the moorings should not be viewed in isolation because of the dependence of the former upon the later. Having regard to the foregoing and to the evidence of capital cost of "the moorings" the Tribunal finds that it should approach the matter, using Mr. Hicks method, on the basis of £5.00 per square foot for the bar/lounge giving a Rateable Valuation in respect thereof of £35.00 and a Rateable Valuation for the moorings of £16.00 making together the sum of £51.00.