

Appeal No. VA93/3/022

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

Parecis Enterprises Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Mountview Inn - Licensed Shop at Map Ref: 12F/Unit 8, Mountview Shopping Centre,
Townland of Coolmine, E.D. Blanchardstown - Coolmine, R.D. Dublin - Fingal, Co. Dublin
Quantum - Percentage of turnover, tone of the list

B E F O R E
Henry Abbott

S.C. Chairman

Mary Devins

Solicitor

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 8TH DAY OF JULY, 1994

By Notice of Appeal dated the 10th August, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £380.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

- "(1) The Valuation is excessive and inequitable.
- (2) The Valuation is bad in law."

The Property:

The property is located in the Mountview Shopping Centre on the edge of the Fortlawn Estate about 1½ miles west of Blanchardstown village. The shopping centre is a purpose built neighbourhood centre developed on foot of the construction by Dublin Corporation of the Fortlawn Housing Estate. It comprises a total of 7 shop units extending to less than 7,000 square feet together with a bookies office and a Dublin Corporation Rent Collection office. The subject itself is rectangular in shape with separate access to the bar and lounge areas, separated by light partitioning. The former bottle store is now used as a pool room with access off the bar. There are separate male and female toilets to the bar and lounge areas. In addition, there are service areas comprising a bottle store, cold room and lobby area, managers office and a small covered yard. Externally, there is a small walled rear yard and boiler house. The accommodation consists of:

Bar	1,749 sq.ft.
Lounge	1,652 sq.ft.
Pool Room	497 sq.ft.
Bottle Store	91 sq.ft.
Cold Room and Lobby	78 sq.ft.
Manager's Office	77 sq.ft.
Toilets	
Covered Yard	
Boiler House	

Valuation History:

The property was revised in 1986 at R.V. £290.00. It was revised again at 1990 revision when the valuation was increased to R.V. £380.00. At First Appeal in 1990 the R.V. was reduced to £290.00. The property was revised in 1991 and the R.V. increased again to £380.00. At First Appeal no change was made to this valuation and it is against this valuation that the appeal lies to the Tribunal.

Written Submissions:

A written submission and photographs were received on the 25th January, 1994 from Mr. Desmond Killen, F.R.I.C.S., F.S.C.S., I.R.R.V., a Fellow of the Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited on behalf of the appellant. In the written submission, Mr. Killen described the property and its valuation history as set out above, and said that, in his view, the valuation could be established using

the rental method, the profits method and the comparative method and he set out his calculation of the valuation on the subject premises using these methods in detail in the written submission.

In summary, Mr. Killen, said that the correct N.A.V. calculated by reference to the accounts was N.A.V. £36,560, R.V. £230.00.

A written submission was received on the 21st January, 1994 from Mr. Christopher Hicks, Appeal Valuer on behalf of the respondent. In his written submission Mr. Hicks said that an analysis of the figures available from a list of rents on public houses included in his written submission provided a method of setting rent on other non-rented public houses. He said that the main determinant of valuation in licensed premises was turnover. He said the rent could be expected to vary from between 9% and 14% of annual turnover. He said the factors which determined the percentage applying where:-

- (a) Level of Turnover.
- (b) Gross Profit.

He said that pubs renting at 14% and more of turnover where likely to have turnover in excess of £1,000,000 per annum whereas pubs doing only £100,000 per annum were unlikely to achieve a rent of more than 9%. In relation to gross profit, Mr. Hicks said that, this was a function of prices charged which in turn reflected location and condition of the building. He said a figure of 25% of gross profit was a normal approximation of rental value. Mr. Hicks supplied details of turnover in relation to:-

- (1) Roselawn Inn
- (2) Corduff Inn.
- (3) Mulhuddart House.

He assessed his calculation of the Rateable Valuation on the subject premises as follows:-

T.O. 1991: =	£746,000}	£795,000	
	+ ½ of £ 97,000}	x 0.906	= £720,000
 T.O. 1990: =	 £703,000}	 £742,000	
	+ ½ of £ 77,000}	x 0.934	= £693,000

T.O. 1989: =	£590,000}	£632,000		
	+ ½ of £ 85,000}	x 0.962	=	<u>£608,000</u>
		Average	=	£674,000
Allow ½ of 22% for 1992/3 T.O.		Less 11%	=	£600,000
@ 10.2% (as Corduff Inn)	=	N.A.V.=		£61,200
		@ 0.63%	=	£385.56
		R.V.	=	£380.00

Oral Hearing:

The oral hearing took place in Dublin on the 31st January, 1994. Mr. Desmond M. Killen with Mr. Alan McMillan of Donal O'Buachalla & Company Limited appeared for the appellant and Mr. Christopher Hicks of the Valuation Office appeared for the respondent.

From the outset it appeared that the location of the subject did not live up to initial expectations in so far as expected local authority housing did not expand and also the premises had been threatened with partial eclipse from the development of another premises nearby.

Nevertheless, it emerged that the premises has a reasonably healthy turnover.

While Mr. Hicks argued for high percentages of turnover to be used as conversion factors to N.A.V. drawing on his recent experience of public house lettings in the Dublin area, he settled at the ratio of 10.02% as a determinant of the N.A.V. in the subject case based on the conversion factor used in Corduff Inn.

The Tribunal approves of this approach but differs from it in so far as it considers that the Corduff Inn probably has a more secure future and possibly more potential than the subject. Accordingly, bearing in mind the necessity to avoid using the highest excesses of rent recently exhibited in the public house sector and the need to maintain a tone of the list within the many premises adduced as comparisons, the Tribunal finds that the rateable valuation of the subject is £330 and so determines.

