

Appeal No. VA93/3/035

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

Trustees of Punchestown Racecourse

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Stadium and Land at Map Reference: Part 3a, Townland: Punchestown Great, E.D.: Killashee, R.D. Naas 1, Co. Kildare

Quantum - Economic reality to be taken in account in assessing NAV of racecourse

B E F O R E

Mary Devins

Solicitor (Acting Chairman)

Brian O'Farrell

Valuer

Paddy Farry

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 4TH DAY OF MAY, 1994

By Notice of Appeal dated the 11th day of August, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £375 on the above described hereditament.

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

"The Rateable Valuation is excessive, inequitable and bad in law."

The Property:

The property is situated at Punchestown Race Course located about 2½ miles south of Naas and 22 miles south west of Dublin.

The property comprises the Grandstand, covered and opened stands, bars and restaurants, weighroom and jockey's changing rooms, parade ring, ambulance rooms, offices, toilets, entrance stiles, 104 stables, various stores and tarmacked and hardcore circulation areas and grounds. These buildings are grouped together on a site of about 2½ acres at the western end of the track adjoining the car parks.

The principal building is the Grandstand constructed in 1980 at a cost of £750,000 which replaced the original structure which was demolished. Apart from this building and a new ambulance room and toilets in the car park, the other buildings date from around 1970 and the balance pre-date these by some years.

Valuation History:

The property had a valuation of £295 when listed for Revision in 1971 with a request from Kildare County Council to value "Refreshment Rooms and Jockey's Dressingrooms". As a result of this Revision the R.V. was increased to £400 and this was affirmed at First Appeal stage.

The property was again listed in 1981 for Revision on account of the new stands and the valuation was increased to £525.

In 1992 it was listed for Revision as "Building demolished, new ambulance building and other works". However, as a result of this Revision no change was made to the valuation. This valuation was appealed to the Commissioner and at First Appeal stage the valuation was reduced to £375. It is against this valuation that an appeal lies to the Tribunal.

Written Submissions:

A written submission was received from Mr. Frank O'Donnell, B.Agr. Sc., F.I.A.V.I., M.I.R.E.F., Principal of Frank O'Donnell & Company, Valuation & Rating Consultants, on behalf of the appellant.

In his written submission Mr. O'Donnell said that racing forms an integral part of the fabric of Irish society. He said for that reason Punchestown, along with every other race course in the country, operated despite consistently making a loss.

He said, that for the purposes of arriving at a fair N.A.V./R.V. as at November 1988 he had used two methods:-

- a) Rental Method
- b) Profit Method.

Details of these calculations are set out in Appendix A.

On these methods he derived N.A.V.'s as follows:-

<u>Method 1:</u>		
N.A.V.		£52,408.00
R.V. @ 0.5%		£ 262.04
Allow for 12 days use per year	<u>25%</u>	<u>£ 196.53</u>

<u>Method 2:</u>		
<u>N.A.V.</u>		£27,539.50
R.V. @ 0.5%		<u>£ 137.69</u>

A written submission was received on the 21st February, 1994 from Mr. Denis Maher, a District Valuer with 19 years experience in the Valuation Office.

In his written submission Mr. Maher described the property in detail. He said that it was one of 25 race tracks in the Republic. He said that it was generally recognised as Ireland's premier national hunt track, its Spring festival meeting being the showpiece of Irish National Hunt Racing.

Mr. Maher said that he could not accept a reduction on the basis of the overall usage of the race track as that meant that there should be a pro-rata increase in race days at the other 26 tracks throughout the country which would be insupportable in the light of the overall framework of Irish racing. He further stated that the race track itself being a grass surface could not cope with any increase in numbers as a certain recovery period was needed particularly during winter time racing.

Mr. Maher said that the comparisons used were not calculated on a N.A.V. basis and might not reflect a fair picture having being valued on a rate per square metre basis. However, he set out the R.V.'s of the comparative race courses as follows:

1)	Naas Racecourse	R.V. £375.00
2)	Galway Racecourse (Under Appeal)	R.V. £550.00
3)	Gowran Park Racecourse	R.V. £245.00
4)	Tipperary Racecourse	R.V. £225.00
5)	Tralee Racecourse	R.V. £235.00
6)	Limerick City Racecourse	R.V. £305.00
7)	Thurles Racecourse	R.V. £140.00

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

Valuation:

Stables:	13,821 sq.ft. @ £0.25/sq.ft. =	£ 3,455
Main Stand:	15,380 sq.ft. @ £0.50/sq.ft. =	£ 7,690
Open Stand:	2,500 sq.ft. @ £0.25/sq.ft. =	£ 675
Ambulance Room:	387 sq.ft. @ £2.00/sq.ft. =	£ 774
Bars at Tote:	5,629 sq.ft. @ £2.25/sq.ft. =	£12,665
Bars at Stand:	8,665 sq.ft. @ £2.50/sq.ft. =	£21,662
Restaurant:	11,390 sq.ft. @ £2.00/sq.ft. =	£22,780
Jockeys Room:	3,207 sq.ft. @ £2.00/sq.ft. =	£ 6,414
Entrances:	1,053 sq.ft. @ £0.20/sq.ft. =	£ 210
Offices:	1,049 sq.ft. @ £2.00/sq.ft. =	<u>£ 2,098</u>
		£78,373

Est. N.A.V. £78,500

R.V. @ 0.5% = £390

Propose £375

Oral Hearing:

At the oral hearing which took place in Dublin on the 28th February, 1994 the appellant was represented by Mr. Frank O'Donnell of Messrs. Frank O'Donnell & Company.

Mr. Denis Maher of the Valuation Office appeared on behalf of the respondent.

Mr. O'Donnell referred to the decreasing attendances generally at race meetings, the down turn in betting, particularly with bookmakers and the difficulty in attracting race goers in the face of ever-increasing competition from other leisure activities and the increased attractions of off-track bookmakers premises.

Mr. O'Donnell submitted that although there are only 10 to 12 racing days in Punchestown each year, those racing days demand all the facilities there at present.

He further submitted that the subject property could not be put to any alternative use and stated that the appellants had in fact attempted several alternative uses, all of which proved unsuccessful.

Mr. Maher submitted that it would not be correct to argue that N.A.V. and R.V. should be reduced because of the strict limitation of race days in each year, as controlled by the Turf Club and Racing Board. He pointed out that each racecourse in the country operated within the same conditions.

In the course of the hearing it emerged that the main area of difference between the parties lay in their respective assessments of N.A.V. for the self-service restaurant and the bars at the Tote and under the stands. Mr. Maher estimated the N.A.V. of the restaurant and bars at between £2.00 and £2.50 per square foot, while Mr. O'Donnell estimated their N.A.V.'s at between £1.00 and £1.50 per square foot.

Mr. O'Donnell submitted that the restaurant and bars were of very basic construction and described those under the stands as "bare concrete structures". He explained that no permanent license attached to the bars and that "an occasional license" was obtained in court for each race meeting.

Mr. Maher conceded that the buildings were of fairly basic design but, he argued that they were in good enough condition and his assessment of their value was reasonable in the circumstances and by comparison with other race courses in the country.

Findings:

It is common case that the racing industry is not in a buoyant state and most, if not all, race courses are far from profitable.

In assessing net annual value of any race course it is difficult to ignore economic reality, particularly in the instant case where evidence has been given that the race course could not be put to any viable or alternative use.

While the Tribunal accepts Mr. Maher's contention that the limited number of racing days should not, of itself, be taken into account in assessing N.A.V., nonetheless, however few the racing days, buildings have to be maintained even in their comparatively basic condition. The bars and restaurant are, as Mr. O'Donnell has described them, very basic structures of very little value except on racing days when the company with catering rights occupy the restaurant and the occasional licenses attach to the bars.

Taking into account the written submissions of both parties and the evidence adduced the Tribunal is of the opinion that the correct rateable valuation of the subject premises is £300 and so determines.