

Appeal No. VA93/4/023

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

**Mr. Fred McGowran,**  
**Regional Relays Limited t/a Ashford House**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed House at Map Reference: 5Ca, Townland: Ballinahinch, E.D.: Killiskey, R.D.:  
Rathdrum, Co. Wicklow  
Quantum

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

**S.C. Chairman**

**Veronica Gates**

**Barrister**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 22ND DAY OF JULY, 1994**

By Notice of Appeal dated the 2nd day of November, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £180 on the above described hereditament.

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

- "1) Valuation is excessive in comparison to similar premises.
- 2) Certified turnover has decreased thereby affecting the capital value and the NAV.
- 3) The RV is excessive having regard to the N.A.V. as at November 1988."

**The Property:**

The property is well located in the centre of the village of Ashford, which is on the main Dublin to Wexford Road.

The premises consists of a modernised licensed house and restaurant, part two storey and part single storey. The ground floor contains a modern bar, lounge, kitchen, dining room, toilets and ancillary stores and the first floor comprises living accommodation. It is a detached premises with car parking to the side.

All main service are connected to the property.

**Tenure:**

The property is held freehold.

**Valuation History:**

The premises was revised in 1965 to take account of extensions to a self service shop on the premises and the valuation was increased from £65 to £110. This valuation was subsequently reduced to £100 on First Appeal.

In 1977 the property was listed for revision to take account of extensions to the restaurant and the closing of the shop and the valuation was increased to £130.

The property was again listed for revision in 1992, to take account of further changes to the premises and the valuation was increased to £200. The appellant was aggrieved by this revision and appealed to the Commissioner. At First Appeal the valuation was reduced to £180. It is against this valuation that an appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 13th June, 1994 from Mr. Nicholas McAuliffe of Kenneally McAuliffe, Surveyors, Valuers and Estate Agents, on behalf of the appellant.

In the written submission Mr. McAuliffe described the property, its location, accommodation and valuation history. Mr. McAuliffe said that in calculating the net annual value on the subject premises he had regard to:-

- 1) Location - He said that the new motorway which by passed the bottle necks of Bray and Shankhill has shortened the journey to Wicklow and Wexford by a considerable amount of time. He said that the effect of this had been that towns along the route, in particular Ashford, had ceased to be popular stopping off points for motorists. The effect of this had been dramatically detrimental on the turnover of the Ashford House.
- 2) The Design and Layout of the Property - He said that the property was designed for a large number of patrons and that the layout was not now suitable for the small numbers that frequent the establishment. He said that this meant there was a dramatically inefficient use of labour, light, heat and space.
- 3) Turnover of the Business - The turnover had declined in the last year from £340,160 to £321,160 and is expected to continue to fall.
- 4) The Tone of the List - He said that the tone of list had not been maintained in relation to this particular rateable valuation as was evidenced by the comparisons which he adduced in his written submission.

Mr. McAuliffe set out his calculation of the net annual value on the subject premises on the turnover and capital value basis as follows:-

- 1) Turnover Basis

Year ended 31st July 1993	£321,160
Net Profit 18%	£ 57,808
N.A.V. @ 50%	£ 28,904
N.A.V. 1988 (reduced by 15%)	£ 24,568
R.V. @ 0.5%	£122.80
Say	£123.00
- 2) Capital Value Basis

Estimated Capital Value as at 31st July 1993	£350,000
N.A.V. @ 7%	£ 24,500
N.A.V. 1988 (reduced by 15%)	£ 20,825
R.V. @ 0.5%	£104

In summary, Mr. McAuliffe said that Ashford House was a large under utilised roadside public house which was prematurely extended to cater for an expected increase in business which did not materialise.

He offered the comparisons summarised below:-

- 1)     **The Grand Hotel**  
Wicklow Town  
R.V. £215 (Revised 1990)
  
- 2)     **Harry Leonards Public House**  
7 Market Square, Wicklow Town  
R.V. £85 (Revised 1991/4)
  
- 3)     **The Leitrim Bar**  
15 Leitrim Place, Wicklow  
R.V. £65 (Revised 1988)
  
- 4)     **Mulvihills**  
10-11 Market Square, Wicklow Town  
R.V. £76 (Revised 1990)
  
- 5)     **Shay Doyle**  
Wicklow Road, Rathnew  
R.V. £50 (Revised 1990)

A written submission was received on the 9th June, 1994 from Mr. Tom Cuddihy, a District Valuer with 27 years experience in the Valuation Office, on behalf of the respondent.

In the written submission Mr. Cuddihy described the property, its tenure, services and valuation history as set out above. He set out his calculation of the rateable valuation by reference to the purchase price and accounts supplied as set out below:-

#### Method 1

Purchase Price - April 1991	£495,000
Allow 15% reduction for November 1988	£430,434
@ 10% return on capital	£ 43,043

Est. N.A.V. = £43,000 x 0.5% = £215.00 R.V.

Method 2

<u>Per Supplied Accounts</u>		<u>L.T.O.</u>
Gross Profit 91/92	£138,792	£340,461
Gross Profit 92/93	<u>£163,134</u>	£321,160
	£301,926	
Average Gross Profit	£150,963	
@ 50% Net Profit	£ 75,481	
Available for rent - 50%	£ 37,740	
Allow 15% for Nov. 88 say	£ 32,817	
Est. N.A.V. = £33,000 x 0.5%	£165.00	
Add for domestic accommodation	<u>£ 15.00</u>	
	£180.00 R.V.	

Mr. Cuddihy offered 4 comparisons in the area as summarised below:-

- 1) **Peter King**  
Main Street, Rathdrum  
R.V. £60
- 2) **Railway House**  
Main Street, Rathdrum  
R.V. £55
- 3) **The Coach House**  
Roundwood  
R.V. £91
- 4) **The Beehive**  
1991 First Appeal

R.V. £300

In summary Mr. Cuddihy said that an analysis of the comparative evidence showed that the appellant's R.V. relative to licensed turnover compared favourably with other licensed houses in the surrounding area.

**Oral Hearing:**

The oral hearing took place herein on the 24th June, 1994. Mr. Nicholas McAuliffe of Kenneally McAuliffe appeared for the appellant and Mr. Tom Cuddihy of the Valuation Office appeared for the respondent.

From the outset the appellant relied upon the declining turnover saying that this mirrored a miscalculation relating to the development of the new motorway from Dublin. The vast expenditure made on extensions to the subject had not with hindsight proved to be a wise investment and there would be either no return or a poor return on same.

The relevance of the various comparisons were debated and it emerged that the Beehive premises with a valuation of £300 situated on the same road not too far away was probably the most appropriate comparison. It is somewhat regrettable that the premises closest to the subject was not revised for a considerable number of years and therefore was not available as a valid comparison.

The Beehive seems to be carrying on trade successfully although grappling with the same locational difficulties (as the subject). It has a turnover superior to the that of the subject and appears to be overall a better premises. Nevertheless, the trade seems to be there to sustain such an extensive roadside facility.

The subject has been let for three years at an annual rent of £20,800. This rent, while reflecting a poor trading pattern in recent years, may not represent the true N.A.V. if the premises were trading up to potential.

Having regard to the foregoing the Tribunal finds that the approach of Mr. Cuddihy has been fair and reasonable, and is satisfied that the Commissioner's decision in fixing a rateable valuation of £180 should be affirmed and so determines

