

Appeal No. VA94/1/020

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

Southside Taverns Limited t/a The Foxes Covert

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed House, Carpark and Offices at Map Reference: 34.35.36, Townland: Tallaght West, Ward: Tallaght Glenview, U.D.: Tallaght East, Co. Dublin
Quantum - Tone of the List, valuation method

B E F O R E

Henry Abbott

S.C. Chairman

Paddy Farry

Solicitor

Brid Mimmagh

Solicitor

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

By Notice of Appeal dated the 3rd day of May, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,120 on the above described hereditament.

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

"The valuation is excessive and inequitable having regard to the provisions of the Valuation Acts and on other grounds also."

The Property:

The property comprises a two storey building with single storey extension to the rear added over the past twenty-five years. The original two storey building is constructed with rubble masonry walls, part brick faced, part pebble dashed externally, timber framed windows and pitched slated roof. The rear extensions are constructed with concrete block walls rendered externally with flat asphalt covered roofs. No extensions have been carried out since the property was the subject of revision in 1983.

The property is located in the centre of Old Tallaght Village at Main Street, six miles south west of the city centre.

A neighbourhood centre know locally as the Village Green Retail and Leisure Centre has been developed close to the subject premises.

The premises fronts on to the Main Street with an off-licence and retail area of about 950 square feet and portion of the main lounge to the rear of those sections, the balance of the main lounge and the old bar area, toilets and kitchen and entrance to main carpark. To the rear of these sections is the night club area with toilets and stores.

Accommodation is agreed between the parties as follows:-

<u>Ground Floor</u>	<u>Sq.Ft.</u>
Lounge, Bar, Off Licence	5,180
Vixens Theme Bar	3,093
Stores and Ancillary	2,189
<u>First Floor</u>	
Vacant Office/Stores	1,716
Basement	807
<i>Total</i>	<i>12,985</i>

Title:

The property is held under a 150 year lease subject to a nominal ground rent.

Written Submissions:

A written submission was received on the 12th September, 1994 from Mr. Raymond Ward, F.R.I.C.S., A.C.I., A.R.B., Chartered Surveyor and Director of Lisney, Surveyors and Estate Agents, on behalf of the appellant.

In the written submission Mr. Ward set out the valuation history, the location, description and accommodation of the subject premises. He set out his estimate of net annual value and rateable valuation on the subject premises as follows:-

	<u>Sq.Ft.</u>	<u>p.s.f.</u>	<u>Total</u>
<u>Ground Floor</u>			
Lounge Bar/Off-Licence	5,180	@ £10	£ 51,800
Vixens Theme Bar	3,093	@ £ 8	£ 24,744
Stores and Ancillary	2,189	@ £ 4	£ 8,756
<u>First Floor</u>			
Offices	1,716	@ £ 4	£ 6,864
<u>Basement</u>			
Stores	807	@ £ 2	<u>£ 1,614</u>
Total			£ 93,778
Capital Value of Licence		Say	£ 70,000
Annualised @ 10%			£ 7,000
Total net annual value			£100,000

Reducing factor to translate N.A.V. into R.V. = 0.63%

Rateable valuation - £100,000 x 0.63% = R.V. £630

In his written submission, Mr. Ward set out a number of factors which, in his opinion, affected the value of a premises and these are summarised below:-

- 1) The value of the premises was revised in 1988 and since then there has been no substantial or material alterations justifying an increase. He referred the Tribunal to the decisions in *VA93/3/041-43 - Bantry Terminals Limited* and *VA91/3/26 - Shear Success Palmer*, Unit 7, Woodfarm.

- 2) The opening of The Square and the continued development west of the Old Village had moved the commercial focus away from these premises.
- 3) The Foxes Covert is one of the traditional village public houses operated by the Molloy Group. They are recognised as the foremost managers and operators of public houses in the Dublin area. He submitted that this was a factor that did not fall to be rated.
- 4) Competition in Tallaght is considerable with the opening of new licensed premises, including The Clock Tower, Speaker Connolly and The Pennyblack.
- 5) Competition was further heightened by the number of very substantial licensed clubs in the Tallaght area.
- 6) The assessment is out of line with reference to comparative public houses which he set out in an appendix to the written submission.

This table is attached to this judgment as Appendix 1.

Mr. Ward said that his main comparisons were as summarised below:-

- 1) **Submarine Bar, Walkinstown (VA91/2/027)**
R.V. £540 (Fixed by the Tribunal)
This is a large premises of 10,800 square feet in a corner landmark position.
- 2) **The Belgard Inn, Belgard Road, Tallaght**
R.V. £950 (1991 Revision)
This is a substantial premises of circa 23,840 square feet with extensive night-club, function rooms and car parking.
- 3) **The Orchard Inn, Butterfield Avenue, Rathfarnham**
R.V. £500 (1991 Revision)
This is a well known high class property located in an affluent residential suburb with an expanding population.

4) Cuckoo's Nest, Greenhill Road, Tallaght

R.V. £600 (1987 Revision)

This is a substantial property of 11,000 square feet with extensive car parking located on a busy road.

5) The Goat Inn, Goatstown (VA93/4/005)

R.V. £825

This is one of the best known licensed premises in Dublin which has undergone extensive renovation and refurbishment over the past three to four years.

A written submission was received on the 13th September, 1994 from Mr. Eamonn Halpin, a Chartered Surveyor with 14 years experience in the Valuation Office, on behalf of the respondent.

In his written submission Mr. Halpin set out the valuation history and a description of the subject premises. Mr. Halpin set out his estimate of valuation as follows:-

1) Estimated N.A.V. on Turnover Basis

A/Bar & Lounge - £1.2 million @ 9.5%	=	£114,000
B/Disco & Food - £0.5 million @ 7.5%	=	<u>£ 37,500</u>
Total	=	£151,000 @ 0.63%
	=	£954 R.V. (Licensed House)

plus

Offices - old	569 sq.ft. @ £3.00	=	£1,707
Offices - modern	1,147 sq.ft. @ £7.00	=	<u>£8,029</u>
			£9,736 @ 0.63%
		=	£61 (Offices)
Off-Licence	945 sq.ft. @ £20	=	£18,900
	@ .63%	=	<u>£119 (Off-Licence)</u>
	Total R.V.		£1,134

or

- (2) Estimated N.A.V. derived from market value.
 Estimate market value £1.8m @ 10% = £180,000 = N.A.V. @ 0.63%
 (including Offices and Off-licence area) R.V. = £1,134

In general Mr. Halpin said that this was a long established licensed premises, one of about ten serving the surrounding population of 80,000 people. He said that it had grown in size as evidenced by the increased turnover over the years 1985 to 1991. He said that the figures showed a buoyancy of trade that could be expected given the size and age profile of the surrounding area.

Mr. Halpin said that the existence of the retail off-licence area and the first floor offices had added to the letting value of the subject premises. He said in conclusion that although trading well, the property had still some unrealised potential as at year ended 1991. He said this arose from the opening of the Village Green Centre adjoining and the maturing age of profile of the surrounding communities.

Mr. Halpin offered four comparisons as follows:-

- 1) **"The Belgard", Tallaght West**
 1991 First Appeal
 T.O adjusted to (1988 basis) £1.7 million
 R.V. £950
 Very good premises on Belgard Road, close to the subject property

- 2) **"The Red Cow", Clondalkin**
 1993 Revision
 Purchased for £1.01 million in 1988. Since extended and refurbished
 R.V. £1,250 (under appeal)
 L.T.O. 2 years to 31/1/92 = £2,84m
 = £1.42m p.a.
 Very good high profile licensed premises on the Naas Road

- 3) **"The Spawell", Templeogue**
 1991 Revision

R.V. £1,200

Bar circa 9,000 square feet

First floor room 3,886 square feet

Function room 1,171 square feet

Very busy licensed part of the Spawell leisure complex, close to the subject.

4) "The Goat", Dundrum

1993 (VA93/4/005)

R.V. £825

T.O. 1989 £1.48m

1990 £1.51m

1991 £1.68m

1992 £1.65m

Adjusted to £1.4m (1988 Basis)

Very good high profile licensed premises reduction given in R.V. to reflect high food element in trade and occupiers special personal contribution to the business.

Oral Hearing:

The oral hearing took place in Dublin on 19th day of September, 1994. Mr. Raymond Ward of Lisney's appeared for the appellant and Mr. Eamonn Halpin appeared for the respondent. Mr. Kevin Molloy, Principal of the appellant gave evidence and in addition Mr. Pat Kelly, Financial Controller was available to clarify certain matters.

Discussion took place in relation to details of the off-licence and office space. On this issue the Tribunal indicated that it would have to take the off-licence into account as it was there at the valuation date. It was also considered that the offices, although no longer used as such, would have a rental value in line with that indicated by the appellants. Mr. Ward also concentrated on the fact that the town centre had moved the centre of gravity of Tallaght away from the subject premises. Mr. Halpin countered by saying that the shopping centre which was part of an urban renewal area with tax incentives was developing next door to the subject and that the subject did serve a profitable population in its hinterland. This good location was evidenced by the turnover of the subject and Mr. Halpin gave the view that it was one of the few premises capable of producing more than a £2 million turnover per year. Mr. Ward emphasised that the Molloy Group, owners and managers of the subject were

among the best licensed trade operators in the Dublin area and indicated that their success in achieving a high turnover and profitability was not necessarily a rateable factor.

There was concentration on the comparison of "The Belgard Inn" which had a high turnover and a much larger area. "The Belgard Inn" was situated somewhat outside the main concentration of urbanisation but had better road connections in view of the new highway and road development which has revolutionised the Tallaght-South Dublin area. While offered as the best comparison the Tribunal considers that it falls down as a comparison by reason of the many fundamental differences between "The Belgard" and the subject. However, its location within the neighbourhood and its size does however, place it as a premises to be considered with the subject.

The comparison of "**The Goat Inn**", Goatstown decided in VA93/4/005 was also discussed and has been considered by the Tribunal as a benchmark valuation to be used in its consideration of this case. The question has to be asked as to whether a willing tenant would give a willing landlord a greater rent for "The Goat Inn" rather than the subject premises. It is by no means certain that "The Goat Inn" would command a lesser rent than the premises.

In relation to the submissions of the appellant regarding the applicability of the thinking in **VA93/3/041 - 43 Bantry Terminals Limited** and **VA91/3/026 - Shear Success Palmer**, unit 7, Woodfarm, to this case, the Tribunal considers that these decisions do not apply in this case as the valuation is part of an overall valuation of large licensed premises in the west Dublin area. Indeed, this appeal comes at the end of a long process with many licensed premises in the northwest of Dublin being valued at Valuation Tribunal stage.

The Tribunal has been assisted by having an overview of the tone of the list in the licensed trade in the west Dublin area from its hearings of these cases and the view it has taken of the tone of the list as exemplified by the considerations and comparisons in **VA93/3/038 - Westside Taverns t/a The Greyhound Inn** has assisted the Tribunal in making a determination in this case.

Using the derived techniques from the respondent's valuations in the cases cited above in particular "The Goat Inn" and adding for the offices and off licence on the appellants approach, the Tribunal finds and determines a valuation for the subject of £905.00.

