

Appeal No. VA94/1/031

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

John Cotter

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed House at Map Reference: 187, Townland: Main Street, Sleeven East, Town of Macroom, Ward: Macroom Urban, U.D.: Macroom, Co. Cork
Quantum - Percentage of turnover

B E F O R E

Henry Abbott

S.C. Chairman

Brian O'Farrell

Valuer

Joe Carey

P.C. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF JULY, 1994

By Notice of Appeal dated the 22nd day of April, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £65 on the above described hereditament.

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

- "1) Valuation does not take into account that there is no increase in the bar area
- 2) Valuation is totally excessive in regard to the town of Macroom
- 3) Valuation is at variance with other premises."

The Property:

The property is a licensed house on Main Street, Macroom. It has a street frontage of 16 feet and the bar area, which is tiled from entrance to rear exit, is 859 square feet with an open fireplace and a new, repositioned bar counter shape. Behind the bar are toilets and, opening into a yard a cold room and stores. There is rear parking with laneway access from Main Street. At the end of the site are 2,314 square feet of disused stores.

Valuation History:

1912 Revision When occupied by Timothy P. Cotter the valuation was not changed at £18. The full adjusted rent then was £24.2.0. On First Appeal the R.V. was unchanged. On appeal to Quarter Sessions the R.V. was reduced to £16.

1931 Revision With the same occupier R.V. was increased to £20, not changed at First Appeal but on Circuit Court Appeal it was reduced to £18.

1972 Revision Occupier Jeremiah Cotter. The R.V. was increased to £44, reduced to £40 on appeal and reduced to £34 on Circuit Court Appeal.

1992 Revision Occupier John Cotter. The R.V. was increased to £65. No change was made at First Appeal.

Written Submissions:

A written submission was received on the 6th July, 1994 from Mr. Terence Dineen, a District Valuer in the Valuation Office with 20 years experience, on behalf of the respondent.

In the written submission Mr. Dineen described the property, its location and valuation history as set out above. He set out his calculation of the rateable valuation on the subject premises as follows:-

Non-Domestic:

1. The average of 1992 and 1993 turnover is £176,000. C.S.O. drink price

inflation from November 1988 to August 1992 was from index 135.5 to index 157.9, that is minus 14% between 1992 and 1988.

Turnover	£176,000
Less 14%	<u>£ 24,640</u>
Adjusted Turnover	£151,360

T.O. £151,360 x 8% = £ 12,108 net annual value
 N.A.V. £12,108 x 0.5% = £60.50 R.V.

OR

2. Bar Area 859 sq.ft. x £12.00 = £ 10,308 including licence
 £10,308 x 0.5% = £51.50 R.V.

Domestic:

Residential: The size of this is 268m² or 2,884 square feet gross, predominantly first floor. It could, and possibly does, supply two living units. Given the demand for flats in this town it is probably currently worth a minimum of £100/week or £1.80 per square foot. If worth £80/week in 1988 it would call for an R.V. of £20.

Stores: No value was applied to these on revision or appeal. Would consider that two stores with yard access have a letting potential, being sound and dry. £20 per week equates to 60p per square foot and £5 R.V. (on 0.5% basis).

Mr. Dineen gave details of comparisons of rents from shop lettings in Macroom as follows:-

1) No. 188 Main Street - the adjoining shop of 516 square feet was let on a 2 year 9 month lease from October 1990 @ £135/week or £7,000 per annum. This equates to £14 per square foot.

- 2) Across the street is 31.32 Main Street - the F.B.D. Office, rented at £20 per square foot for 413 square feet on a 2 year 11 month lease from 7/9/1992.
- 3) 198 Main Street - 550 square feet, ground floor shop only with wc's. Held 35/5 lease with 20 years to run. January 1993 reviewed to £120 to £125 per week or £11.35 per square foot. The leasehold interest was for sale January 1994 at £14,000 plus; this £14,000 would add £5.00 per square foot to the rent.

Mr. Dineen also gave examples of licensed houses as follows:-

- 1) Jerh. Kelleher, Gurteenroe Street
R.V. £27
Held on a 2 year 6 month lease from June 1993 at £100/week plus rates, insurance and maintenance. Turnover circa £80,000. Bar and lounge 757 square feet.
- 2) O'Riada's
R.V. £100
Purchase Price £105,000 - November 1990
Improvements £150,000
Net Turnover £210,000
- 3) 2/3 Main Street
R.V. £40
Archway restricts ground floor bar to 312 square feet and first floor bar is 446 square feet. Turnover 1991 and 1992 circa £115,000. This property was sold for £95,000 in 1992.

Mr. Dineen said that, in his opinion, Comparisons 1 and 3 were not as good as the subject premises and that Comparison 2, while having a larger business area, was not in the town centre and had no residential or surplus storage areas.

In conclusion Mr. Dineen said that the property was in good order and maybe doing the best turnover per square feet of trading area in town for licensed premises. He said that the R.V.

on the business area of £52 was moderate in the light of the comparisons and the strong turnover of 1992 and 1993.

Oral Hearing:

The oral hearing took place herein at City Hall, Cork on the 12th July, 1994. Mr. Timothy O'Leary of Goold & Company, Solicitors appeared for the appellant with Mr. J.J. Hinchion, Auctioneer & Valuer. Mr. Terence Dineen of the Valuation Office appeared for the respondent.

From the outset Mr. O'Leary and Mr. Hinchion drew the attention of the Tribunal to the fact that the five comparison premises recently valued were at least in some cases more superior with greater potential than the subject. They emphasised that the repairs and changes to the subject did not effect a significantly greater lounge bar area.

The Tribunal investigated as to whether Mr. Dineen was taking a heavy handed approach in relation to applying an 8% multiplier to turnover to arrive at an N.A.V.. However, this 8% figure produces a valuation significantly above the valuation of £52 on the non-domestic part of the premises. Mr. Dineen would, therefore, not appear to be valuing the person rather than the public house, something which the Tribunal would try to avoid in relation to such premises.

The domestic area of valuation of £13 seems reasonable although the Tribunal does not accept Mr. Dineen's argument that it could be divided into two flats. These premises should be valued on a *rebus sic stantibus* basis.

Accordingly, the Tribunal affirms the valuation of £65.