

Appeal No. VA94/1/033

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

**Maureen Gaynor**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Nursing Home and Land at Lot No. 10C, Demesne, R.D. Castlerea, E.D. Castlerea, Co. Roscommon

Quantum - Valuation method for nursing home

**B E F O R E**

**Veronica Gates - Barrister**

**Deputy Chairman**

**Patrick Riney - FRICS.FSCS.MIAVI**

**Member**

**Brid Mimmagh - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 5TH DAY OF OCTOBER, 1994**

By Notice of Appeal dated the 29th day of April, 1994 the appellant appeal against the determination of the Commissioner of Valuation in fixing a rateable valuation of £90 on the above described hereditament.

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

"the valuation is excessive, inequitable and bad in law."

**The Property:**

The property comprises a nursing home located about two miles from Castlerea Town. It consists of a bungalow type building on a large site in a quiet, mainly residential area.

It was purchased as a going concern in 1988 and in 1992 an extension was added. The home is licensed for thirty patients.

Accommodation includes hallway, reception room, sitting room, dining room, kitchen, four single, eleven double and one four bed units, bathrooms and toilets.

**Written Submissions:**

A written submission was received on the 28th September, 1994 from Mr. Patrick Nerney, Rateable Valuation Consultant, Valuer and Auctioneer, on behalf of the appellant.

In the written submission Mr. Nerney described the property and said that it was purchased in 1987 as a going concern for £82,000. He said the price included £20,000 to £25,000 for furnishings and equipment. He said that there was planning approval for an extension and that additions completed in 1991 included separate dining room, kitchen, bathroom and seven bedrooms. Construction costs of these additions was £78,000.

Mr. Nerney said that in his opinion the net annual value is £12,600 and a fair valuation is £63 estimated as follows:-

**Net Annual Value**

Nursing Home          6,315 square feet @ £2.00      =          £12,630

**Rateable Value**

Net Annual Value      £12,630 @ 0.5%                      =          £63

Mr. Nerney offered four comparisons in the county as follows:-

- 1)      **Lot 1E Corry West**  
R.V. £80  
91/4 First Appeal

- 2) **Lot 19B Bellacagher**  
R.V. £32  
91/4 First Appeal
- 3) **Lot 5L Ballyleague**  
R.V. £45  
92/3 Revision
- 4) **Lot 14B1 Demesne**  
R.V. £42  
92/3 Revision

A written submission was received on the 13th September, 1994 from Mr. Christopher Hicks, Appeal Valuer in the Valuation Office, on behalf of the respondent.

Mr. Hicks described the property and set out his calculation of the rateable valuation on three bases as follows:-

$$6,315\text{ft}^2 @ \text{£}2.85 \text{ per ft}^2 = \text{N.A.V. } \text{£}18,000 @ 0.5\% = \text{£}90.00$$

**OR**

$$\text{Capital Value } \text{£}180,000 @ 10\% = \text{N.A.V. } \text{£}18,000 @ 0.5\% = \text{£}90.00$$

**OR**

$$30 \text{ patients } @ \text{£}3.00 \text{ each} = \text{£}90.00$$

Mr. Hicks offered the same comparisons as Mr. Nerney and gave details of their valuations as follows:-

- 1) **Fearna Nursing Home - Lot 14B1 Demesne**  
13 patients @ £3.20 each = R.V. £42
- 2) **Mary O'Connor - Lot 19B Bellacagher**  
 $2,334\text{ft}^2 @ \text{£}2.75 = \text{N.A.V. } \text{£}6,419 @ 0.5\% = \text{R.V. } \text{£}32$

**or**

Capital Value £70,000 @ 10% = N.A.V. £7,000 @ 0.5% = R.V. £35

**or**

8 patients @ £4.00 each = R.V. £32

**3) Mantua Nursing Home - Lot 1E Corry West**

5,107ft<sup>2</sup> @ £3.13 = N.A.V. £16,000 @ 0.5% = R.V. £80

**or**

Capital Value £140,000 @ 11½% = £16,000 @ 0.5% = R.V. £80

**or**

21 patients @ £3.80 each = R.V. £80

**Oral Hearing:**

The oral hearing took place in Castlebar, Co. Mayo on the 5th October, 1994. The appellant was represented by Mr. Patrick Nerney and the respondent was represented by Mr. Christopher Hicks.

Mr. Nerney said that the location of the subject premises, approximately one mile from the centre of Castlebar, is disadvantageous as all of the patients are either elderly or incapacitated.

Mr. Hicks on the other hand said that the location is ideal in so far as a nursing home should be situated in a quiet location.

Mr. Nerney disagreed with the method of valuing such premises on a bed and patient basis. He contended that space in the subject is at a premium, conditions are somewhat cramped and that the floor area is 210 square feet per bed in comparison to Mantua Nursing Home which has 243 square feet per bed.

Mr. Nerney further contended that there is a seasonal aspect to the business in that many patients stay in the nursing home for the winter months and return home in the summer.

In addition, it is often the case that the standard charge in the area of £100 to £110 per week has to be lowered where individual patients can no longer afford the cost of long-term care.

Mr. Hicks described the subject as a modern nursing home with spacious site and car parking facilities. He said that it was a considerable advantage in this type of business to have a single storey building such as the subject.

There was some disagreement as to the purchase price and the cost of the later extension but it was agreed that in this case it was not a determining factor.

Mr. Hicks said that the subject was operating at an economic level and its general facilities and accommodation capacity meant it was a good business proposition.

**Determination:**

The Tribunal has had regard to the written and oral submissions of both parties. It has noted the evidence adduced by Mr. Nerney in relation to the overall size of the premises, the bed space available, the seasonal aspect of the business and the possibility of negotiable charges. The Tribunal also considers that the figure for capital value put forward by the respondent is excessive.

Taking the above and all other relevant factors into consideration, the Tribunal is of the opinion that the correct rateable valuation for the subject premises is £75 and so determines.