

Appeal No. VA94/2/021

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

Richard Kelly, Dragon Tree Limited t/a The Sally Noggin

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed Shop "The Sally Noggin" at Map Ref: 47, Townland: Honeypark, Sallynoggin Road, Wood Park, Ward: Dun Laoghaire-Sallynoggin West, Dun Laoghaire-Rathdown Co. Dublin

Quantum - Tone of the list

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Veronica Gates

Barrister

Patrick Riney

F.R.I.C.S. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 21ST DAY OF DECEMBER, 1994

By Notice of Appeal dated the 26th day of July, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable Valuation of £630.00 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."

The Property:

The property is located in a residential area on Sallynoggin Road about 1 mile south of Dun Laoghaire.

Description:

The property known as "The Sally Noggin" consists of a large licensed shop with accommodation on two floors of - ground floor: bar, lounge-function room, off-license, kitchen, toilets and stores. First floor two function rooms with separate toilets for each. There is also a separate store to the rear and car park to the front for about 53 cars. The property was purchased and completely refurbished, extended and upgraded in 1989 and 1990. More recent improvements were carried out in 1992.

Valuation History:

| | |
|--------------------|--|
| 1943 Revision: | R.V. £25.00 and £30.00 fixed on two houses |
| 1952 Revision: | R.V. £150.00 on Licensed house |
| 1952 First Appeal: | R.V. £130.00 |
| 1953 Revision: | R.V. £115.00 and £10.00 (Two hereditaments) |
| 1953 First Appeal: | No change |
| 1955 Revision: | R.V. £115.00 and £10.00 (No change) |
| 1957 Revision: | R.V. £100.00 + £10.00 + £17.50 (3 hereditaments) |
| 1963 Revision: | R.V. £210.00 |
| 1963 First Appeal: | No change |
| 1966 Revision: | R.V. £330.00 |
| 1973 Revision: | R.V. £485.00 |
| 1980 Revision: | R.V. £520.00 |
| 1982 Revision: | R.V. £550.00 |
| 1983 Revision: | R.V. £570.00 and £45.00 (on first floor) |
| 1986 Revision: | R.V. £600.00 and £75.00 (on filling station) |
| 1993 Revision: | R.V. £630.00 and £20.00 (on hair salon) |
| 1993 First Appeal: | No change |

Written Submissions:

A written submission was received on the 23rd of November, 1994 from Mr. Eamonn O'Kennedy, Principal of Eamonn O'Kennedy & Co., Valuation and Rating Consultants on

behalf of the appellant. In his written submission, Mr. O'Kennedy described the premises. He said that they were difficult to run due to the large area which required a number of separate bars with double overheads. He said the premises also required constant security with doormen stationed at entrances. He said there was considerable expenditure on entertainment costs which are additional to those incurred in other licensed premises. He said that in his opinion the open market rental value of the premises at November 1988 was £65,000.00 and a fair rateable valuation £410.00. Mr. O'Kennedy gave details of a number of comparisons broken into three groups:

1. Licensed premises in the immediate area.
2. Licensed premises the subject of a sale in excess of £1 million and which have been the subject of a rateable valuation revision under the 1986 and 1988 acts.
3. Licensed premises with turnovers similar to the subject.

In the first category Mr. O'Kennedy offered (1) "The Thatch" Sallynoggin rateable valuation reduced from £380.00 to £260.00 at 1989 first appeal. (2) The Deerhunter, Sallynoggin Road R.V. £340.00 (1986 Revision). Details of other comparisons offered are set out in Appendix 1.

A written submission was received on the 24th of November 1994 from Mr. Joseph McBride, Appeal Valuer in the Valuation Office on behalf of the respondent. In a comprehensive precis of evidence Mr. McBride described the property and gave its accommodation and valuation history. Mr. McBride commented in relation to the valuation history that the rateable valuation was £600.00 dating from 1986 revision. He said that the increase in R.V. in 1993 of £30.00 was nominal in comparison to total rateable valuation. He said the building had been upgraded, rebuilt and extended since the last revision. Mr. McBride set out his calculation of the rateable valuation on the subject premises by three methods. The details of which are set out below:

| | | | |
|----------|---|----------------------------|-------------------|
| 1 | <u>Profits Method</u> | (Adjusted to November '88) | |
| | Turnover net: | | |
| | 1991: | £1,064,817 x .893 | = £950,881 |
| | 1992: | £1,103,803 x .874 | = <u>£964,723</u> |
| | (C.P.I. Alcohol) | | |
| | | (Average '91 - '92) | = £957,802 |
| | Add for potential T/O to reflect recent investment: | | <u>£50,000</u> |
| | | | £1,007,802 |

Turn-over adjusted for potential and

| | | |
|----------------------------|---------|------------|
| backdated to November '88: | = | £1,000,000 |
| N.A.V.: | @ 10% | = £100,000 |
| R.V.: | @ 0.63% | = £630.00 |

Note:

To reflect location and condition of the property a Turnover/N.A.V.% of 10% is used.

2 Market Value

| | | |
|--|---------------|--------------|
| Estimate of Market Value at November 1988: | = | £1.1 million |
| N.A.V. | = Yield @ 10% | = £110,000 |
| R.V.: | @ 0.63% | = £693.00 |

Note:

The property was purchased from the liquidator in September 1989 for £890,000 in a run down state of repair and £375,000 was invested in the property since date of purchase. This gives a total investment of £1,265,000 in the property.

3 Estimate of Rental Value

At November '88 (See Comparisons)

| | | | |
|----------------|------------------------------|---|---------------|
| Ground Floor: | 10,161 sq.ft. @ £8.00/p.s.f. | = | £81,288 |
| Off Licence: | 484 sq.ft @ £15.00/p.s.f. | = | £7,260 |
| First Floor: | 2,993 sq.ft @ £6.00/p.s.f. | = | £17,958 |
| Store at rear: | 1,195 sq.ft @ £2.00/p.s.f. | = | <u>£2,390</u> |
| | | | £108,896 |

| | | | |
|---------|---------|---|----------|
| N.A.V.: | Say | = | £100,000 |
| R.V. | @ 0.63% | = | £630.00 |

In summary Mr. McBride said it was an extensive property consisting of a total area of 14,833 sq.ft. He said the property was now very attractive and in a good location. Mr. McBride gave details in tabular form of a number of comparisons of licensed premises, these are attached as Appendix 2.

Mr. McBride gave details of four primary comparisons and these details are set out below:

Comparison No. 1**The Goat**

| | | | |
|---------------|------------------------------|---|----------|
| Ground Floor: | 9,117 sq.ft. @ £12.00 p.s.f. | = | £109,404 |
|---------------|------------------------------|---|----------|

| | | | |
|--------------|-----------------------------|---|----------------|
| First Floor: | 2,734 sq.ft. @ £8.00 p.s.f. | = | <u>£21,872</u> |
| | | | £131,276 |

| | | | |
|---------|-----|---|----------|
| N.A.V.: | Say | = | £131,000 |
|---------|-----|---|----------|

Comparison No. 4

The County Club

| | | | |
|---------------|------------------------------|---|----------|
| Ground Floor: | 14,572 sq.ft. @ £8.88 p.s.f. | = | £129,399 |
|---------------|------------------------------|---|----------|

| | | | |
|---------|-----|---|----------|
| N.A.V.: | Say | = | £129,400 |
|---------|-----|---|----------|

Comparison No. 6

The Time Piece

| | | | |
|---------------|------------------------------|---|---------|
| Ground Floor: | 2,587 sq.ft. @ £25.00 p.s.f. | = | £64,675 |
|---------------|------------------------------|---|---------|

| | | | |
|---------|----------------------------|---|---------------|
| Cellar: | 823 sq.ft. @ £10.00 p.s.f. | = | <u>£8,230</u> |
| | | | £72,905 |

| | | | |
|---------|-----|---|---------|
| N.A.V.: | Say | = | £73,000 |
|---------|-----|---|---------|

Comparison No. 12

The Greyhound

| | | | |
|---------------|------------------------------|---|---------|
| Ground Floor: | 5,209 sq.ft. @ £11.00 p.s.f. | = | £57,299 |
|---------------|------------------------------|---|---------|

| | | | |
|--------------|--------------------------|---|--------|
| First Floor: | 603 sq.ft @ £5.00 p.s.f. | = | £3,015 |
|--------------|--------------------------|---|--------|

| | | | |
|--------------|-----------------------------|---|---------|
| Off Licence: | 1,453 sq.ft @ £13.00 p.s.f. | = | £18,889 |
|--------------|-----------------------------|---|---------|

| | | | |
|---------|----------------------------|---|---------------|
| Cellar: | 2,207 sq.ft @ £2.00 p.s.f. | = | <u>£4,414</u> |
| | | | £83,617 |

| | | | |
|---------|-----|---|---------|
| N.A.V.: | Say | = | £84,000 |
|---------|-----|---|---------|

Comparison No. 13

Shop Unit adjoining

| | | | |
|---------------|----------------------------|---|--------|
| Ground Floor: | 135 sq.ft. @ £23.50 p.s.f. | = | £3,173 |
|---------------|----------------------------|---|--------|

| | | | |
|---------|-----|---|--------|
| N.A.V.: | Say | = | £3,175 |
|---------|-----|---|--------|

Oral Hearing:

The oral hearing took place in Dublin on the 2nd December, 1994. Mr. O'Kennedy appeared on behalf of the appellant and Mr. McBride appeared on behalf of the respondent.

Both parties gave evidence in accordance with their written submissions. It quickly emerged that there was no agreement whatsoever on the comparisons.

Because of the unusually large measure of disagreement between the parties the Tribunal has had considerable difficulty in arriving at a rateable valuation. The best comparative evidence in the view of the Tribunal is that of the subject premises which was revised in 1986 at a rateable valuation of £600.00. That valuation stood until the recent revision, no attempt was made by the owner of the premises to seek to upset it. On that evidence alone the Tribunal is driven to the view that £600.00 should be the correct rateable valuation. Looking, however, at all the comparisons offered by both sides this figure is entirely out of line with the tone of the list. In an attempt, therefore, to go some way towards bringing the rateable valuation of the subject premises into line with the tone of the list, the Tribunal fixes the rateable valuation at £550.00.