

Appeal No. VA94/3/011

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

**Shelbourne Greyhound Stadium Limited**  
**APPELLANT**

**and**

**Commissioner of Valuation**  
**RESPONDENT**

RE: Stadium at Map Ref: 43a, South Lotts Road, Ward: Pembroke West A, County Borough of Dublin

Quantum - Attendances, Trading accounts, economic reality

**B E F O R E**

**Mary Devins**

**Solicitor (Acting Chairman)**

**Brian O'Farrell**

**Valuer**

**Patrick Riney**

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

**JUDGMENT OF THE VALUATION TRIBUNAL**

**ISSUED ON THE 18TH DAY OF MAY, 1995**

By Notice of Appeal dated the 21st October, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,000.00 on the above described hereditament.

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

"(1) The valuation is excessive and inequitable.

(2) The valuation is bad in law."

**The Property:**

The property comprises a greyhound racing stadium together with floodlit running track, viewing stand and ancillary service building. Located on South Lotts Road close to the villages of Ringsend and Irishtown. The site is approximately 8 acres in area.

**Accommodation:**

The facilities provided in the stadium are as follows:-

- (1) Greyhound Racing Track with floodlights, fencing and electric rail.
- (2) Main Stand with ground, first and second levels with mezzanine between ground and first levels.
- (3) Bookmakers pitches.
- (4) Toilet, Kennels, Sales Kennels, Veterinary Room.
- (5) Car Parking for 500 cars secured and lighted.
- (6) Entrance site.
- (7) Two storey office block with bar on ground floor and restaurant on first floor.
- (8) Two storey tote administration offices.
- (9) Free standing wooden octagonal tote booths.
- (10) Sundry stores, illuminated tote display board, former hare tower.

Total stadium capacity is 15,000, and there is full closed circuit T.V. coverage throughout.

A new development completed June, 1991 provided the following:-

- (1) Addition of a 3 storey block to rear of main stand to provide:-
  - Ground Floor Level:-** New stiles, New toilets, Bar, Store and Entrance/Exit
  - Mezzanine Level:-** Function room.
  - First Floor Level:-** Lounge area, foyer to stairs and new toilets.
  - Second Floor Level:-** Utility space and boiler room
- (2) Substantial upgrading to ground floor concourse including restaurant facilities, new main bar, new tote booths.
- (3) Addition of conservatory to east of main stand.

**Valuation History:**

1928 - R.V. £300

1931	-	R.V. £340	
1952	-	R.V. £1,050	
1965	-	R.V. £1,225	
1969	-	R.V. £1,000	
1970	-	R.V. £1,750	- Reduced to £1,200 on Appeal.
1981	-	R.V. £1,300	- Reduced to £1,255 on Appeal.
1986	-	No Change	- Reduced to £1,055 on Appeal.
1986	-	Circuit Court Appeal No. 97	- Not yet heard.
1993	-	R.V. reduced to current	£1,000.

Following the completion of phases 2 & 3 (August, 1995) the property will be again the subject of a Revision request.

**Written Submissions:**

A written submission was received on the 26th April, 1995 from Mr. Alan McMillan A.R.I.C.S. an Associate of the Society of Chartered Surveyors and a Director of Donal O'Buachalla & Company Limited on behalf of the appellant. In his written submission, Mr. McMillan gave a brief background to the development of the Shelbourne Greyhound Stadium and its valuation history. He set out in detail the accommodation provided in the stadium. Mr. McMillan said that in arriving at a fair valuation he had examined the following issues:-

- (a) Attendances
- (b) Tote Figures
- (c) Operating profit/loss
- (d) Revenue.

Under the heading of attendances, he said that, attendances had been in rapid and incessant decline for the past 15 years. Specifically, he said, the overall reduction from 1980 to 1993 is a drop of 64%. In relation to tote, he said that, tote turnover had experienced a reduction from £3.87m to £1.353m over the same period, that is, a 64% drop.

Under operating Profit and Loss, he said that net losses for the four years up to the statutory valuation date were as follows:-

1990	-	£ 44,104
1991	-	£ 86,303
1992	-	£115,590
1993	-	£127,004

Mr. McMillan said that this contrasts with a pattern of consistent if modest profits for many years up to 1988. In relation to Revenue, Mr. McMillan said that the accounts showed a decline in real terms of 42% in revenue from 1980 to 1993. Viewed from these four perspectives, he said, it was evident that a substantive and material diminution in beneficial and rateable occupation, due to circumstances beyond the control of the appellant, resulted in the R.V. at issue being now and for some years past excessive and as such inequitable.

Mr. McMillan therefore set out his valuation on a number of basis which are summarised below:-

(1) **Direct NAV Basis**

<b>MAIN STAND:</b>	<b>Sq.ft.</b>	<b>Rate psf</b>	<b>NAV</b>
		<b>£</b>	<b>£</b>
Concourse	7,634	@ 1.25	9,542
Terraces	6,542	@ 0.50	3,271
Bar	4,874	@ 2.50	12,185
Judges, Press VIP Rooms etc.	5,670	@ 1.00	5,670
New Conservatory	790	@ 1.00	790
Recent Extension (3 floors)	6,286	@ 2.00	12,572
<b>OFFICE BUILDINGS:</b>			
(Including Bar & Restaurant)	4,767	@ 2.50	11,917
<b>TURNSTILES:</b>	<u>516</u>	@ 0.50	<u>258</u>
<b>KENNEL AREA:</b>	5,993	@ 0.50	2,996
<b>HARE TOWER AREA:</b>	<u>1,224</u>	@ 0.50	<u>612</u>
	<b>44,296</b>		<b>59,813</b>

NAV Say £60,000 (or £1.35 psf overall)

R.V. @ 0.63% = £378

(2) **Attendance and Tote Basis**

A reduction in line with the decline in both attendance and tote turnovers between the years 1980 and 1993 may be appropriate and would give the following result:-

Attendance:	RV £1,255 x 36%	=	£452
Tote:	RV £1,255 x 26%	=	<u>£326</u>
			£778
		=	RV £370

**(3) Comparison with Cork and Limerick Tracks**

The Cork stadium is valued at RV £220 (1988 F.A) and the Limerick Stadium at RV £160 (VA88/146).

The 1993 attendance and tote figures for Cork and Limerick were almost identical at approximately 58% of Shelbourne Park levels. On a pro rata basis and taking the mean RV of £190, a fair RV would be as follows:-

$$\text{RV } \pounds 190 \times 100/50 = \text{RV } \pounds 327 \quad \text{Say, } \underline{\text{RV } \pounds 330}$$

**(4) Analysis of Trading Accounts**

In relation to the Trading Accounts for the four years from 1990 to 1993

Mr. McMillan said that there was no surplus for the payment of rent or rates.

However, he said, that he was not contending for no beneficial occupation, but proposed that a fair assessment would be in the order of RV £350.

A written submission was received on the 19th April, 1995 from Mr. Peter Conroy, District Valuer with 25 years experience in rating valuations on behalf of the respondent. In his written submission, Mr. Conroy described the property, its location and accommodation. He set out the valuation history, summarised above. Mr. Conroy set out his valuation on the subject premises as follows:-

"Main Stand:	7,634 sq.ft.	@	£4.00	=	£ 30,536
Terracing:	6,542 sq.ft.	@	£1.50	=	£ 9,813
Toilets:	1,030 sq.ft.	@	£1.00	=	£ 1,030
Concourse Bar:	4,874 sq.ft.	@	£5.00	=	£ 24,370
Judges VIP.:	3,120 sq.ft.	@	£2.50	=	£ 7,800
Floor over Concourse:	2,550 sq.ft.	@	£1.50	=	£ 3,825
Bookies Pitch:	2,690 sq.ft.	@	£1.00	=	£ 2,690
Turnstiles:	520 sq.ft.	@	£2.00	=	£ 1,040
Stores, Kennels, etc.:	6,380 sq.ft.	@	£2.50	=	£ 15,950
Parking:	44,966 sq.ft.	@	£0.25	=	£ 11,241
Workshop, Tower:	926 sq.ft.	@	£2.00	=	£ 1,852
Pump, Switch, Boiler ho.:	298 sq.ft.	@	£2.00	=	£ 596
Restaurant:	4,766 sq.ft.	@	£4.00	=	£ 19,064
2 Storey Offices:	1,441 sq.ft.	@	£6.00	=	£ 8,646

**New Section**

Conservatory:	802 sq.ft.	@	£3.00		
<i>Ground Floor</i>					
Stiles, Stores, Entrance:	1,934 sq.ft.	@	£3.00	}	
<i>First Floor</i>					
Lounge, Foyer, Toilets:	1,934 sq.ft.	@	£3.00	}	- £ 17,406
<i>Second Floor</i>					
Utility Boiler House:	1,934 sq.ft.	@	£3.00	}	
Open Canopy:	363 sq.ft.	@	£1.00	=	£ 363
Entrance:	484 sq.ft.	@	£2.00	=	<u>£ 968</u>
					<u>£159,596</u>

N.A.V.:	£158,000 @ .63%	=	£995.50
	Say	=	£1,000

A rateable valuation of £1,000 represents a 6½% yield on a capital investment of £2.5m.

Estimated Capital Value:	=	£2.5m
Yield 6½%:	=	£162,500
NAV £160,000 @ .63%	=	£1,008
Say	=	£1,000

Estimated Capital Value @ £2.5m is indeed modest. Current replacement cost of main stand, based broadly on cost of new extension, would be in the region of £2 - £2.5m, excluding site costs and other ancillary buildings."

Mr. Conroy set out in his written submission details of two comparisons which are summarised below:-

(1) **Cork Greyhound Race Company Limited**

Rateable Valuation £220.00.

(2) **Trustees of Punchestown Racecourse - VA93/3/035**

Valuation Tribunal reduced valuation from £375.00 to £300.00.

Mr. Conroy said that the best comparison for Shelbourne Park was Harolds Cross but that Harolds Cross was currently under appeal.

In conclusion, Mr. Conroy said that the rateable valuation determined by the Commissioner of Valuation was fair and reasonable. He said that while it is admitted that attendances have fallen considerably over the past number of years the accounts were of little assistance in assessing Net Annual Value as low profitability did not automatically result in low rental values.

**Oral Hearing:**

At the oral hearing which took place in Dublin on the 3rd May, 1995, the appellant was represented by Mr. Alan McMillan of Messrs. Donal O'Buachalla & Company Limited. Also present was Mr. Noel Hynes, General Manager of the appellant company.

The respondent was represented by Mr. Peter Conroy of the Valuation Office.

Referring to his written précis, Mr. McMillan seemed to rely heavily on the undeniable decline in attendance and tote figures between the years 1980 and 1993.

Mr. McMillan gave comparative evidence in relation to the tracks at Cork and Limerick, valued at £220.00 and £160.00 respectively. He submitted that taking their attendance figures on a *pro rata* basis with the subject, a fair valuation for the latter would be in the region of £330.00.

Mr. McMillan submitted that the attendance figures must be taken into account in arriving at an appropriate R.V. for the subject, and stated that economic reality must not be ignored.

Mr. Hynes gave evidence that there was no cyclical element in the fortunes of greyhound racing generally, but that there had been a constant slide downwards since 1980 approximately.

In reply to questions from Mr. Conroy, Mr. Hynes explained that one cannot increase prices where there is a limited and falling market and that an increase in admission prices was simply not feasible.

Mr. Conroy referred to his written submission and went on to point out that the accounts as furnished by the appellant were of limited assistance in arriving at a valuation since they

indicated that if the appellant were an independent commercial company, it would be insolvent.

Mr. Conroy submitted that the non-profit element had already been accounted for in the valuation arrived at, and he further pointed out that the non-profit element was referred to as far back as 1970.

Mr. Conroy accepted that the extension built in 1991 was largely unremunerative but submitted that the £1m grant, coming as it did directly from government sources, may have been expended in ways which were not entirely grounded on a commercial basis.

Mr. Conroy submitted further that the 1991 investment had certainly not detracted from the letting value of the stadium.

He further pointed out that neither this track nor the others in the State had been valued on the basis of profits or attendances.

**Determination:**

It is undeniable that the greyhound racing industry generally is not in a buoyant state.

The Tribunal accepts fully the evidence proffered by the appellant in relation to attendance figures, tote figures and Profit and Loss Accounts.

In light of the limited comparative evidence adduced by either party, the Tribunal must have regard to what the hypothetical tenant would be likely to pay for the subject hereditament, in its actual state.

These are high quality buildings in a prime location. Their intrinsic value is indicated by the investment of £1m approximately in 1991 and the on going works the cost of which has been estimated at £2.5m.

While the Tribunal does not accept fully Mr. Conroy's contention that the subject hereditament is not being managed to its full potential commercial capacity, it is nonetheless difficult to ignore the State's involvement and investment in the subject.

The Tribunal accepts that the non-profit element has been taken into consideration by the respondent in arriving at the current rateable valuation.

In the circumstances, and in the light of all the evidence adduced, the Tribunal affirms the decision of the Commissioner of Valuation.