

Appeal No. VA95/1/066

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

William & Kay Napier

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed House and Yard at Map Ref: 17a.17ab', Townland: Annabella (Part of), Ward:
Mallow South Urban, Urban District of Mallow, Co. Cork
Quantum - Percentage of turnover

B E F O R E

Fred Devlin

FRICS.ACI Arb. (Acting Chairman)

Brid Mimmagh

Solicitor

Joe Carey

PC.DDSc.DBAdm.MIAVI

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 31ST DAY OF JANUARY, 1996

By Notice of Appeal dated the 22nd April, 1995 the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £85 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "no alterations made to premises. Turnover has not increased to warrant such a large increase in valuation".

The Property:

The property comprises a licensed premises with living accommodation on first floor. The property has been recently refurbished and accommodation now comprises bar, front lounge, back lounge, kitchen, toilets and stores. There is a large car park to the rear of the premises. The property is located at the western end of the town of Mallow.

Valuation History:

In 1931 the valuation on Lot 17a was £26. The lot was sub-divided in 1945 and a valuation of £15 and £12 was placed on Lots 17a and 17a¹ respectively. In 1977 following reconstruction of Lot 17a the valuation was increased from £15 to £37. The property was the subject of a revision in 1993. Lot 17a was amalgamated with 17ab¹ and valuation increased to £85. This valuation was appealed but no change was made at First Appeal. It is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

Written Submissions:

Mr. Napier relied on his Notice of Appeal, and on 29th January, 1996 supplied details of accounts for the years 1993, 1994 and 1995.

A written submission was received on the 29th November, 1995 from Mr. Peter Conroy, District Valuer with 25 years experience in the Valuation Office. In his written submission Mr. Conroy described the subject premises and its valuation history. Commenting on the grounds of appeal Mr. Conroy said that the valuation was fair and equitable and in accordance with the Valuation Acts. He said that the valuation was comparable with valuations of other properties recently revised and of similar function. He set out his calculation of the rateable valuation on the subject premises as follows:-

"Valuation

Average weekly turnover:	£3,500 x 52	=	£182,000
Adjusted to 1988:	Say	=	£145,000
N.A.V.:	@ 10%	=	£14,550
R.V.:	@ 0.5%	=	£72.75
Add domestic R.V.		=	<u>£13.00</u>
			£85.75
R.V.:	£85.00 (Domestic £13.00)		
Note:	Purchase price 1989	=	£150,000
	Plus adjoining site	=	<u>£ 15,000</u>

				£165,000
N.A.V.:	@ 10%	=	£16,500	
R.V.:	@ 0.5%	=	£82.50	
To include internal improvements	Say	=	£85.00"	

Mr. Conroy offered four comparisons which are summarised below:-

- (1) **Kathleen Norris**, 56b Main Street, Mallow, Co. Cork.
1992 Revision. Rateable valuation £50.
- (2) **Noel Dinan**, 1.2a William O'Brien Street, Mallow, Co. Cork.
1991/4 First Appeal. Rateable valuation £45.
- (3) **Flicker Inn Limited t/a Beachers Brook**, 151C Main Street, Mallow, Co. Cork
1991/4 First Appeal. Rateable valuation £44.
- (4) **The Archers Limited**, 3B Ballydahin.
91/VA93/44 (Determined by consent). Rateable valuation £200.

In conclusion Mr. Conroy said that the subject property had been valued at 10% of annual turnover or 10% of capital cost which in his view was reasonable and fair.

Oral Hearing:

The oral hearing took place in the District Courthouse, Anglesea Street, Cork on the 30th day of January, 1996. Mr. William Napier, one of the appellants appeared in person before the Tribunal and Mr. Peter Conroy, District Valuer from the Valuation Office appeared on behalf of the respondent.

At the outset Mr. Napier expressed his concern that the increase in his rates arising out of the uplift in the rateable valuation of the subject property from £37 to £85 could not easily be absorbed given the state of the business. He also expressed the view that he was being penalised for carrying out alterations and in view of the fact that other business premises generally in the Mallow area had not been revalued he was in fact being asked to bear an unfair burden.

Mr. Conroy's written submission was accepted by the Tribunal as being his evidence in chief given under oath. Mr. Conroy stated that in arriving at his opinion of net annual value he had relied upon the various comparisons contained in his submission. He agreed that his estimate

of turnover for the year ending October, 1995 was not based on sight of accounts but on information obtained from Mr. Napier. He agreed that in fact the turnover for the year in question was £176,000 as stated in the accounts furnished by the appellants.

Determination:

It is not disputed that the subject property occupies an excellent location at the new roundabout on the western end of Mallow town and that following the recent refurbishment the premises afford good bar and lounge facilities on the ground floor with residential accommodation overhead.

According to Mr. Napier the premises enjoy a strong local custom and steady passing trade. The Tribunal notes that the turnover for the year ending 31st October 1994 was almost £200,000 and for the following year £176,744 giving an average for the two year period of say £188,000.

An examination of Mr. Conroy's comparisons indicates that the percentage applied to turnover in order to arrive at net annual value varies from 8% to 10% with the higher figure being applied to the premises known as 'The Archers' with a turnover of £420,000.

Having regard to the turnover of the subject premises and the fact that it has shown a substantial drop, the Tribunal is of the opinion that 9% would be more appropriate and upon this basis determines the rateable valuation to be £80 as set out hereunder:-

Average Turnover (Years 1994 & 1995)	£188,000
Adjust to 1988	£150,400
NAV @ 9%	£135.36
RV @ 0.5%	£67.68
Say	£67.00
Add Domestic RV (not disputed)	<u>£13.00</u>
Rateable Valuation of Entire	£80.00

