

Appeal No. VA95/4/009

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

**South Coast Cruisers Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed House and Stores at Map Ref: 11B, Townland: Walterstown, E.D. Cobh Rural,  
R.D. Cork Upper, Co. Cork  
Quantum - Location

**B E F O R E**

**Liam McKechnie**

**S.C. Chairman**

**Patrick Riney**

**FRICS.MIAVI.**

**Joe Carey**

**PC.DDSc.DBAdm.MIAVI**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 24TH DAY OF JULY, 1996**

By Notice of Appeal dated the 27th day of September, 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £55 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation determined is a long way above the valuation of similar properties in the area. Complete lack of services. No regard taken of the problems of running a business in a rural area".

**The Property:**

The property comprises the Marlogue Inn, a bar/restaurant located about 4½ miles from Cobh town. It is set in a private cul-de-sac off the perimeter road on the eastern end of Great Island and about midway from its southern and northern coast line.

**Accommodation:**

The property comprises:

- (1) Original Building -
- |                       |                                    |
|-----------------------|------------------------------------|
| Ladies Changing Rooms | 436 sq.ft.                         |
| Gents Changing Rooms  | 436 sq.ft.                         |
| Store                 | 223 sq.ft. (in the older building) |

There is also a concrete tiled patio and a lower level keg store for the bar.

- (2) New Block -

The new block is a free standing concrete and tile rectangular structure facing the sea over a paved terrace. Gross size is 2,249 square foot comprising:-

Bar	729 sq.ft., seating 40
Restaurant	434 sq.ft., seating 35

There is also a kitchen plus toilets/entrance area.

**Tenure:**

The property is held leasehold.

**Valuation History:**

In 1980 the owner developed a small yacht marina known as 'East Ferry Marina' on a fourteen acre site taken on a foreshore lease from the Department of the Marine. In 1983 revision a rateable valuation of £25 was entered for changing room, showers and hard-core car parking area attached to the marina. The marina was subsequently added to and now has berth capacity for 50 to 55 boats. Later Mr. Butler added further facilities comprising a bar/restaurant called the 'Marlogue Inn'. Rateable valuation was increased to £65 with description 'licensed clubhouse' amended on first appeal to 'licensed house and stores'. The property now has a domestic appellation and qualifies for domestic relief. Being outside the high watermark the marina is not rateable.

**Written Submissions:**

A written submission was received on the 2nd April, 1996 from Mr. J. C. Butler, Director of the appellant company. In his written submission, Mr. Butler described the subject premises. He said that the rateable valuation of £37 made insufficient allowance for the difficulties and added costs of running a business in a remote area. He said that it put it at a disadvantage in relation to its direct competitors in the area, that is, The Atlantic Inn, West Beach, Cobh - Clippers, Westbourne Place, Cobh - The High Chaparral, Ballymore, Cobh and Murphy's Bar, East Ferry, Midleton, Co. Cork.

Mr. Butler submitted a copy of audited accounts for 1994 the latest which are available. Mr. Butler said that the subject premises was considerably disadvantaged by virtue of its location and highlighted the following factors:-

- (1) Water Supply - there is no water main in the area.
- (2) Sewage - no sewage main in the area.
- (3) Electricity - Only single phase supply for which a charge of £1,800 for installation was made.
- (4) Telephone - the telephone is regularly out of order.
- (5) Refuse - a tractor and trailer had to be hired each week to transport the refuse to the nearest main road.
- (6) Parking - owner had to construct, maintain and light own car park.
- (7) Accessibility - the Inn he said was at a dead-end 4½ miles by road from Cobh. The road was narrow and in poor condition and regularly flooded between 6.00pm and 8.00pm. He said that there was no public transport in the area. He said that the trade was highly seasonal with the great bulk of business in the three summer months but that staff had to be employed throughout the year to maintain standards.

A written submission was received on the 7th March, 1996 from Mr. Terry Dineen, District Valuer in the Valuation Office on behalf of the respondent. In the written submission, Mr. Dineen described the subject premises, he set out its valuation history and dealt with its location in detail.

Mr. Dineen said that he had calculated rateable valuation on the subject premises using three valuation methods, as set out below:-

**Valuation Method 1**

Inn	Bar:	729 sq.ft.	@ £9.00	=	£ 6,561
	Restaurant:	434 sq.ft.	@ £5.00	=	<u>£ 2,170</u>
					£ 8,731

[or ground floor gross 2,249 sq.ft. at £4.00 = £8,996]

Changing Rooms (gross):	1,095 sq.ft.	@ £1.50	=	£ 1,642
Flat:	471 sq.ft.	@ £20/week	=	<u>£ 1,000</u>
NAV:			=	£11,373

This figure includes licence, site and car park.

RV:		@ 0.5%	=	£56.86
		Say	=	£55.00

The bar/restaurant could also be valued:-

Gross:	2,249 sq.ft.	@ £3.00	=	£6,747
Licence:			=	<u>£2,000</u>
				£8,747

On this method the rateable valuation breaks down:-

Bar	£32.00
Restaurant	£10.00
Changing Rooms	£ 8.00
Flat	£ 5.00

**Valuation Method 2**

Accounts:	1993 bar turnover (full year)	=	£97,000
	To 1988, less 15%	=	<u>£14,550</u>
			£82,450

NAV:		@ 8%	=	£ 6,596
Restaurant:	434 sq.ft.	@ £5.00	=	£ 2,170
Changing Rooms:			=	<u>£ 1,642</u>
				£10,408

RV:		@ 0.5%	=	£50.00
	Add Flat		=	<u>£ 5.00</u>
Total			=	£55.00

**Valuation Method 3**

Investment:				<b>£</b>
	Car park & Changing Rooms cost 1982:	=	10,000	
	Add for elements of own labour, builder's & developer's profit:	=	<u>10,000</u>	
			20,000	

Increase to 1988 levels + 25%	=		25,000
<u>Marlogue Inn</u>			
1991/2 Cost:	=	80,000	
Deduct for 1988 - 15%	=	<u>12,000</u>	
		68,000	
Add two licences	=	<u>27,000</u>	95,000
Adjusted 1988 Costs:	=		120,000
Return 10%	=		12,000
Add for site rent (min.)	=		<u>1,000</u>
NAV	=		13,000
RV @ 0.5%	=		£65.00"

Mr. Dineen said that no direct comparisons were available for the subject property but dealt with the comparisons offered by Mr. Butler. He said that the first comparison, The High Chaparral (RV £22) was in no way comparable to the subject. He said that Murphy's of Garranekinnefeake (now Hartnett) was a substantial property on the waters edge at the other side of the estuary, but that it had not been valued on the rental method of valuation. Mr. Dineen said that the other premises mentioned by Mr. Butler were not recently revised.

### **Oral Hearing:**

The oral hearing took place in the District Courthouse, Anglesea Street, Cork on the 24th day of April, 1996. Mr. J. C. Butler, Director of South Coast Cruisers Limited appeared on behalf of the appellant company. The respondent was represented by Mr. Terry Dineen, District Valuer in the Valuation Office.

In evidence Mr. Butler stated that the Marlogue Inn licensed premises which forms the major part of the subject hereditament, had to trade at a great disadvantage because of its remote location at East Ferry on Cobh Island. Furthermore, it has to trade without public services such as mains water, sewerage system or refuse collection all of which cost the company considerable monies to provide itself, amounting to approximately £8,000. Being at the end of electricity and telephone lines also means that there are frequent disruption of these services causing loss of business and the continuing of business is also disrupted by tides and flooding of its main access road during monthly high tides. He also stated that the Marlogue

Inn is located at a dead-end, 4½ miles by road from the entrance to the Island by Belvelly Bridge and similar distance from Cobh. The licensed premises in Cobh with which the Inn competes are in the centre of a population of 7,000 people and do not have to use taxis, etc which cost his patrons £8 for the round trip from the town. Moreover, he stated that these licensed premises despite their trading advantages pay less rates than the subject and gave comparisons of five premises to confirm the above point.

In reply to Mr. Butler, Mr. Dineen stated that the removal of refuse was not a major chore as Mr. Butler's son used the farm tractor to move the refuse to the main collection point. Mr. Dineen also stated that the Marlogue Inn was a very substantial and attractive new premises overlooking the sea and extending to 2,249 square feet gross with lounge bar of 729 square feet which seated approximately 40 patrons and modern restaurant which seated 35 patrons with ancillary kitchen and other service areas, all in excellent decorative order. As a testimony to its style and reputation the Marlogue Inn was featured in the Egon Ronay exclusive Guide Book. Mr. Dineen stated that the very high turnover figures in both the restaurant and bar for the years 1993 and 1994 indicated clearly that the subject premises enjoys very substantial trade even though much of it is done during the summer season. Over the bar there is also an apartment and adjacent to the Inn there is 20,000 square foot of hardcore private parking provided for its patrons. Because of the introduction of the domestic element in the new description, Mr. Dineen stated that Mr. Butler is entitled to qualify for a domestic allowance. However, it is not for the Tribunal to apportion the domestic share of a rateable valuation.

**Determination:**

While it is true that the property is in a remote area, in some respects its unique and picturesque location overlooking the sea gives the property its individuality and style which in conjunction with its modern construction and decor tends to balance the scale of advantages versus disadvantages.

In the circumstances, taking into account all of the evidence adduced, the Tribunal is of the opinion that the correct rateable valuation of the subject is £50 and so determines.

