

Appeal No. VA95/5/021

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

Éire Óg Football Club

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Clubhouse and land at Lot No. 19c, Townland: Paupish, ED: Carlow ARA, UD: Carlow, Co. Carlow

Quantum - Method of valuation for non-commercial clubs

B E F O R E

Con Guiney

Barrister (Acting Chairman)

Patrick Riney

FSCS.FRICS.MIAVI

Rita Tynan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 21ST DAY OF FEBRUARY, 1997

By Notice of Appeal dated the 17th day of October 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £115 on the above described hereditament.

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

"In comparison to other similar properties and having regard to the NAV, we consider the RV to be excessive."

The property consists of a modern two storey building. It has car parking to the front of the building and side. The premises has a full club liquor licence with a lounge bar. There are four changing rooms with shower and toilet facilities. The first floor has a lounge function room/meeting room.

The physical dimensions as described in the written submission of the Valuation Office are as follows:-

Bar	2,701
Offices (first floor)	1,472
W.C.'s, Boiler House	169
Dressing Rooms	3,705
Dugout Stores	687
Function Room (first floor)	2,973

The relevant valuation history is that in the 1994/3 revision a rateable valuation of £140 was fixed by the Commissioner following an extension and improvements. The revised valuation was appealed to the Commissioner of Valuation on 14th day of September 1994. The premises were inspected on behalf of the Commissioner and the written submission of the appellant was considered in August 1995. The Commissioner issued his decision fixing the rateable valuation at £115 on the 18th day of September 1995.

Written submissions prepared by Mr. John Kenneally MIAVI on behalf of the appellant were received by the Tribunal on the 25th day of June 1996 and 14th day of October 1996.

Mr. Kenneally's written submission used three methods to arrive at a rateable valuation.

- (a) Using a capital value basis he found a rateable valuation of £58.
- (b) Using a turnover basis he found a rateable valuation of £26.
- (c) Using a square footage basis he found as follows:-

Ground Floor

Lounge, Bar	1,851 sq.ft. @ £1.50 psf = £2,776.50
Pool Room	780 sq.ft. @ £1.00 psf = £ 780.00
Dressing Rooms, Showers, Toilets	
Store, Hallway	3,739 sq.ft. @ £0.50 psf = £1,869.50
Boiler House	31 sq.ft. @ £0.50 psf = £ 15.50

First Floor

Main Room, Meeting Room	4,113 sq.ft. @ £1.00 psf = £4,113.00
Kitchen, Toilets	506 sq.ft. @ £0.50 psf = £ 253.00
Stairwell, Hallway	

Outside

Dugout	372 sq.ft. @ £0.15 psf = £ 55.80
Truck Container	315 sq.ft. @ £0.15 psf = £ 47.25

Total = £9,910.55

NAV = £9,910.55 less 15% (1988) = £8,423.97 @ 0.5% = RV £42.

The written submission contended that Éire Óg is a non commercial enterprise. The club licence is not transferable to third parties and liquor cannot be sold to the general public. The clubhouse according to the written submission does not have an obvious alternative use due to the fact that approximately 44% of the building is made up of dressing rooms, showers, corridors and toilets. All these factors supported the rateable valuation as presented by the appellant and pointed to the rateable valuation fixed by the Commissioner of Valuation as being excessive and inequitable.

Mr. Kenneally's written submissions contained schedules with five comparisons.

Written submissions prepared by Mr. Philip Colgan on behalf of the respondent were received on the 2nd day of July 1996 and on the 11th day of October 1996 by the Tribunal. Mr. Colgan is a District Valuer with 27 years experience in the Valuation Office.

Mr. Colgan's written submission adopted a square footage basis in ascertaining the rateable valuation as follows:-

Bar	2,701 sq.ft. @ £2.40 psf = £ 6,482
Offices (first floor)	1,472 sq.ft. @ £1.90 psf = £ 2,797
W.C.'s, Boiler House	169 sq.ft. @ £1.50 psf = £ 254
Dressing Rooms	3,705 sq.ft. @ £1.80 psf = £ 6,669
Dugout Stores	687 sq.ft. @ £1.50 psf = £ 1,034
Function Room (first floor)	2,973 sq.ft. @ £2.00 psf = £ 5,946
Total	= <u>£23,182</u>

NAV £23,000 @ 0.5% = RV £115.

Mr. Colgan's written submission arrives at the same rateable valuation using a total square footage and a total square metre analysis.

The written submission contended that these were superior club premises. Furthermore, the submission noted that the restrictive commercial nature of the operation of the club had been taken into account in determining the rateable valuation. Furthermore, the valuation had been arrived at using a "tone of the list" for clubhouses. The written submission contained a schedule of 13 comparisons.

The oral hearing initially took place in Kilkenny on the 9th day of July 1996. The hearing was adjourned by the consent of the parties to Dublin. The reason for the adjournment was (a) the appellant had introduced new comparisons of rateable valuation which the respondent needed time to consider and (b) there was disagreement between the parties as to the physical measurements of the subject premises.

The oral hearing resumed in Dublin on the 16th day of October 1996. At the resumed hearing the parties had agreed the measurements of the subject premises.

In his sworn testimony Mr. Kenneally adopted his written submissions as his testimony to the Tribunal. In his testimony he said that the total capital value of the premises was £248,713. He further referred to the turnover in the bar which took place after 8 pm in the evening or on the weekends after matches and this was not a very dynamic trade. In his evidence he further referred to the fact that there is no commercial market in the leasing of club houses and therefore there is no rental evidence for this type of property.

In his evidence, Mr. Kenneally pointed to the Carlow Football Club as being a suitable comparison using the square footage basis.

At a later stage in his evidence, Mr. Kenneally stated that his preferred method of valuation was that based on capital value.

In his sworn testimony to the Tribunal, Mr. Colgan adopted his written submission as his evidence to the Tribunal. In his evidence, Mr. Colgan stated his valuation on page 4 of his written submission received on 11th day of October 1996 was based on comparisons and related to the "tone of the list" as set out on page 11 of the same written submission.

In his evidence he stated that Tinryland G.F.C. was his preferred comparison to the subject premises. However, he stated its facilities could not compare with the Éire Óg premises, also Tinryland is situated about four miles from Carlow town in an area of declining population.

Mr. Colgan in his evidence stated that Éire Óg is a very successful club, winning the Carlow Club Championship on a number of occasions and it had appeared in the All-Ireland Club Championship. In further evidence he stated that unlike most clubs which used voluntary labour in operating the bars, Éire Óg had a salaried employee working on the premises. Again, he stated that the club has an excellent location on the edge of Carlow town in a residential development.

Under cross-examination by Mr. Kenneally, Mr. Colgan admitted that the dugout described in his written submission was open on three sides on the opposite side of the playing field

from the club premises. Additionally, Mr. Colgan accepted that the store described in his written submission was a container delivered to the site. Mr. Colgan stated however, that it now had a concrete floor and was connected to the electricity and water services. Mr. Kenneally put it to Mr. Colgan that his yearly rent for the store amounts to £472 while it costs £400 to buy such a container. Mr. Kenneally put it that Mr. Colgan's valuation on this item gave a net annual value which was greater than its capital value. In Mr. Kenneally's submission this indicated inconsistency in the valuation as made by the Commissioner.

The Tribunal finds that because clubs do not operate on a strictly commercial basis a valuation method using capital value or turnover is inappropriate.

Therefore, a valuation on a square footage basis is the most appropriate method for arriving at a valuation in this appeal. The Tribunal notes that (a) the clubrooms in the Tinryland G.F.C. are valued at £2.30 psf (Tinryland is the preferred comparison of the respondent) and (b) County Carlow Rugby Football Club (the comparison offered by the appellant) has its clubhouse devalued at £2.25 psf by the respondent.

Using these two comparisons and taking into account the evidence offered to the Tribunal by both parties the Tribunal calculate the basis for the rateable valuation as follows (using the physical breakdown as prepared by the Commissioner of Valuation):-

Bar	2,701 sq.ft. @ £1.90 psf = £ 5,131.90
Offices (first floor)	1,472 sq.ft. @ £1.90 psf = £ 2,796.80
W.C.'s, Boiler Room	169 sq.ft. @ £1.50 psf = £ 253.50
Dressing Rooms	3,705 sq.ft. @ £1.80 psf = £ 6,669.00
Dugout, Stores	687 sq.ft. @ £0.50 psf = £ 343.50
Function Room (first floor)	2,973 sq.ft. @ £1.90 psf = <u>£ 5,648.70</u>
	Total = <u>£20,843.40</u>

NAV £21,000 @ 0.5% = RV £105.

The Tribunal therefore determines that the rateable valuation of the subject premises is £105.

