

Appeal No. VA95/6/005

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

**Mr. & Mrs. John Flynn**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Map Reference 7,8,9,10,11, Townland: Village of Termonfeekin, ED: Termonfeekin, RD:  
Louth, Co. Louth  
Quantum - Turnover method

**B E F O R E**

**Fred Devlin**

**FRICS.ACI Arb. (Acting Chairman)**

**Patrick Riney**

**FSCS.FRICS.MIAVI**

**Marie Connellan**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 23RD DAY OF OCTOBER, 1996**

1. 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 £125 on the above described hereditament.

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

"the increase in valuation is excessive."

2. This appeal was heard by way of oral hearing which took place in Dublin on the 10th day of May 1996. Mr. Ken Donnelly, Certified Accountant, acted on behalf of the appellant, also present was Mr. John Flynn, owner of the "Waterside Inn". Mr. Noel Rooney, Dip.E.Econ, a District Valuer with 24 years experience appeared on behalf of the Commissioner. Having taken the oath Mr. Donnelly and Mr. Rooney adopted, as their evidence in chief their respective written submissions which previously had been exchanged between them and received by this Tribunal.

3. The property is an old established licensed premises known as "The Waterside Inn" in the village of Termonfeckin. The buildings are generally constructed of pebble dashed concrete walls and pitched slated roof. Adjacent to the licensed premises is a two storey block constructed of concrete walls and slate roof comprising a house and disused store. The house is only used at infrequent intervals by the owner Mr. Flynn when visiting from Great Britain. The property has been well maintained over the years and is in good structural and decorative repair. The pub itself was last revised in 1949. (RV £17). This valuation remained unchanged until the 1994 revision. In the interim period the shop area was converted to a licensed area, internal walls were removed and the former post office and bottle store converted to licensed area, a single storey extension was constructed to the rear providing w.c.'s, kitchen and office accommodation, a car park was developed to the side and general internal refurbishment carried out. The floor areas are:-

Bar/pool room	1,068 sq.ft.
Lounge	1,388 sq.ft.
Kitchen & office	232 sq.ft.
Stores	1,061 sq.ft.
Two storey terraced house	1,940 sq.ft.

4. Mr. Donnelly referred to his précis of evidence in some detail whilst referring to the matter of this property being included in the Revision Lists of Valuation in 1994. He stated that the Commissioner of Valuation had increased the rateable valuation from £17 to £125

which represented an increase of approximately 635% and not 735% which had been stated in his written submission. However, Mr. Rooney did not accept this and stated that the increase was more in the region of 300%. Mr. Donnelly emphasised the location of the property in the small village of Termonfeckin which lies approximately 4 miles east of Drogheda. He stated that there was virtually no tourist trade here and this had been borne out by the absence of any Bed & Breakfast facilities in the general area. He also stated that the property was purchased around 1979 for the sum of £110,000 and that the turnover had been virtually static for the years 1993, 1994 and 1995 i.e. in the region of £250,000 per annum. He also stated that a net profit in the region of 5-7% was all that was achievable during these years whilst stating that it was standard practice to accept 50% of net profit as a rental figure.

5. Mr. Noel Rooney responded on behalf of the Commissioner of Valuation and emphasised that the original valuation of £17 had been assessed about 50 years ago and that no increase had been incurred until the revision of 1994. He adopted his précis of evidence as the major part of his submissions whilst dealing with a number of specific points. He queried the net profit figure of 5% which was being achieved from this business, while normally businesses such as the subject property would have yielded between 15-20%.

6. In responding, Mr. Donnelly pointed out that the pub was run by staff and that it was only visited from time to time by the owner who lived in London. Mr. Donnelly also argued that comparisons no. 2 and 3 of the respondent's submission were not relevant due to differences in turnover and location.

7. Mr. Rooney submitted that the Valuation Office could not differentiate between a pub which is run and managed by an owner as opposed to a manager on behalf of the owner. Mr. Rooney pointed out that the total of the original rateable valuations were in the region of £31 and also pointed out the business was approx. 4-5 miles from Drogheda and situated in a popular area. He referred to comparison no. 1 i.e. "The Railway Tavern" which had a two year lease from October 1993 at a rental of £41,600 per annum. This created a net annual value of £14,400 per annum. The agreed valuation here was £90 which had been confirmed with Robert B. Daly, Auctioneers. A series of photos were also submitted to the Tribunal.

Mr. Rooney took issue with the reduction of 50% of net profit applied by the appellant in order to arrive at a reasonable net annual value.

**Determination of the Tribunal:**

8. The Tribunal have considered all of the evidence given in the submissions and also further information and detailed analysis submitted during the oral hearing. We are of the opinion that no detailed information on the subject property's description/accommodation or analysis of suitable comparisons were submitted by the appellant's agent, in order to justify a substantial reduction in the rateable valuation assessed. We would also make the following points:-

- (a) The reduction of 50% of the net profit, in order to arrive at a reasonable net annual value is questionable.
- (b) No comparisons were submitted by the appellant in order to support the case for a reduction.
- (c) Comparison no. 1 submitted by the Valuation Office shows the existence of a two year lease at a rental of £41,600 per annum. This is analysed to yield a net annual value of £14,400 per annum. The turnover figures here are in the region of £160,000 per annum, in comparison to an average turnover figure of £250,000, for the years 1993/1994/1995, on the subject property and would therefore in our opinion justify a reasonably high increase in the original rateable valuation assessed.

In view of the foregoing and having given due consideration to all the evidence submitted, we determine the correct rateable valuation to be £100.