

Appeal No. VA96/2/074

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

**Wincroft Holdings Limited t/a Castle Night Club**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed shop at Lot No: pt. 5a (rear inc. 2 Castle Hill (pt. of)), Castle Street, Townland:  
Enniscorthy, Urban District of Enniscorthy, Co. Wexford  
Quantum

**B E F O R E**  
**Mary Devins**

**Solicitor (Acting Chairman)**

**Barry Smyth**

**FRICS.FSCS**

**Rita Tynan**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 28TH DAY OF FEBRUARY, 1997**

By Notice of Appeal dated the 24th day of April 1996 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £140 on the above described hereditament.

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

"The valuation is excessive, inequitable and bad in law."

**The Property:**

The property comprises of a bar with a full seven day licence and a night club. It is constructed of concrete walls with a flat asphalt roof. The head room varies from about 15 feet in the bar area to about 22 feet in the night club area. The accommodation includes entrance, bar, gents and ladies toilets, store, night club, kitchen and first floor restaurant seating area. The areas were agreed between the parties as follows:-

Ground floor Bar	4,130 sq.ft.
Ground floor night club	5,502 sq.ft.
First floor night club	929 sq.ft.

**Tenure:**

The property is held freehold.

**Valuation History:**

In 1965 the buildings were valued with all of lot 5a Castle Street when the new hall was built at a rateable valuation of £160. Following an appeal the rateable valuation was fixed at £140. The present owner purchased part of the property (the section now under appeal) around 1975-76. In 1978, this rateable valuation was divided - £100 on the dance hall and £40 on the front section and distinguished as exempt. Following the purchase of a full seven day licence by the owner and renovations of the front section to a full bar and the dance hall to a night club the property was listed for annual revision for "change of use to licensed premises". The property was valued in 1994 at rateable valuation £140. No change was made at first appeal.

**Written Submissions:**

A written submission was received on the 17th day of October 1996 from Mr. Patrick J. Nerney, Valuation Consultant on behalf of the appellant.

In his written submission, Mr. Nerney described the subject premises and gave details of its accommodation, construction and title. He said that the property was purchased around 1976 for £20,000. He said that a derelict public house site was bought for £15,000/£16,000 around 1983 and the licence was transferred to the subject premises in 1990. He said approximately £29,000 was spent on building repairs following fire damage in 1993.

Mr. Nerney said that in his opinion the net annual value on the subject premises was £18,000 and a rateable valuation of £90 on that basis was a fair valuation.

Mr. Nerney proposed a comparison of Lamberts at Camolin which was a newly erected premises on the Dublin/Wexford Road. Valuation was fixed at £215 on 1995/4 first appeal. Mr. Nerney indicated the premises were twice the size of the subject and had a bar trade, meal trade with pool/games area.

A written submission was received on the 21st day of October 1996 from Mr. Joseph McBride, B.Agr.Sc. (Honours) Graduate Diploma in Planning & Development Economics and MIAVI with 15 years experience in the Valuation Office on behalf of the respondent.

In his submission, Mr. McBride described the subject premises, gave its valuation history, tenure and services. He set out his calculation of rateable valuation on two bases as follows:-

**Method 1**

(Ground floor Bar	
Ground floor Nite club)	9,632 sq.ft. @ £3 psf = £28,896
First floor Nite club	929 sq.ft. @ £1 psf = <u>£ 929</u>
	<b><u>£29,825</u></b>

Net annual value Say **£28,000**

The subject property has to be far superior than industrial properties valued in the Enniscorthy area.

**Method 2**

1988 adjusted LTO figure of £280,000 as the basis of assessment of net annual value.

£280,000 @ 10% = £28,000

NAV **£28,000** @ 0.5%, RV **£140"**

Mr. McBride also gave details of five comparisons in support of his valuation on the subject premises. These comparisons are set out in summary form below.

**1. Rakards Killann**

RD: Enniscorthy

Area: Ground floor 8,402 sq.ft

First floor 1,080 sq.ft.

NAV £32,000. RV £160.

Described as having a rural location, 8 miles west of Enniscorthy.

**2. Orphan Girl**

1994/3 First Appeal

*Area:* Ground floor 9,337 sq.ft.

First floor 298 sq.ft.

NAV £33,400. RV £167.

Described as having a rural location, 4 miles east of Gorey.

**3. Kavanaghs Templeshannon**

1994/3 first appeal.

*Area:* Ground floor 1,110 sq.ft.

Basement 156 sq.ft.

NAV £13,000. RV £65.

Described as being a small public house in off centre location.

**4. Rackards**

Rafter Street, Enniscorthy.

1995/4 first appeal.

*Area:* Ground floor 2,621 sq.ft.

External store 499 sq.ft.

NAV £25,000. RV £125.

Described as having a narrow frontage to Rafter Street, about 10 feet.

**5. VA95/1/028 - John Copeland**

Cash & Carry, Bellfield.

*Area:* 10,243 sq.ft.

NAV £23,600. RV £118.

**Oral Hearing:**

The appeal proceeded by way of an oral hearing which took place in Dublin on the 1st day of November 1996. Mr. Patrick J. Nerney, Valuation Consultant represented the appellant and Mr. Joseph McBride, Valuer with the Valuation Office represented the respondent.

Mr. Nerney, referring to his written submission contended that the turnover of the subject premises did not justify the rateable valuation. He pointed out that a percentage of turnover, as a single factor, does not always give an equitable rateable valuation. He submitted that running costs and particular expenses should be taken into account.

Mr. Nerney referred to the comparisons put forward by the respondent and said that as he felt that the running costs of "Rackards" and "The Orphan Girl" would be similar to those of the subject, they would accordingly have a greater scope for profit which factor would of course be taken into account by a hypothetical tenant.

Mr. Nerney submitted that the subject property suffered from restricted access. He said that the advertising, insurance and legal costs were unusually high because of the nature of the business and because of ever-increasing competition.

Mr. McBride submitted that the property was originally a dance hall which had a rateable valuation of £100 which remained on the property up to the 1994 revision when the property was valued at rateable valuation £140, which valuation is the subject of this appeal.

Mr. McBride pointed out that since 1978 when a rateable valuation of £100 was fixed on the dance hall the property had acquired a full seven day licence, that the front section had been converted to a full bar, the dance hall had been converted to a night club and extensive renovations and improvements had been carried out.

Mr. McBride submitted that the running costs of the subject property would be similar in all night clubs and in particular in the comparative properties adduced by him.

Mr. McBride seemed to rely on the property known as "Rackards" Killann as his main comparison and submitted that the latter, unlike the subject property was situated in a rural location some 8 miles outside Enniscorthy town.

### **Findings:**

The Tribunal notes that the common approach to assessing rateable valuations of licensed premises such as the subject is based primarily on turnover but taking into account also other relevant factors such as location of the property, physical layout, tone of the list and nature of the business carried on.

The Tribunal accepts Mr. Nerney's submission that the running costs of the subject property are necessarily high but, as has been pointed out by Mr. McBride, those running costs apply to all properties of this nature.

**Determination:**

The location of the subject in centre of town, even taking into account its somewhat restricted physical layout, cannot be considered as other than favourable.

The turnover figures produced by the appellant, and for which we are grateful, are by and large consistent for the period 1991 to 1993 and while the figures produced in relation to 1994 show something of a decrease, this may have been due to the fact that the property was closed for sometime in 1993 due to a fire.

The Tribunal is mindful of the provisions of *Section 11 of the Valuation (Ireland) Act 1852* and *Section 5 of the Valuation Act 1986* and, in the circumstances, taking into account the evidence in relation to turnover, together with the comparative evidence adduced, hereby affirms the decision of the respondent.