

Appeal No: VA23/5/1146

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**NA hACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

Michael Gilmore & Antoinette O'Mara t/a Tigín Partnership

APPELLANT

and

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of
Property No. 1154856, Hospitality at 45 Wood Quay Galway, County Galway.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF OCTOBER 2025

BEFORE

Frank O'Grady - MA, FSCSI, FRICS

Member

1. THE APPEAL

1.1 By Notice of Appeal received on the 19th day of October, 2023 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value '(the NAV)' of the above relevant Property was fixed in the sum of €200,000.

1.2 The sole ground of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 19 (5) of the Act because:

'The Valuation is Incorrect

Other grounds

1- Valuation Certificate issued 15th September 2023 addressed to Michael Gilmore & Antoinette O'Mara, t/a Tigín Partnership, 32 Woodquay, Galway states Property Number 1154856 which corresponds to Property address 45 Woodquay, Galway.

2- No financial statements were submitted for 2022 as the Guesthouse opened on the 26th of September 2022 and the Pub on the 10th of December 2022. Financial details completed to be submitted with supporting evidence seeking to amend the valuation of that property as it appears on the list.

The actual property being 32 Woodquay, does not appear on the said valuation list and it is relevant property.

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €100,000.

2. RE-VALUATION HISTORY

2.1 On the 23rd day of September, 2022 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €200,000.

2.2 A Final Valuation Certificate issued on the 15th day of September, 2023 stating a valuation of €200,000.

2.3 The date by reference to which the value of the Property, the subject of this appeal, was determined is 1st day of February, 2022.

3. DOCUMENT BASED APPEAL

3.1 The Tribunal considered it appropriate that this appeal be determined on the basis of documents without the need for an oral hearing and, on the agreement of the parties, the Chairperson assigned the appeal to one member of the Tribunal for determination.

3.2 In accordance with the Tribunal's directions, the parties exchanged their respective summaries of evidence and submitted them to the Tribunal.

4. FACTS

4.1 The parties are agreed as to the following facts.

4.2 The subject property is located in central Galway City on Woodquay, some 40m north of the intersection with Eyre Street and 200m from Eyre Square. There are 5 other licenced premises on Woodquay.

4.3 The property comprises a small ground floor pub in a 2 storey mid terraced building with a converted attic. The upper floors comprise 5 bedrooms available to let as tourist accommodation. There are no outdoor/smoking areas.

4.4 The property is in good condition.

4.5 The agreed ground floor area is 56.7m²

4.6 The property is held under 25 year lease from 26/8/2022 @ €100,000 pax for years 1-5. The rent has been agreed for years 6-10 @ €109,200 pax.

5. ISSUES

5.1 The matter at issue is quantum.

6. RELEVANT STATUTORY PROVISIONS:

6.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably be expected to let from year to year, on the assumption that the probable annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

7. APPELLANT’S CASE

7.1 Mr. David Halpin for the Appellant submitted his precis as his evidence in chief and gave details of the location and description of the subject premises together with details on title, lease and rent. He stated that the premises had not traded for a number of years and only recommenced operations following refurbishment in late 2022.

7.2 He estimated that the turnover could be annualised to c. €350,000 as no trading figures were available at the relevant date.

7.3 Mr. Halpin presented details of six licenced premises on Woodquay (Appendix 1, N/A to public), giving information on their size estimate Fair Maintainable Trade (FMT) and NAV.

7.4 He further stated that it was self-evident from the table that

- (i) The subject was smaller than all the other pubs in the street
- (ii) The subject is one of only two that has no kitchen and hence no food trade
- (iii) That PN 1153804 is an extensive gastropub which is larger than the remaining five pubs in the street combined with an NAV of €166,000.

7.5 He is of the opinion that a hypothetical tenant could rent a superior pub in the street for €57,000 pax and a superior pub with food potential for c. €75,000 pax, then the subject must be substantially below these rental values.

7.6 He believed that the subject could not reasonably have traded higher than €450,000 FMT at the relevant date.

7.7 He stated that the Commissioner had valued the bedrooms in Eyre Square area @ €2,400 NAV and that this rate should not be exceeded in the subject property.

7.8 Mr. Halpin contended for an NAV as at 1st February 2022 of €52,200

Derived:

Drinks Sales	€450,000 @ 9%	= €40,500
Rooms (5)	@ €2400/Room	= <u>€12,000</u>
	NAV	€52,500

7.9 In summary Mr. Halpin commented on the passing rent of €100,000 pax and the fact that the tenants had agreed to pay this rent on the expectation of a major redevelopment of the area and that they would get permission for outdoor seating, none of which occurred.

7.10 He referenced the letting of the adjoining pub in 2024 at substantially less than the passing rent of the subject, which is larger and has a commercial kitchen and exterior beer garden as evidence that the rent of the subject is excessive and that the Commissioners assessment is inaccurate.

8. RESPONDENT'S CASE

8.1 Mr David Colhoun of Tailte Éireann on behalf of the Respondent submitted his precis as his evidence in chief and the proposed valuation as per the certificate of valuation issued 15 September 2023 was €200,000.

8.2 He confirmed agreement with the details on location and description and provided photos etc. He agreed with the passing rent details but stated that the property was held on a 25 year lease from 22/8/2022 with provision for 5 yearly rent reviews.

8.3 He accepted that the level for similar guest accommodation in Galway City pubs is €2400/room, as reasonable and correct.

8.4 Mr Colhoun amended his valuation to €61,500 NAV as fair and reasonable, based on an established method of valuation for licensed premises and with the emerging tone of the list.

8.5 To support his opinion of value he gave details of 2 Key Rental Transactions (Appendix 2, N/A to public)

(i) PN 1154166. NAV €112,000.

Galway City Centre Pub 95m²

(ii) PN 1157741. NAV €225,000

Galway City Centre Pub 111.83m² and covered outdoor area 135.88m²

8.6 In addition NAV details of 5 licensed premises on Woodquay were provided (Appendix 3, N/A to public) similar to the information provided by the Appellant.

8.7 Mr Colhoun agreed that the passing rent is excessive when compared to other similar properties. He also agreed with the value attributed to the guest accommodation @ €2400/room. He disputes the FMT as stated by the Appellant and believes €550,000 turnover is fair and reasonable based on the trading information supplied.

8.8 He is of the opinion that the estimated NAV on the valuation list of €200,000 should be amended to €61,500 as set out below:

Drinks Sales	€550,000 @ 9%	= €49,500
Rooms (5)	@ €2400/Room	= <u>€12,000</u>
	NAV	€61,500

9. SUBMISSIONS

9.1 There were no legal submissions

10. FINDINGS AND CONCLUSIONS

10.1 On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the Property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Galway City Council.

10.2 The Tribunal has examined the particulars of this case and considered the written evidence adduced by Mr Halpin for the Appellant seeking a reduction in the NAV and Mr Colhoun from the Respondents who sought a revised NAV of €61,500 as being fair and reasonable in accordance with the Valuation Acts.

10.3 The matter in dispute was quantum and as the guest accommodation section of the property was not disputed and agreed between the parties @ €2400/room, an NAV of €12,000 is confirmed.

10.4 Both parties have stated that a hypothetical tenant would not have agreed a rent in the order of €100,000 pax and therefore little weight can be attributed to the actual letting /lease of the property.

10.5 Both parties also submitted similar comparisons, namely the other 5 licensed premises of Woodquay and agreed on the size and nature of the various premises.

10.6 Both parties agreed that the established method of valuation for licensed premises is by the application of a percentage to the Fair Maintainable Trade (FMT) following analysis of market and trading information.

10.7 It is noted that the operators are experienced publicans and freely entered into the lease agreement with the intention of developing the business and the expectation of increasing turnover. It is therefore not unreasonable to assume a turnover of €500,000 could be expected rather than the €450,000 as suggested by the Appellants agent. Information supplied, though draft only for the first years trade falls between both figures.

10.8 As the matter in dispute is in the amount of turnover and not wanting to penalise the Appellants and subject them to double taxation, caution must be exercised to arrive at an equitable and reasonable valuation.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €57,000.

Drinks Sales	€500,000 @ 9%	= €45,000
Rooms x 5	@ €2400/room	= <u>€12,000</u>
	NAV	€57,000

RIGHT OF APPEAL:

In accordance with section 39 of the Valuation Act 2001 any party who is dissatisfied with the Tribunal's determination as being erroneous in point of law may declare such dissatisfaction and require the Tribunal to state and sign a case for the opinion of the High Court.

This right of appeal may be exercised only if a party makes a declaration of dissatisfaction in writing to the Tribunal so that it is received within 21 days from the date of the Tribunal's Determination and having declared dissatisfaction, by notice in writing addressed to the Chairperson of the Tribunal within 28 days from the date of the said Determination, requires the Tribunal to state and sign a case for the opinion of the High Court thereon within 3 months from the date of receipt of such notice.