

Appeal No: VA23/5/0409

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

McHugh's

APPELLANT

and

Commissioner of Valuation (now Tailte Éireann)

RESPONDENT

In relation to the valuation of

Property No. 1442994, Hospitality at Main St, Liscannor, County Clare.

B E F O R E

John Stewart - FSCSI, FRICS, MCI Arb

Deputy Chairperson

Martin Connolly - MAgrSC, M.Sc., MSCSI, FCInstArb

Member

Emma Slattery - BL

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF NOVEMBER 2025

1. THE APPEAL

- 1.1 By Notice of Appeal received on the 15th 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 (“the Property”) was fixed in the sum of €39,000.

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:

1. *“The Valuation is Incorrect. The subject property’s valuation is excessive due to trading data. The subject property has been assessed at the maximum level of its trading over the past six years (€700,000). Trading throughout Covid shows a drop to circa €400,000 and this was only carried out due to the provision of food.*

2. *The subject property has a trading area of less than 115m² and is therefore by no means exceptionally sized. As a result, we feel that an FMT [Fair Maintainable Trade] of €350,000 drink and €150,000 food should not be exceeded. This is strongly backed up by the letting of Egan’s Bar two doors up from the subject (assessed by the Commissioner at €21,600 NAV – PN 1442995).”*

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €32,000.

2. REVALUATION 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 €40,400.

2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was reduced to €39,000.

2.3 A Final Valuation Certificate issued on the 15th day of September 2023 stating a valuation of €39,000.

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

3. THE HEARING

3.1 The Appeal proceeded by way of an oral hearing held remotely on the 25th day of August 2025. At the hearing, the Appellant was represented by Mr. David ES Halpin M.Sc. (Real Estate) BA (Mod) of Eamonn Halpin & Co. Ltd., and the Respondent was represented by Mr. Sean Donnellan MSCSI, MRICS, BSc (Hons) (Property Valuation & Management) of Tailte Éireann.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. FACTS

4.1 From the evidence adduced by the parties, the Tribunal finds the following facts.

4.2 The Property is located at Main Street, Liscannor, County Clare. Liscannor is approximately 34 km west of Ennis, on the Wild Atlantic Way and adjacent to the Cliffs of Moher.

4.3 The Property is a mid -terrace two storey public house and restaurant with a bar, a courtyard and beer garden to the rear, toilets and stores on the ground floor and kitchen, toilets, office, canteen, and store on the first floor. At the date of Mr. Halpin's inspection, 3rd October 2022, the open courtyard/beer garden had a roofed but open structure. The photograph at page 14 of Mr. Donnellan's précis taken on 11th April 2025 shows this structure as enclosed.

4.4 Prior to the hearing the Tribunal brought an apparent discrepancy in the floor areas in the respective précis; 110m² on behalf of the Appellant and 287.06m² on behalf of the Respondent, to the attention of the parties. By email dated 19 August 2025 Mr. Halpin explained that his figure related solely to the bar, the trading area, while Mr. Donnellan's figures included the area of the entire premises. Mr. Halpin confirmed this at the outset of

his evidence and that he accepted that Mr. Donnellan’s figures were accurate. They are set out in the table below.

Floor	Block¹	Use	Area (m²)
0	1-5	Bar	150.32
0	60-9	Stores and customer toilets	55.83
1	10-11	Kitchen	42.79
1	12	Customer toilets, office, canteen, and stores	38.12
		Total	287.06

¹The above blocks are as described in Mr. Donnellan’s précis.

5. ISSUES

5.1 The issue in this case 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 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. Halpin in his précis provided a description of the Property, photographs, a location map, details of tenure, turnover from 2018 to 2022, his proposed valuation and the rationale behind the proposed valuation, including evidence of values of comparable properties.
- 7.2 The Property, located on Main Street, Liscannor, is an *average proposition* in both the bar and commercial kitchen. Business is seasonal. There are three other licensed premises in the village, including one large property which provides accommodation and has a substantial food business.
- 7.3 At the outset Mr. Halpin raised the issue of the relevant trading figures, which normally in accordance with the RICS Guidance Notes would be the three years immediately preceding the valuation date, 01 February 2022, i.e. 2019, 2020, and 2021. Mr. Halpin has provided turnover figures from 2018 to 2022 and the average from 2019-2021, which are shown in Appendix 1 (N/A to public). The figures, obviously, were affected by the forced Covid closures, but not as seriously as might be imagined as the business was able to trade in the busy summer seasons of 2020 and 2021. Following the general reopening in 2022 the business pivoted towards food.
- 7.4 Mr Halpin put forward three NAV comparisons for the benefit of the Tribunal.

Comparison No 1.

Property Number:	1442995
Address	Main Street, Liscannor.
Estimated FMT (drink only)	€270,000
Estimated area	60 m ² ¹
NAV	€21,600

These premises are located two doors away from the Property and are described as inferior to the subject owing to the lack of food trade.

¹Estimated from OSI and Land Registry records applies to all Mr Haplin's comparison floor areas.

Comparison No 2.

Property Number:	1442997
Address	Main Street, Liscannor
Estimated FMT (drink only)	€275,000
Estimated area	45 m ² .
NAV	€19,250

These premises are described as the smallest in the village and with a similar trade to

Comparison No 3.

Property Number:	1442993
Address	Main Street, Liscannor
Estimated FMT	Unknown
Estimated area	235 m ² .
NAV	€98,000

This property is described as radically different from the subject. It provides accommodation and its food business is multiples of that of the Property.

- 7.5 Mr Halpin put forward one rental transaction of a local public house at page 6 of his précis. Details are set out in Appendix 2 (N/A to public).
- 7.6 In cross examination Mr Halpin accepted that if the scheme were applied to the 2022 (Post Covid) trading data the NAV would be higher, at €40,000. Mr Halpin accepted that this was arithmetically correct but contended that a wider view of the trade should be taken to get an accurate view of FMT. Mr. Halpin also accepted that his Comparisons Numbers 1 and 2 were inferior properties but contended that Comparison Number 3 at an NAV of €98,000 was *toppy* but accepted that it is on the list.
- 7.7 On questioning by the Tribunal, Mr. Halpin confirmed that at the date of his inspection, 03 October 2022, the outdoor structure was roofed but open, unlike at Mr. Donnellan's later inspection when it was fully enclosed. However, he accepted that since NAV was based on FMT this was unlikely to significantly affect the overall assessment. On the issue of how

Covid might affect the trading figures Mr. Halpin contended that even pre -Covid the business was concentrating more on food and that this trend continued post -Covid. He also stated that in his experience 2022 was a strong year in the pub trade generally.

7.8 In summing up Mr. Halpin stated that the Property was unexceptional both physically and in its trading history. The issue was whether FMT is assessed based on pre -Covid figures or post -Covid figures adjusted. Regardless of Covid the business was already increasing its food business.

7.9 Mr. Halpin contended for an NAV of €33,000. His calculations are set out in Appendix 3 (N/A to public).

8. RESPONDENT'S CASE

8.1 Mr. Donnellan provided a summary of his case that included his response to the Appellant's case, the valuation history of the Property, a summary of the Revaluation data for County Clare, a location map, block plans, floor areas, photographs in support of his description of the Property and the NAV, NAV comparisons and Key Rental Transactions to support the NAV.

8.2 Mr. Donnellan described the Property as being located in Liscannor and the nearest bar and restaurant to the Cliffs of Moher. It is a mid -terrace two storey traditional pub and restaurant with courtyard beer garden to the rear. The ground floor comprises bar, lounge, dining room, and stores, with the kitchen and ancillary stores on the first floor. The agreed floor areas are as set out in paragraph 4.4. The Property is described as being in excellent condition throughout.

8.3 At Paragraph 6.4 of his précis Mr. Donnellan pointed out that the established method of valuing licensed premises is to apply a percentage to the FMT, which is usually established by reference to the accounts of the three years previous to the valuation date. However, because of the disruption to trade caused by the Covid closures it was felt prudent to look at longer periods of trade. On the valuation date, February 2022, the hypothetical tenant

would be aware that the 2020 and 2021 figures were distorted by the Covid closures. Therefore, Mr Donnellan contends that while trading accounts are the starting point for any form of Receipts and Expenditure assessment of value, the trade at the valuation date may not always be the best evidence of FMT.

8.4 Mr. Donnellan, at Paragraph 7.1 points out the NAV is assessed in accordance with sections 48(1), 48(3) and 19(5) of the Act so as to achieve correctness of value, equity, and uniformity relative to other comparable properties. To assist the Tribunal in this regard, Mr. Donnellan put forward evidence of three Key Rental Transactions (“KRTs”) and three NAV comparisons.

8.5 The details of the three KRTs are summarised here and set out in detail at Appendix 4 (N/A to public).

KRT No 1

This is a bar in Ennis that was let in March 2022 for a five-year term at a Net Equivalent Rent (‘NER’) of €27,300 per annum and with an NAV of €26,400. In Mr Donnellan’s view it is not as well located as the Property and has a smaller trading area.

KRT No 2

This is a bar in Ennistymon, which was let in December 2021 for four years and nine months at an NER of €9,528pa and an NAV of €10,500. Mr Donnellan describes it as being on the side of the street in a rural town and having a smaller trading area than the Property.

KRT No 3

This is a bar in Kilkee, which was let in November 2019 for ten years at an NER of €30,000pa and an NAV of €35,000. Mr Donnellan describes it as being a similar coastal property with a smaller trading area than the Property.

8.6 Mr Donnellan put forward three comparison properties from the list. The valuation details are set out below, and the trading details are in Appendix 5 (N/A to public).

NAV Comparison 1

Property Number	1442993
Occupier	Vaughan's Anchor Inn
Address	Main Street, Liscannor
Trading area	179.44 m ²
NAV	€98,000

Mr Donnellan described this property as the closest comparison to the Property, with similar construction characteristics and a larger trading area.

NAV Comparison 2

Property Number	1442995
Occupier	Egan's Bar
Address	Main Street, Liscannor
Trading area	35.95 m ²
NAV	€21,600

Mr Donnellan described this property as having construction characteristics but a smaller trading area than the Property.

NAV Comparison 3

Property Number	1442997
Occupier	T O'Brien, Bar
Address	Main Street, Liscannor
Trading area	17.98 m ²
NAV	€19,250

Mr Donnellan contends that this property has a much smaller trading area than the Property.

In the course of his oral evidence Mr. Donnellan stated that his Comparison Nos. 2 and 3 were inferior to the Property, not having the same range of facilities and services and unlike the Property they do not serve food.

8.7 In cross examination Mr. Halpin questioned Mr. Donnellan on the application of the 1% entertainment allowance. It is granted in the valuation scheme where entertainment costs are greater than 5% of drink sales, not total sales as shown at page 29 of his précis. On that basis Mr. Donnellan accepted that the trading figures for 2018, 2019 and 2022 would qualify for an allowance but not 2020 and 2021. Mr. Donnellan was questioned on the valuation scheme and particularly why 56% gross profit was taken as the cut-off point for the 7% multiplier, given that the gross profit for the Property was close to that figure for three of the five years for which data were provided. Mr. Donnellan explained that the scheme was derived from the analysis of accounts provided, and, in any case, there is a “stand back and look” taken before finalising the NAV. Thus, he was happy to defend the NAV on the list.

8.8 Mr. Donnellan was questioned by the Tribunal on the statistical analysis of Reval 2023 for licensed premises in County Clare and particularly a statement at page 11 of his précis in which he stated:

“Whilst every effort has been made to ensure the data presented in the above tables is accurate, no responsibility shall arise if there is an error in the data.”

Mr. Donnellan explained that the data was provided centrally in the Office and that best efforts were made to ensure its accuracy.

8.9 In summing up Mr. Donnellan stated that NAV on the list was correct. Mr. Halpin’s NAV comparisons, his Comparisons Nos. 2 and 3, were inferior. His Comparison No. 1 was the best evidence. The Property was well located on the Wild Atlantic Way. The onus of proof is on the appellant to establish his case and in Mr. Donnellan’s view the evidence provided did not do that.

8.10 Mr. Donnellan contended for an NAV of €39,000. The calculations are in Appendix 5 (N/A to public).

9. SUBMISSIONS

9.1 There were no legal submissions. However, Mr. Donnellan cited Tribunal judgments to support his contention that the assessment should be made on the basis of FMT: VA14/5/967 Longstone Investments Limited; VA19/5/0376 Solazzi Limited; and VA19/5/0480 Aishling McMahon t/a The Wishing Well. To support his contention that the onus of proof was on the appellant Mr. Donnellan listed Tribunal judgments: VA00/2/032 Proudlane Limited t/a Plaza Hotel; VA07/3/054 William Savage Construction; VA09/1/018 O’Sullivan Marine; and VA21/4/0110 Lahinch Craft Ales.

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 practicable, 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 County Clare.

10.2 The Property is a licensed premises in Liscannor, County Clare, serving both food and drink. Based on the written and photographic evidence the premises are attractive, in good condition and are well located on the Wild Atlantic Way adjacent to the Cliffs of Moher.

10.3 Both parties accepted that assessment of NAV is on the basis of the shortened Receipts and Expenditure method, and both submitted trading figures from 2018 to 2022. Mr. Donnellan also submitted details of the valuation scheme for licensed premises in County Clare.

10.4 Four rental transactions were presented for the benefit of the Tribunal, three by the Respondent and one by the Appellant. None were directly comparable with the Property, differing in location, size, and business model. However, they did demonstrate a good relationship between the NERs and NAVs of the respective properties.

- 10.5 The parties put forward the same three NAV comparisons, all located in Liscannor. It was agreed that PN 1442995 and PN1442997 were inferior to the Property. Mr. Donnellan contended that PN1442993 was the best comparison while Mr. Halpin put it forward *for context*. The Tribunal finds that this property is not directly comparable to the Property. In addition to the bar there are also seven bedrooms, and the food trade is some three times that of the Property.
- 10.6 The Tribunal agrees with Mr. Halpin's contention that, while the RICS Guidelines advise taking the trading figures for the three years prior to the valuation date, in the light of the disruption to trade caused by Covid adjustments must be made. In the circumstances the Tribunal finds that it was reasonable for both parties to submit trading figures from 2018 to 2022.
- 10.7 Mr. Halpin challenged Mr. Donnellan on the creation of the valuation scheme, particularly the choice of 56% as the cut -off point between the 7% and 8% multipliers. On the limited evidence available to it, the good correlation between NER and NAV in the three KRTs and the acceptance of the valuations in the KRTs and NAV comparisons, the Tribunal finds the scheme is well accepted. The Tribunal could not have regard to the statistical analysis provided at pages 9 to 11 of the Respondent's précis in light of the caveat, as discussed at paragraph 8.8.
- 10.8 The Tribunal accepts Mr. Halpin's contention that the business has *pivoted towards food*. The trend in the figures was evident pre -Covid and was accentuated post -Covid.
- 10.9 The difference between the parties is in their estimates of FMT. The Tribunal finds that Mr. Halpin's estimate of FMT for drink sales is too low. It is only slightly higher than those of PN1442995 and PN1442997, particularly the latter, both of which were acknowledged as inferior to the Property with much smaller trading areas. (See Appendix 3 and 5, N/A to public). On the other hand, the Tribunal finds that the Respondent's estimate for FMT is too high. It is higher than that of PN1442993, which is a much more substantial business, and does not sufficiently consider the observed move to concentrate more on the food trade.

(See Appendix 5 and 6, N/A to public). The Tribunal accepts Mr. Halpin's estimate of FMT for food sales (See Appendix 3, N/A to public) and finds that Mr. Donnellan's estimate is too low; it does not reflect the increased emphasis on the food business (See Appendix 6, N/A to public).

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 €34,750. The calculations are set out in Appendix 7.

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.