

**Appeal No: VA23/5/1422**

**AN BINSE LUACHÁLA  
VALUATION TRIBUNAL**

**NA hAchtanna Luachála, 2001 - 2015  
VALUATION ACTS, 2001 - 2015**

**Joseph Sheridan T/A M Walsh**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

**In relation to the valuation of**

Property No. 1093636, Hospitality at 17A. High Street, Dunmore, County Galway (“the Property”).

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 10<sup>TH</sup> DAY OF MARCH 2026**

**BEFORE**

**Killian O'Higgins FSCSI, FRICS**

**Member**

**1. THE APPEAL**

1.1 By Notice of Appeal received on the 19<sup>th</sup> 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 €10,000.

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: “(a) The Valuation is incorrect. It’s an estimated value; the true value should be more in the €3000 valuations. The Property is now smaller, has less turnover, less opening hours and reduced potential for profits. 300-year-old building. Opens for a total of 24 hours per week.

1.3 The Appellant originally considered that the valuation of the Property ought to have been determined in the sum of €3,000, increased to €4,000 in response to Mr. Donnellan’s précis.

## **2. RE-VALUATION HISTORY**

2.1 On the 23<sup>rd</sup> 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 €15,000.

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, and represents from other occupiers, the valuation of the Property was reduced to €10,000.

2.3 A Final Valuation Certificate issued on the 15<sup>th</sup> day of September 2023 stating a valuation of €10,000.

2.4 The date by reference to which the value of the Property, the subject of this appeal, was determined is the 1<sup>st</sup> 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 As presented by the Mr. Donnellan, the Property is located on the east side of High Street and close to the Square in Dunmore, Co. Galway. It is located between Tuam and Ballyhaunis on the N83 road. Mr Sheridan did not object to this presentation

4.3 The subject property is an end of terrace two storey premises with traditional ground floor public house established in 1827. A single storey glazed extension provides a sun lounge area to the right of the property. Mr. Sheridan confirmed the 200-year history stating that construction was 0.91m or 3ft thick limestone walls, without foundations and with natural slate roof. There is neither central heating nor a cold room – kegs are tapped under the counter. An open turf fire provides heating.

4.4 The floor area provided by Mr. Donnellan was:

<b>Use</b>	<b>Floor</b>	<b>M2</b>
<b>Bar / Sun Lounge</b>	Ground (0)	101.17
<b>Customer Toilets</b>	Ground (0)	<u>13.13</u>

**Total**

**114.30**

4.5 Mr. Sheridan maintains that the operating pub footprint is 51.10 sq. m or 550 sq. ft. but did not dispute the overall floor area. Mr. Sheridan stated that the portion cut off from the operating pub will be converted to residential accommodation.

4.6 The property is in good condition throughout.

4.7 Mr. Donnellan indicated that the title was freehold and Mr. Sheridan did not object.

## **5. ISSUES**

5.1 Quantum is the only issue in dispute.

## **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. Sheridan outlined that he was a seventh-generation publican based in a small town in North Galway, Dunmore, with a population of 600 people and five other public houses. Mr. Sheridan is chairperson of the Co. Galway branch of the Vintners Federation of Ireland, and chairperson of the local tidy towns committee and the local trader’s association.

7.2 Mr. Sheridan stated that his patrons were of an older rural demographic who use the premises to meet, play cards and chat to neighbours and friends. There is no Sky TV or background music. The walls are covered in black & white photos of locals in sports teams spanning 120 years.

7.3 The operating bar area accommodates 10 counter high stools, 16 bucket seats and 8 stools.

7.4 The footprint of the of the public house was reduced in 2022 (post COVID-19) by 1/3 in an attempt to make it more suitable for service and reduce heating and commercial rate costs. Operating on a 7-day basis also ceased and the Property now opens over a “3-day weekend”. Mr. Sheridan secured a part time job to supplement the business and his own income. There are no staff, although Mr. Sheridan’s family help from time to time.

7.5 Mr. Sheridan estimated his rates liability at €900 per annum for years at a turnover outlined in Appendix 1 (N/A to public) but because of the revaluation process would rise to “well over” €2,000pa when his turnover had halved. His turnover since Covid had diminished greatly in 2023 this amounted to the figure outlined in Appendix 1 (N/A to public) following reduction in opening hours to 3 days and in total less than 24 hours per week. Mr. Sheridan maintained that the business could not sustain a doubling of its rates liability which would now be best represented by a rates liability of €450pa, his liability halving in line with the reduction in turnover.

7.6 Mr. Sheridan stated that he did not have an issue with paying for rates but believed that a rates liability should be fair and equitable.

7.7 Mr. Sheridan offered no detailed comparable NAV evidence, or evidence of rents, to support his contention of a NAV of €3,000 as stated in the Notice of Appeal dated the 18<sup>th</sup> day of October 2023 or a NAV of €4,000 in response to Mr. Donnellan’s précis.

## **8. RESPONDENT’S CASE**

8.1 Mr. Donnellan, for the Respondent provided a detailed précis which, very helpfully, provided details of the accommodation, layout of the Property, and external and internal photographs from November 2022 and February 2025 and a Google street view captured in November 2022.

8.2 Mr. Donnellan stated that the Appellant had made an online submission at Representations Stage providing an unsupported opinion of value of €1,500 compared to the €15,000 in the Draft Certificate. Nevertheless, in considering other representations for similar properties the valuation was reduced to €10,000.

8.3 Mr Sheridan had been asked to complete the Revaluation form and provide details of turnover but did not do so, although information was supplied in 2025.

8.4 Mr. Donnellan referenced Valuation Tribunal judgements in VA 14/5/967 (Longstone Investments Ltd), VA19/5/0376 (Solazzi Ltd), VA19/5/0480 (Aishling McMahon t/a The Wishing Well), and various other judgements, which stated:

*“It is long established in practice that the appropriate method of valuation in licenced premises is by the application of a percentage to the Fair Maintainable Trade. Fair*

*Maintainable Trade represents the annual level of trade that can be achieved by a reasonable efficient operator of the business in the subject property”.*

8.5 Mr. Donnellan stated that the Property was not operating to its full potential and could generate higher revenues if open during “standard pub hours”. He offered the view that the hypothetical tenant would operate additional hours.

8.6 Mr. Donnellan provided evidence of Tailte Éireann’s Co. Galway Valuation Scheme as it applied to Public Houses (Appendix 2, N/A to public)

8.7 Mr Donnellan provided trading figures (Appendix 3, N/A to public) for the Property, only submitted by the Appellant in 2025.

8.8 Mr Donnellan stated that the valuation date is the 1st day of February 2022. In March 2020 public houses closed and only partially reopened that year due to the COVID-19 pandemic. Operations in 2021 were also disrupted. On the 22nd of January 2022 public houses fully reopened.

8.9 Mr Donnellan contended that it was well established in any Revenue & Expenditure (R&E) valuation approach, or shortened approach assessment, that the actual accounts of the subject property are the starting point, but it should be recognised that actual trade at the valuation date may not in all cases be the best evidence of what is a fair and maintainable trade (FMT) level.

8.10 Tailte Éireann’s view was that the hypothetical parties would consider 2019 or earlier trading figures which were unaffected by the pandemic as the starting point for the assessment of FMT for the Property. Trading figures from 2022 were also useful in it was the valuation year and back to normal trading post COVID-19 pandemic, from the 22<sup>nd</sup> day of January 2022.

8.11 However, the case of the subject property the occupier had chosen to operate the pub only for 3 days per week (22 hours and 30 minutes) despite having a seven-day licence. Mr. Donnellan contended that the Property was not operating to its full potential and that a hypothetical tenant would achieve a higher turnover operating 7 days per week. Other public houses in Dunmore are open for longer hours.

8.12 Mr. Donnellan quoted the Valuation Tribunal judgement in in VA 23/5/0758 (Teach Osta Ui Chualain),

*“The NAV of the Property means the rent which the Property might, in its actual state, be reasonably expected to let from year to year on the terms set out in section 48(3) of the Act. The rent is measured on a hypothetical tenancy of the Property and not by reference to the actual occupancy circumstances of the existing operator. The actual turnover generated may have to be adjusted to take account of the extent to which the turnover can be attributed solely to the personal skill, reputation, and business acumen*

*of the existing operator. There are different methods of valuation designed to assist in determining the NAV.”*

*“In estimating the FMT, the factors to be considered include not only the actual turnover but whether the property is under-trading or over-trading having regard to the evidence.”*

*“The NAV of the Property means the rent which the Property might, in its actual state, be reasonably expected to let from year to year. It is measured on a hypothetical tenancy of the Property and not by reference to the actual occupancy circumstances of the existing operator.”*

8.13 Mr Donnellan stated that the property was in good condition and the sun lounge extension operated as a micro-brewery which had since ceased trading. Mr Donnellan maintained that the economic factors referenced by the Appellant had been taken into account in arriving at the reduced and amended NAV of €10,000.

8.14 Mr. Donnellan referred to the Appellant’s statement that there are five public houses in the town of Dunmore but only mentioned the two with the lowest NAV’s, excluding others. The Bridge Bar is a vacant public house on the periphery of the town and Howley’s Bar is also a vacant public house, and only 25% of the size of the subject property.

8.15 Referring to the onus of proof being on the Appellant, Mr. Donnellan referenced four Tribunal judgements:

VA00/2/032 Proundlane Ltd. t/a Plaza Hotel,  
VA07/3/054 William Savage Construction,  
VA09/1/018 O’Sullivan’s Marine Ltd and  
VA21/4/0110 Lahinch Craft Ales

8.16 Mr. Donnellan stated that the valuation submitted by the Appellant was not in line with the NAV derived from market evidence.

8.17 Mr Donnellan stated that properties which are ‘*similarly circumstanced*’ are considered comparable and explained that this meant that they shared characteristics such as use, size, location and/or construction. Mr. Donnellan set out comparative evidence to demonstrate that both correctness, and equity and uniformity, of value had been achieved in this case. Details of Key Rental Transactions (KRT) and comparative NAV’s are provided at Appendix 4 (N/A to public).

8.18 In addition Mr. Donnellan provided a helpful map to reference the location of the comparisons provided, to the location of the Property. All comparisons were in or around the Square in Dunmore. Details of the NAV comparisons are provided in Appendix 5 (N/A to public).

8.19 Mr. Donnellan stated that the evidence of trade received in 2025 supported the €10,000 NAV which had been assessed on the Respondent's estimated turnover based on information received from other public house owners or occupiers in Co. Galway. Mr. Donnellan continued to maintain the property was not reaching its trading potential because of the three-day opening and his view was that the FMT was €145,000 based on standard trading hours.

8.20 Mr. Donnellan outlined his approach to calculating the NAV (Appendix 6, N/A to public).

### **9. Appellant's Response to Mr. Donnellan's précis, on behalf of the Respondent**

9.1 Mr. Sheridan stated that the village of Dunmore in the Galway County Development Plan 2028 is assigned as tier 6/7 village or settlement with the population of 660 people, a non- Local Area Plan (LAP) area of less than 5,000 people. He referenced this information in the context of KRT 1 & 2 provided in Mr. Donnellan's précis – KRT 1 in Clifden 90 miles distant from Dunmore village and KRT 2, 35 miles away in Oranmore. Both towns are assigned Urban Town tier 1 status in the Galway County Development Plan. Both KRT's were LAP areas and tourist towns on the Wild Atlantic Way, as designated by Fáilte Éireann.

9.2 Mr. Sheridan stated that the microbrewery area is not licensed and should not be included in the calculation of floor areas noting that 80% of the craft brewers of Ireland have gone out of business.

9.3 Mr. Sheridan disputed the claim that 'a hypothetical tenant would achieve a higher turnover operating 7 days' as contended by Mr. Donnellan. Mr Sheridan stated that the Vintners Federation of Ireland (VFI) quotes rising numbers in reduced hours of business to stay in business with over 22 public houses closed in Galway county "in last years" owing to cost of business or lack of business. Mr. Sheridan submitted that the Property was only operating because he supplemented his income by taking a second job. There are no leased pubs in Dunmore, and he would happily take a rent of €10,000pa if it was available from a tenant.

9.4 Mr. Sheridan said that the two best comparators are actual licensees in Dunmore – (1) Pat Nestor's Pub (NAV approximately €4,000) omitted from the comparisons provided by Mr. Donnellan, and which has an added bonus of an adjacent 40 space car park; and (2) Mary Howley's which is in the village centre and has a NAV of €4,500. Mr Sheridan believed that these properties mirrored his trade but had better commercial positioning and state of refurbishment, observing that Howley's was gutted in the early 2000's. Neither of the owners of Pat Nestor's or Mary Howley's could secure a tenant to pay the insurance premium of €2,500.

9.5 Mr. Sheridan stated he sent the Respondent a copy of his trading figures (Appendix 3, N/A to public).

## **10. SUBMISSIONS**

10.1 There were no legal submissions

## **11. FINDINGS AND CONCLUSIONS**

11.1 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 Co. Galway.

11.2 Mr. Sheridan argued Dunmore was a small town, with a population of 600 people and five other public houses. His patrons were of an older rural demographic and there is no Sky television service.

11.3 The footprint of the of the public house was reduced in 2022 (post COVID-19) and the Property now opens only over a “3-day weekend”. Mr. Sheridan secured a part time job to support the public house business and his own income as the 7-day operation was not an economic proposition from his perspective.

11.4 Mr. Sheridan offered no detailed comparable NAV evidence, or evidence of rents, to support his contention of a NAV of €3,000 as stated in the Notice of Appeal dated the 18<sup>th</sup> day of October 2023, amended to a NAV of €4,000 in response to Mr. Donnellan’s précis. The absence of detailed comparable evidence means that Mr. Sheridan’s evidence on NAV values is not supported and places him at a significant disadvantage in arguing his case - the onus of proof is on the Appellant.

11,5 A specific tenant’s ability to pay rates is not a factor in considering the NAV. The focus is on the Property's potential to attract a tenant at a market rent.

11.6 Mr. Donnellan provided details of two KRT’s both in far better locations and with a trade in each a multiple of that at the Property, as outlined in Appendix 2 (N/A to public). The KRT’s only served to illustrate how the rates scheme for public houses in Co. Galway is applied and the relationship between passing rents and the NAV assessment. In both instances the NAV was less than the passing rent at 95.51% and the other 83.16%. Otherwise, given the locations and sizes of town served, the Tribunal accepts the Appellant’s contention that they are of little help in calculating the NAV of the Property.

11.7 All NAV comparisons provided by Mr. Donnellan are adjacent to the Property being on The Square or at the junction of Bridge Street and Castle Street, also at The Square. Three of the properties are in prominent corner positions, but one of those three is vacant.

### **NAV Comparison 1**

Thomas Byrne Bar - trading area 94.90 sq. m with total area 123.10 sq. m.

NAV €12,670 from sales figures supplied – this evidence is helpful to the Tribunal

### **NAV Comparison 2**

Former Howley's Bar (vacant) - trading area 19.14 sq. m with total area 26.70 sq. m.

NAV €4,800 – no financial information FMT estimated. This evidence is helpful to the Tribunal but less so compared to NAV comparisons in which actual sales figures were used in the calculation of NAV.

### **NAV Comparison 3**

An Dún Rí Public House – Bridge/Castle Street west corner – trading area 103.56 sq. m.

NAV €14,000 from sales figures supplied – this evidence is helpful to the Tribunal

### **NAV Comparison 4**

Vacant – Bridge/Castle Street east corner – trading area 88.84 sq. m with total area of 130.09 sq. m.

NAV €20,000 – no financial information, FMT estimated. This evidence is helpful to the Tribunal but less so compared to NAV comparisons in which actual sales figures were used in the calculation of NAV.

### **NAV Comparison 5**

Glynn's Bar, The Square - trading area 88.84 sq. m with total area 130.09 sq. m

NAV €15,000 – no financial information supplied, FMT estimated. This evidence is helpful to the Tribunal but less so compared to NAV comparisons in which actual sales figures were used in the calculation of NAV.

11.8 Under Section 63(1) of the act “*The statement of the value of property as appearing on a valuation list shall be deemed to be a correct statement of that value until it has been altered in accordance with the provisions of this Act.*”

11.9 It is well established that the Valuation Tribunal is not bound by previous decisions. Each case is unique and therefore each case is determined on its own facts and merits.

11.10 Two of Mr. Donnellan's NAV comparisons are vacant former public houses (NAV Comparison 2, and NAV Comparison 4) suggesting that there have been significant challenges for trade in public houses in Dunmore.

11.11 The main contention between the parties is Mr. Donnellan's FMT assessment based on standard public house hours over 7 days whereas Mr. Sheridan contends that the period of three days at the weekend is the only sustainable model if the public house is to continue in business. Mr. Donnellan accepts that the Property operates for only 3 days, and less than 23 hours in total by his calculations, but maintains that the hypothetical tenant and reasonably efficient operator

would operate over 7 days increasing turnover accordingly. The Act uses the "hypothetical tenant" as a statutory construct to ensure that property valuations are based on realistic, market-driven, and equitable rental values, irrespective of the actual lease terms or user of the property.

11.12 Mr. Donnellan stated that the Respondent was of the view that the hypothetical parties would consider 2019 or earlier trading figures which were unaffected by the pandemic as the starting point for the assessment of FMT for the property. Mr. Donnellan also stated that 2022 trading figures were also useful in that it is the valuation date year and back to normal trading post pandemic, from the 22nd of January 2022.

11.13 Mr. Sheridan via his actions in reducing trading hours to three days per week, and taking a part time job, was of a different view, as his actions indicated. As a seventh-generation publican, the decision to reduce hours and take another job would not have been taken lightly.

11.14 From Mr. Sheridan's perspective it appears inequitable that a reduction in turnover is not taken into account, however other than an unsupported statement of turnover in 2023, in Appendix 1 (N/A to public), no detailed information was submitted in relation to turnover in 2023. Reval 2023 specifies the date of valuation as the 1<sup>st</sup> day of February 2022 and circumstances pertaining on that date are those which are taken into account by the Respondent. However, *Coillte Teoranta v Commissioner of Valuation* ([2022] IEHC 588), the High Court ruled that actual, empirical data available before the final valuation certificate is issued, must be considered when determining the Net Annual Value (NAV) for rating purposes. The date of the Final Certificate was the 15<sup>th</sup> day of September 2023. The only supported evidence (accepted by the Respondent) before the Tribunal is the evidence of turnover from 2018 to 2022, inclusive.

11.15 Mr. Donnellan accepted that Mr. Sheridan was operating reduced hours in 2023 and has not convinced the Tribunal that a reasonably efficient operator would operate for longer hours, particularly in the context that two ostensibly better located public houses, are vacant, illustrating the challenge in operating public houses in Dunmore. Mr. Donnellan's implicit evidence is that no tenant has been found to operate either of those public houses.

11.16 In the circumstances, the tribunal's preference is to adopt the 2022 turnover, the year of the revaluation, as the basis for calculating NAV. The Tribunal notes the Gross Profit in 2022 - figures supplied by the Appellant in 2025 and contained in Appendix 2 of Mr. Donnellan's précis which are replicated in Appendix 3 of this judgement (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 **€7,300**.

Details of the Tribunal's calculations are provided in Appendix 7 (N/A to public).

**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.