

Appeal No. VA95/1/098

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

**Barry Bennett t/a The Wooden House**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed house, restaurant and land at Map Ref: 21, Townland: Crossfarnogue, ED:  
Kilmore, RD: Wexford, Co. Wexford  
Quantum

**B E F O R E**  
**Henry Abbott**

**S.C. Chairman**

**Mary Devins**

**Solicitor**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 27TH DAY OF SEPTEMBER, 1995**

By Notice of Appeal dated the 25th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £120 on the above described hereditament.

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

- "(1) the valuation is excessive in comparison to similar properties
- (2) the rateable valuation is excessive having regard to the NAV as at November 1988."

**The Property:**

The property comprises an old established licensed premises in the village of Kilmore Quay which has been upgraded and extended over the years. The premises now comprises a bar, restaurant, function room plus five bedrooms used as a bed & breakfast business.

**Valuation History:**

The valuation of £13.50 dates back to the period of the primary valuation. There has been no revaluation until the current 94/3 Revision when the rateable valuation was increased to £120.

**Written Submissions:**

A written submission was received on the 18th day of September 1995 from Mr. Nicholas McAuliffe of Kenneally McAuliffe, Surveyors, Rating Consultants, Valuers and Estate Agents on behalf of the appellant.

In the written submission Mr. McAuliffe described the property and its accommodation. Mr. McAuliffe said that in determining the net annual value for the subject property regard had to be had to the following factors:-

**(1) The Physical Layout of the Property.**

The property has been adapted and extended from the original two storey residential premises. The layout of the whole building does not lend itself very easily to full market and economic use.

**(2) The Turnover of the Business.**

Kilmore Quay is a remote fishing village in South County Wexford with a small influx of tourists in the summer months of July and August.

**(3) The Population and Business Competition.**

The local population number is approximately 800. Competition in the village

included, he said a ten bedroomed hotel, incorporating restaurant, bar and function room, a local bar, a local restaurant, and a community hall incorporating a restaurant. There are also numerous pubs and restaurants within a five mile radius.

**(4) The Tone of the List.**

As evident from his comparisons he said that the 'Tone of the List' was not maintained in this instance.

Mr. McAuliffe set out his calculation of rateable valuation on the subject premises on the turnover and capital value basis as follows:-

**(1) Turnover Basis**

Years ended 30th June 1993 and 1994 (average net of VAT)	£226,203
Net profit @ 18%	£40,716.54
NAV @ 50%	£20,358.27
NAV @ 1988 (reduced by 15%)	£17,304.52
RV @ 0.5%	£86.50
Say	£86

**(2) Capital Value Basis**

Capital Value (estimated 30th June 1994)	£290,000
NAV @ 7%	£20,300
NAV @ 1988 (reduced by 15%)	£17,255
RV @ 0.5%	£86.27
Say	£86

Mr. McAuliffe offered two comparisons as follows:-

**(1) Kehoes Public House, Village of Kilmore Quay, Co. Wexford**

Rateable Valuation: £40                      1990 Revision

**(2) The Lobster Pot, Public House & Restaurant, Carne, Co. Wexford.**

Rateable Valuation: £50                      1988 Revision

A written submission was received on the 14th day of September 1995 from Mr. Philip Colgan, District Valuer with 27 years experience in the Valuation Office on behalf of the respondent.

In his written submission Mr. Colgan described the premises and gave its location and valuation history. He set out his calculation of rateable valuation on the subject premises based on licensed turnover and purchase price as follows:-

**(1) Licensed Turnover**

June 1991	=	£290,000
as at November 1988 Say	=	£216,000
Gross Profit @ 40%	=	£ 86,400
Net Profit @ 50%	=	£ 43,200
Tenants contribution for rent 50%	=	£ 21,600
NAV Say £21,000 x 0.5%	=	RV £105
Add for Domestic	=	<u>£ 15</u>
RV Say	=	£120

**(2) Purchase Price**

June 1991 = £290,000

Based on a 9% return or 11 yp gives a net annual value of say £26,000  
(11 yp = £26,364).

NAV = £26,100 adjusted to November 1988

Say £24,000 x 0.5% = RV = £120

Mr. Colgan offered four comparisons which are summarised below:-

**(1) The Oak Tavern, Newtown, ED: Carrick**

1994/3 First Appeal

Licensed house and restaurant on the main Enniscorthy/Rosslare Road close to Ferrycarrig Hotel.

Rateable valuation £150

**(2) Fisherback Limited (Patrick Ryan), Walsheslough, Rosslare**

1994/3 First Appeal

Licensed House close to Rosslare Strand in the village of Rosslare. No restaurant.

Rateable valuation £135

**(3) Bernard Cushen, 2D 6b Grahormack**

1992/1 Revision

Rateable valuation £66 based on a licensed turnover of £100,000

**(4) Ferrybank Inn, Village of Kilrane**

1989 First Appeal

Rateable valuation £95.

**Oral Hearing:**

The oral hearing took place in Wexford on the 26th day of September 1995. The appellant was represented by Mr. Nicholas McAuliffe of Messrs. Kenneally McAuliffe, Surveyors and the respondent was represented by Mr. Philip Colgan of the Valuation Office.

Both parties agreed the purchase price of the subject premises as of June 1991 at £290,000 but differed in their estimate of expected yield therefrom. Mr. McAuliffe referred to the turnover figures for the years ending 30th June 1993 and 1994 and pointed out that they indicated that the purchase price paid in 1991 was much too high.

Mr. McAuliffe submitted that Kilmore Quay was a small fishing village and that the subject property was dependent on the tourist season which lasted for only two months in any year. He said that there was virtually no passing trade and that the on-going works in the harbour meant that there was no trade other than that generated in the tourist season.

Mr. McAuliffe referred to the restaurant section of the subject property and stated that the restaurant accounted for a very small percentage of total turnover. Mr. Colgan submitted that the purchase price paid by the owner in 1991 could not be ignored and must be seen as a reflection of the true value of the property.

Mr. Colgan accepted that the works being carried out in the harbour were affecting trade in the village generally, but he submitted that once these works had been completed the potential of the subject property was extremely high.

Mr. Colgan said that Kilmore Quay was an extremely successful fishing port and a very well known tourist spot. He pointed out that the subject had an extremely good reputation throughout Wexford and that this would be considerably enhanced in future years with the completion of the works in the harbour.

**Determination:**

The Tribunal while noting the purchase price of the property, cannot ignore, nevertheless the turnover figures which do seem to indicate that the purchase price was on the high side.

While the village of Kilmore Quay is undoubtedly a successful fishing port it would seem that the trade of the subject property depends to a large extent on tourists. Even when the works in the harbour have been completed the village of Kilmore Quay while undoubtedly enhanced, will attract tourist business only in our limited tourist season and the potential of the subject property, while it may greatly improve, will nonetheless be restricted by location and the short span of the tourist season in Ireland.

In the circumstances and taking into account all of the evidence adduced the Tribunal is of the opinion that the correct rateable valuation of the subject premises is £100 and so determines.