

Appeal No. VA00/1/005

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

**Mr. Charles Boyle t/a Ostan Gaoi Doir**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed Hotel and Land at Map Reference 91, 92, 93, 94, 95, 96, Townland:  
Maheraclogher, ED: Maheraclogher, RD: Dunfanaghy, County Donegal  
Quantum - Comparisons, overall rate per sq. ft. applied

**B E F O R E**

**Fred Devlin - FRICS.ACI Arb.**

**Deputy Chairman**

**Michael Coghlan - Solicitor**

**Member**

**Marie Connellan - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 15TH DAY OF FEBRUARY, 2001**

By Notice of Appeal dated 14th day of April 2000, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £400 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that;

"(a) The Valuation is excessive, inequitable and/

(b) Not valued in accordance with the Valuation Acts and related legislation."

The appeal proceeded by way of an oral hearing that took place in the Courthouse Letterkenny on 26th July 2000. Mr. Pat McCarroll Chartered Valuation Surveyor and Rating Consultant represented the appellant. Mr. Christopher Hicks, District Valuer, represented the respondent.

A written submission prepared by Mr. Pat McCarroll on behalf of the appellant was received by the Tribunal on 18<sup>th</sup> July 2000. Financial Accounts for the Hotel from October 1994 to 30<sup>th</sup> April 1998 were received by the Tribunal on 13<sup>th</sup> July 2000.

A written submission prepared by Mr. Christopher Hicks, on behalf of the respondent was received by the Tribunal on 12<sup>th</sup> July 2000.

Mr. Pat McCarroll gave sworn testimony on behalf of the appellant and Mr. Christopher Hicks gave sworn testimony on behalf of the respondent.

### **The Property**

The hotel is situated on an outstanding site adjoining the village of Bunbeg on the Western coast of Donegal approximately one-hour west of Letterkenny. The premises is a purpose built hotel with a leisure centre open for nine months of the year. The agreed areas are:

Hotel	3,315 m <sup>2</sup>	35,680 sq.ft.
Store	174m <sup>2</sup>	1,872 sq.ft.
No. of Bedrooms :	39 ensuite	

### **Valuation History**

The subject premises were first valued in the early seventies and since then many changes have taken place. To take account of these changes a new valuation was issued in May 1998 of £400. At first appeal no change was made to this figure. Quantum only is being appealed to the Tribunal.

**APPELLANT'S CASE**

Mr. Mc Carroll proposed a net annual value of £70,000 as set out below;

**Valuation**

Hotel	35,680 sq.ft. @ £2.00 p.s.f.	=	£ 71,360
Stores	1,872 sq.ft. @ £1.00 p.s.f.	=	£ 1,872
	Total Net Annual Value	=	£ 73,232
	But Say	=	£ 70,000
	Rateable Valuation @ 0.5%	=	£ 350

Mr. McCarroll relied on two comparisons, the Shandon Hotel, Dunfanaghy and McNamara's Hotel, Merville, details of which are set out in Appendix 1 to this judgment.

**RESPONDENT'S CASE**

Mr. Hicks submitted that this Hotel and the Seaview operated together, as a family business in such a way as to compliment rather than compete with each other. He therefore adopted a similar approach to the assessment of the subject hereditament as to that used for the Seaview and made appropriate allowances to reflect the fact that the latter is closed during the winter months. However a higher percentage was applied to the turnover to reflect the fact that the subject operated in a more profitable sector of the market.

Turnover 18 Months ended 30/4/98	=	£1,264,725
Deduct 20% for 6 months to 30/4/98	=	£1,011,780
Growth in CPI 1988 to 1997	=	25.5%
Backdate 1/1.255 x £1,011,780	=	£806,200
@ 10%	=	NAV £80,620
@ .5%	=	£403.10
Say	=	£400

No comparisons were offered in support of the valuation.

## Findings & Determination

The Tribunal has carefully considered all the evidence introduced and arguments adduced and makes the following findings;

1. The subject property is a three star family owned hotel run in conjunction with the nearby Seaview Hotel which is in the same ownership.
2. The hotel is aimed mainly at the tourist industry and closes during the off peak season.
3. Of all the comparisons introduced the Tribunal considers the evidence in relation to the Shandon Hotel to be the most helpful. The Shandon is a three star establishment of a size similar to the subject and also has the added attraction of a leisure centre. Turnover is also similar as is the nature of the operation. Whilst it may be argued that the Shandon Hotel occupies a better location this is not of any great significance and is probably a matter of opinion and choice. Accordingly, therefore the subject should be valued on a similar basis.
4. The evidence in relation to other hotels was also considered but in the final analysis lesser weight attached to it.
5. Mr. McCarroll in his valuation attributed a lower rate p.s.f. to that portion of the property used for storage purposes. For the sake of consistency the Tribunal prefers to adopt an overall rate in that it is reasonable to assume that there are similar storage areas in the Shandon Hotel.
6. Having referred to the above findings the Tribunal determines the net annual value of the subject premises to be £375.00 calculated as set out below;

Hotel	37,552 sq.ft. @ £2.00 p.s.f.	=	£75,104
	Net Annual Value, Say	=	£75,000
	Rateable Valuation @ 0.5%	=	£ 375

