

Appeal No. VA00/1/006

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

Boyle Entertainment Ltd. (Seaview Hotel)

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed Hotel and Yard at Map Reference 37Ab, Townland: Magheraclogher,
ED:Magheraclogher RD: Dunfanaghy, County Donegal

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 £500 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 18th July 2000. Financial Accounts for the Hotel from 1995 to 1998 were received by the Tribunal on 13th July 2000.

A written submission prepared by Mr. Christopher Hicks, on behalf of the respondent was received by the Tribunal on 12th 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 in Bunbeg on the Western coast of Donegal. The premises is a 2 star family run hotel open throughout the year. The agreed areas are;

Hotel	2810m ²	30,253 sq.ft.
Store	249m ²	2,680 sq.ft.
No. of Bedrooms :	42 (19 ensuite in the new extension).	

Valuation History

The subject premises was previously dealt with by the Tribunal by way of a judgment issued on 24th April 1997 – VA96/3/016. The rateable valuation was assessed at £290. The valuation was based on Turnover backdated to 1988 using the CPI index. Prior to the issue of the judgment further extensions took place to the hotel increasing the bedrooms from 23 to 42 and adding a new conservatory entrance. The property was relisted for revision and the rateable valuation was assessed at £435. At first appeal this figure was increased to £500. Quantum only is being appealed to the Tribunal.

1. APPELLANT'S CASE

At the hearing the appellant put forward the following valuation;

Valuation

Turnover for 1996	£ 1,138,438
Backdate to 1988 (33.3%)	£ 379,099
	£ 759,339
NAV @ 8.5%	£ 64,544
@ 5%	£ 322.72
Say	£ 323

or

Valuing on similar basis to Teach Jack

30,253 sq.ft. @ £2.00 p.s.f.	=	£ 60,506
2,929 sq.ft. @ £1.00 p.s.f.	=	£ 2,929
NAV	=	£ 63,435
RV @ 0.5%	=	£ 317

Mr. McCarroll relied on one comparison - Teach Jack valuation as set out below:

22,280 sq.ft. @ £2.00	=	£44,560.00
@ .5%	=	£ 222.80
Agreed	=	£ 225

RESPONDENT'S CASE

At the hearing the respondent put forward the following valuation which is based upon the original assessment of £290 and increased to reflect the value of the alterations.

Valuation

Turnover 18 Months ended 30/4/98	=	£1,984,002
Deduct 25% for 6 months to 30.4.98	=	£1,488,000
Growth in CPI 1988 to 1997	=	25.5%

Backdate 1/1.255 x	£1,488,000	=	£1,185,657
@	8.6%	=	NAV £101,966
@	.5%	=	£509.83
	Say	=	£500

No comparisons were offered in support of the valuation.

Determination

1. The Seaview Hotel is a small family run establishment and this is evidenced by consistent year on year growth over the past several years. Despite the investment in extending the bedroom accommodation this has not yet altered the underlying distribution of the income, which shows that some 100% of the turnover is attributable to liquor sales. Turnover is maintained at a high level by virtue of the disco activity.
2. Having regard to all the evidence adduced, the Tribunal prefers Mr. Hick's valuation method i.e. using the previous determination of £290 fixed by this Tribunal. VA96/3/016 – Hugh Boyle Entertainment Ltd. t/a The Seaview Hotel issued on 24/4/1997 as the starting point and then making appropriate allowances to reflect the added value of the extensions.
3. In the course of the hearing, Mr. Hicks accepted Mr. McCarroll's evidence that the annualized turnover for the fiscal year ending 30th April 1998 was £1.372m and on the basis of this he amended his opinion of Net Annual Value to £94,000 giving a rateable valuation of £470. The Tribunal considers this figure to be fair and reasonable and accordingly determines the Ratability Valuation at £470.