

Status of Judgment: Distributed

Appeal No. VA00/2/032

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

Proudlane Ltd. t/a Plaza Hotel

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hotel at Map Reference 41pt/1 Tallaght, R.D. Tallaght West, E.D. Tallaght Springfield
Co. Dublin

Beneficial Occupation and Quantum

B E F O R E

Henry Abbott - Senior Counsel

Chairman

Michael Coghlan - Solicitor

Member

Rita Tynan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 12TH DAY OF JANUARY, 2001

By Notice of Appeal dated the 19th day of July 2000, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £2,305 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; " we wish to appeal against the valuation as outlined overleaf on the grounds that it is excessive, inequitable and bad in law, when rental levels and other factors are taken into consideration. Furthermore the hotel was only partially completed as of 10th November 1998 and it is felt it should carry a nominal valuation as of that date. This issue has been raised with the Commissioner of Valuation at First Appeal Stage".

The appeal proceeded by way of an oral hearing, which took place at the Valuation Tribunal Office in Ormond House, Ormond Quay, Dublin on the 5th January 2001. The Appellant was represented by Mr. Brian Bagnall A.R.I.C.S., A.C.S., MIAVI and the Respondent was represented by Mr. Des Doyle, an appeal valuer with the Valuation Office.

Valuation History

1998/4 Revision: A rateable valuation of £2,305 was placed on the building

1998/4 First Appeal: No change was made to this valuation

Location

The Plaza Hotel fronts onto the Tallaght by-pass adjoining the Square Shopping Centre some 8 miles Southwest of Dublin's city centre. It is situated at the junction of Belgard Road and Blessington Road.

Description

The Plaza Hotel forms part of a six storey over double basement building, which is partly occupied as office and partly occupied as hotel. It is a four star hotel.

The accommodation is as follows:-

Ground floor:	Reception, pub (Grumpy McClaffertys) and Di Maggios Bar/Restaurant
First Floor:	Function suite conference rooms and "Olive Tree" Restaurant
Second Floor:	61 bedrooms
Third Floor:	61 bedrooms

Tenure

25 years with 5 year reviews from 3/4/98. Rent commencing August 1999 was £1.7 million.

Appellant's Case

Mr. Bagnall stated that the valuation was assessed on the 9th of November 1998 and that as of that date only a portion of the hotel was completed. The following items were not completed:

- (a) The air-conditioning system was not fully operational
- (b) The underground car park area was not complete nor was it open to the public.
- (c) The external site works had not been completed including the surface car parking and the drive area to the front of the hotel.
- (d) Forty bedrooms including the suites were not completed.

The portions that were opened to the public were:

- (a) A portion of the ground floor and first floor including bar and reception, function rooms and restaurant.
- (b) 82 of the 122 bedrooms were open although decoration on all the corridors had not been completed. The agreed floor area opened as of the 9th November 1998 was 6,418 metres square (69,083 sq.ft.)

In assessing the Rateable Valuation he proposed the following approach:

1. Assess the completed portion of the Hotel as if there were no work remaining and treat it as a fully furnished entity. In arriving at this valuation he took into account all the main Hotels in the area
2. Arrive at suitable discount to reflect the fact that although open, this Hotel
 - (a) Was only partially completed
 - (b) Had virtually no car parking on site
 - (c) The occupiers/tenants of the Hotel were in serious dispute with the developer and contractors which was only resolved in the year 2000. The end result of this dispute was that the Developers/Landlords agreed to a rent-free period until August 1999 and an undisclosed compensation figure in view of delays etc.

However Mr. Bagnall maintained that although the hotel was functioning at the valuation date that construction work was continuing on-site and there was minimal commercial beneficial occupation as of the statutory date. He therefore assessed the valuation as follows:

Agreed Floor Area 69,083 sq.ft. @ £4.50 = £310,873
RV adjust by .63% = £1,958
Say £1,960

In support of his approach to the valuation Mr. Bagnall offered three comparisons which are appended to this judgement as Appendix 1. He also referred to the following judgments of the Tribunal

Kayfoam Woolfson Ltd VA88/0/028

Wyeth Medica (for Polaroid Ireland Ltd) VA94/2/006 and

Carrigaline Hotels Ltd VA99/3/013

Respondent's Valuation

Mr. Doyle on behalf of the Respondent assessed the rateable valuation as follows:

Est N.A.V. at 11/88: 69,083 sq.ft. @ £5.30 = £366,139
R.V. @0.63% = £2306
Say £2305

Mr. Doyle commented that this was a 4 Star Hotel. At the valuation date approximately 90 of the 122 bedrooms were completed and in use. The R.V. of £2305 was fair in comparison with other hotels in the area. Mr. Doyle's five comparisons are attached as Appendix 2.

Determination

In this case the appellant, the Plaza Hotel has appealed a Rateable Valuation of £2,305 on the premises known as the Plaza Hotel which is situated adjoining the Square in Tallaght. The grounds of appeal are that the valuation is excessive, inequitable and bad in law, when rental levels and other factors are taken into consideration. Mr. Bagnall presented a precis of evidence, as did Mr. Doyle on behalf of the Valuation Office and the case involved two approaches from

Mr. Bagnall. The first was that he had argued on the basis of the Carrigaline and other decisions mentioned in his precis that by reason of the fact that the premises was not complete at the time of valuation that he was entitled to a very significant deduction and suggested that the valuation be reduced to an almost nominal £250.

The second approach that he took was to examine the comparisons and assess the valuation by reference to the comparisons. A number of precedents of the Tribunal were canvassed in evidence and the Tribunal has considered the submissions based on the various cases and in particularly the *Wyeth Medica Ireland case VA94/2/006*.

The decision of the Tribunal is that in the subject case there was not sufficient, or indeed, any evidence of an architectural or an engineering nature put forward to justify the wholesale reduction of valuation or to substantiate the allegation that the premises would not be up and fit for trading when occupation was taken. The Tribunal are not therefore disposed to make any allowance on that ground.

In relation to the second aspect regarding an analysis of the comparisons, while the Tribunal accepted from the comments made by the appellant at the outset, that *prima-facie* the Nass Road location of a number of comparisons would suggest that some discount might be made, the Tribunal is of the view that such a discount might only be given if there was further evidence given. Such evidence could be, for example, rates of occupation, of trading experience, of rates charged and other information perhaps of a management nature from the manager or other staff of the hotel who could give actual evidence in relation to the trading difficulties experienced on the ground. The Tribunal is of the view that in relation to these matters the onus of proof lies on the appellant and in the absence of that type of evidence the Tribunal considers that the Valuation should stand on the basis of the quantum arising from the comparisons offered. The Tribunal is not disposed to give such a discount in relation to the Tallaght area without further evidence and on that basis the valuation should stand. The Tribunal would propose to make no order as to costs in accordance with the usual practice in relation to quantum cases.

