

Appeal No. VA06/1/008

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Sean Dunleavy (D)

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hotel at Lot No. 16Ac, Cahergowan or Summerfield, Claregalway, County Galway

B E F O R E

Michael P.M. Connellan - Solicitor

Deputy Chairperson

Frank O'Donnell - B.Agr.Sc. FIAVI.

Member

Patrick Riney - FSCS FRICS FIAVI

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF JULY, 2006

By Notice of Appeal dated the 8th day of February, 2006 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €288.00 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are:

"In comparison to similar properties, the location, and having regard to the NAV we consider the RV to be excessive."

The Appeal proceeded by way of oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 19th day of May, 2006. At the hearing the Appellant was represented by Mr. John F. Kenneally, M.I.A.V.I, and the Respondent by Mr. Damien Curran, M.R.I.C.S, A.S.C.S, B. Sc., a Staff Valuer in the Valuation Office.

The Property

The property consists of a part three storey, detached, newly developed, well finished hotel, formerly a licensed premises which was demolished and redeveloped and consisting of 21 bedrooms, a bar/lounge and dining area (c.40 covers). It has an agreed floor area of 1260 sq. metres.

Location

It is located in the village of Claregalway on the N17 (Galway/Sligo road) about 12 km north east of Galway city. It forms part of a complex of shops and offices developed in 2005.

Appellant's Case

Mr. John F. Kenneally, having taken the oath, adopted his written précis and valuation which had previously been received by the Tribunal as his evidence-in-chief.

He said the hotel was in the village of Claregalway near the Claregalway Hotel. It had 21 beds, a restaurant and bar. It had no function room and no car parking of its own – they shared parking with shops and offices in the complex. It had no foyer, no leisure centre and no gardens or grounds of its own. It offered functional accommodation facilities and did a bar trade. It had no conference or wedding facilities. It was expecting to be graded 3-Star. He gave the following 3 comparisons in his précis (see Appendix 1 hereto).

Comparison No. 1 - Quality Hotel and Leisure Centre, Oranmore (a common comparison). It was in a high profile position at the Oranmore roundabout which leads directly into Galway city from the Dublin and Gort roads (N6 and N18). The Quality Hotel was much bigger and superior to the subject and had a NAV of €45.72 per sq. metre, the same level which the respondent had applied to the subject.

Comparison No. 2: The Merriman Hotel, Kinvara was a purpose built hotel with a feature thatched roof. It was similar in size and use to the subject hotel and was graded 3-Star. The

nightly rate was €55 midweek and weekend. It was in the village of Kinvara about 28 km south of Galway city. It had a NAV of €2.38 per sq. metre.

Comparison No. 3: O'Dea's Hotel, Loughrea, Co.Galway. It was rated 3-Star and was a long established hotel in Loughrea, about 30 km east of Galway city. It charged a nightly rate of €65 and had a NAV of €25 per sq. metre.

Cross examined by Mr. Curran, Mr. Kenneally agreed that there was a vast difference in size between the Quality Hotel and the subject hotel but would not accept that a quantum allowance should necessarily apply as the type of business transacted differed between the two hotels. He agreed that the subject had a better location , traffic-wise, than the Merriman Hotel but said the Merriman Hotel benefited from being in a tourist area. He accepted that O'Dea's Hotel was developed on a piecemeal basis but would not agree that it was structurally inferior to the subject. It had a good location on a very busy road in County Galway. He remarked that it was valued at €20 per square metre less than the subject.

He said that Mr. Curran's comparison No. 1, the Crúiscín Láin, Spiddal, was smaller than the subject and he did not know if it had a restaurant. He agreed that the subject was in a busier location with more passing trade. He said he would describe Mr. Curran's comparison No. 3, Clarinbridge Court, as a country house hotel and would not agree that its standard and fitout were inferior to the subject. He said that the subject was not yet graded, the owner had confirmed this to him and had said he was looking for 3-Star grading.

He opted for a rating of €30.16 per sq. metre as fair and just for the subject.

Respondent's Case

Mr. Damien Curran, having taken the oath, adopted his written précis and valuation which had previously been received by the Tribunal, as his evidence-in-chief. He gave the following 3 comparisons (see Appendix 2 hereto).

Comparison No.1: Crúiscín Láin, Spiddal. He said that this was a 2-Star hotel situate in the village of Spiddal. It had 14 beds and was rated at €4.65 per sq. metre on the hotel and €13.67 per sq. metre on the stores. The subject property was superior in location and fit out.

Comparison No. 2: Quality Hotel in Oranmore – a 3-Star hotel which he maintained was of equivalent grading but was a different type of hotel with a leisure centre and was significantly larger than the subject hotel. It was rated at €45.78 per sq. metre.

Comparison No. 3: Clarinbridge Court, Clarinbridge. He said it was on a site deeply recessed off the road, of very mediocre construction and fit out and was some distance from the village of Clarinbridge. It was considerably larger and, in his opinion, inferior to the subject hotel and was ungraded. It was rated at €55.53 per sq. metre.

In relation to the appellant's comparisons he said the subject had a better location and was smaller than the Merriman Hotel. He said O'Dea's Hotel was not comparable as it was extremely old with a poor layout and this was reflected in its valuation.

Cross-examined by Mr. Kenneally, he accepted that the subject had no gardens, had to share parking and was a functional but basic hotel. He said that the Crúiscín Láin in Spiddal was a large licensed premises with accommodation and was situate in the tourist village of Spiddal. It was almost identical to the subject in size and large bar trade. Asked if its valuation at €4.65 per sq. metre was an anomaly he said it was in the Valuation List. In reply to a question from the Tribunal as to whether this was a very high level for a 2-Star hotel he said he could not explain it. He accepted that although it was a 2-Star hotel it charged €60 nightly mid-week and €65 at weekends.

In relation to the Clarinbridge Court, he accepted that it was a country house hotel, part of the Quality Hotel chain and very near a national primary route but said that hotels were not valued by reference to their occupiers. He maintained that it was not superior to the subject property. He accepted that it charged €59 per night mid-week and €109 at weekends.

He opted for a NAV of €45.78 per sq. metre on the subject.

Findings and Determination

Having assessed the comparative evidence and the submissions of the parties the Tribunal finds as follows:-

1. The subject hotel is a well finished, newly developed hotel which hopes for 3-Star rating. It is a former licensed premises redeveloped to a high standard.

2. It has no gardens or grounds of its own.
3. Car parking is communal and is shared with adjoining shops and offices.
4. There is no foyer, no function room or leisure centre.
5. The Crúiscín Lán in Spiddal is situated in the village of Spiddal which has a large tourist trade and is at the entrance to Connemara unlike the subject property which is on a national primary road.
6. Of all the comparisons presented by both parties the Merriman Hotel, Kinvara is the most similar and the most comparable to the subject.

Having regard to the above, the Tribunal determines the NAV and RV of the subject property as follows:

1,260 sq. metres @ €3 per sq. metre = NAV €41,580

RV @ 0.5% = €207.90

RV Say €208

And the Tribunal so determines.