

Appeal No. VA97/5/003

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

**Donal O'Sullivan**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Hostel at Map Reference 17/18 Morrisons Quay, County Borough of Cork  
Quantum - Appropriate comparisons

**B E F O R E**

**Liam McKechnie - Senior Counsel**

**Chairman**

**Barry Smyth - FRICS.FSCS**

**Member**

**George McDonnell - F.C.A.**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 9TH DAY OF MARCH, 1998**

By Notice of Appeal dated the 8th day of August 1997, the Appellant/Ratepayer, Mr. Donal Sullivan, appealed against the determination of the Commissioner of Valuation in placing a rateable valuation of £350 on the above described hereditament.

The Grounds of appeal, as set out in the said notice are:-

- "1. The valuation is excessive and inequitable
2. The valuation is bad in law".

- 1.** This appeal proceeded by way of an oral hearing which took place in Cork on the 28th day of January 1998. Mr. Desmond Killen FRICS, FRCS, IRRV a Fellow of the Society of Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited appeared on behalf of Mr. O'Sullivan whilst

Mr. Costello, a District Valuer in the Valuation Office appeared on behalf of the Commissioner. In accordance with practice and as required by the rules of this Tribunal the parties had, prior to the commencement of the hearing, exchanged précis

of evidence and submitted the same to us. Having taken the oath both valuers adopted as their evidence in chief, their respective précis. From the evidence so tendered the following facts, either agreed or so found, have emerged as being material to this appeal:-

- (a)** The subject matter of this appeal is a purpose built, recently constructed premises used and occupied exclusively as a hostel. It is located in Morrisons Island, just off South Mall in the City of Cork. It has, to the front, views over the River Lee as well as overlooking the City Hall. In addition to its own carpark, there are carparking facilities available on one side of the adjacent streets though the number of such spaces is limited and certainly, in the working week, the demand therefor is extensive. The street fronting onto the property is narrow though traffic can travel in either direction. Coaches and other vehicles, loading and unloading can be accommodated though with difficulty.
- (b)** The accommodation offered by this property and the layout and use thereof, at the time of the appeal valuer's inspection in April 1997 was as follows:-  
The accommodation consists of basement car park consisting of 14 marked car spaces.  
The ground floor consists of reception, office laundry, store, kitchen, dining area.  
The bedrooms are located on the 1st to 5th floors. Each floor is identical and each contains 11 bedrooms giving a total 55 bedrooms (45 en suite).  
The 3rd floor accommodation given below is replicated on the other floors.



There is in addition, as above stated, fourteen car parking spaces in the basement.

2. Having been constructed this property was listed for revision and, on the 1996/4 revision a rateable valuation of £350 was placed thereon. This issued on the 8th November 1996. An appeal was taken therefrom. The results, issued on the 18th July 1997 showed no change. Hence the present appeal to this Tribunal against the R.V. of £350.
3. Mr. Killen on behalf of the occupier suggested that the most appropriate method of valuation in this case was by way of comparison. In addition however he referred us to and furnished us evidence on the capital cost method and also on the accounts method. In relation to the former there is agreement that the total cost of the site and buildings amounted to £912,000. Having made the appropriate calculations in order to adjust this figure to November 1988 levels and having applied a return of 5% and adjusting the N.A.V. by the agreed ratio of .63%, the resulting R.V. emerges at £230. However and as both valuers have agreed in evidence, this approach is the method least preferred and since there is available to us sufficient evidence of comparable properties it is not necessary in our opinion to further dwell or further consider this method of approach. Equally so in relation to the accounts method. The evidence available in this context, shows, from the only profit and loss account available to the year ending the 30th April 1997, a net loss of £50,780. There are, it should be said, management accounts available for the seven months until the 30th November 1997. However since this enterprise is quite clearly still in its infancy and still in a start-up situation it would be quite unsafe to allow the available financial information to have any or any real impact on our task of calculating what the appropriate N.A.V. is for the subject property. Hence our preference for the comparative basis.
4. Mr. Killen has, in the context of the approach last mentioned referred us to three comparisons details of which are set forth in Appendix One to this judgment. As appears therefrom, the premises in question are firstly Isaac's Hostel, at MacCurtain Street in the City of Cork, Secondly, The Avalon Hostel House at Angier Street in Dublin and Thirdly, The Dublin Tourist Hostel at Frenchmans Lane, known as Isaacs in Dublin. On behalf of the Commissioner, Mr. Costello's comparisons which are set

forth in Appendix Two to this Judgment are six in number and also include the three comparisons as mentioned by Mr. Killen. In addition he refers to "Kinlay House" at Shandon Street in Cork, the Morrison's Island Hotel, which is situated immediately next to the subject property and thirdly the An Óige Hostel at Mountjoy Street in Dublin. In our opinion the comparison last mentioned, by reason of its location, state and condition, its layout and facilities is quite unlike the subject property and accordingly is of little assistance in this case. Though, situated next to the subject property it is also our view that Morrison's Island Hotel is not directly comparable though, we have remained conscious of the fact that the rateable valuation of £900 placed thereon devalues as to £5 on 27,453 sq.ft. and as to £500 each for the twenty one car parking spaces available. In our opinion therefore the most helpful comparisons are the three properties first mentioned above, which, as we have said, are common to both valuers. In our opinion the subject property is infinitely better than the hostel known as Kinlay House, at Shandon in the City of Cork and is substantially better than Issacs Hostel in the MacCurtain Street. With regard to the former the rateable valuation of £150 thereon devalues at a rate of £1.90 on the 12,629 sq.ft. available. This building was formerly the nurses home attached to the "North Infirmary Hospital" in Cork.

Its reconstruction, though effective and functional, is nevertheless a great deal short of the purpose built property forming the subject matter of this appeal. The accommodation so offered consists of five dormitories varying in bed number from 12 to 6. It has in addition 38 bedrooms with a capacity of 124 people. It has no ensuite facilities and its charge for a twin bedroom, which includes a continental breakfast, is £7.00 per person less than the subject property which has no breakfast included. The location is also inferior. Consequently it is quite clear to us that the N.A.V. on the subject hostel has to be significantly greater than that pertaining to Kinlay House.

5. Isaacs Hostel, in MacCurtain Street, was in its present use first revised in 1991. A total valuation of £375 was agreed. That devalued at £1.85 for 32,278 sq.ft. A further revision took place in 1996 because the restaurant, formerly part of this hostel, was sold and therefore had to be separately valued. The result was a reduction of 2,000 sq.ft. in the area available for the hostel. The resulting R.V. however retained its devalued rate of £1.85 p.s.f.
6. From the evidence given it would appear that Isaacs has 23 ensuite rooms and

otherwise has a capacity for servicing about 180 people. However it is not purpose built, could not be described as otherwise than a reconstructed building, has no on site car-parking facilities available, is located on a street with a one-way traffic flow with limited opportunity for overnight parking on adjacent streets. Furthermore the state and condition of the building is inferior to the subject property. Once more the differential between both must be substantial.

7. The Avalon House Hostel in Dublin, which was built in 1879 as a medical school, was, prior to its conversion to its present use, used as offices. It has 43 bedrooms, seven ensuite, with about 154 beds servicing the needs of its clientele. The existing R.V. which was fixed by this Tribunal in 1995, devalues at £3 on 14,445 sq.ft. of area. Whatever about its relative merits *vis-a-vis* the subject property and being conscious of the hugely enlarged pool from which its would-be users are drawn, we are nevertheless satisfied that the Island House Hostel can almost hold its own with this property.
8. With regard to the fourth comparison namely Isaacs in Dublin, the only real evidence is that on the 20,904 sq.ft. available there is a rate of £2.75 p.s.f. placed thereon in order to give the resulting R.V. of £360:

Having taken these comparisons into account and having assessed the evidence so tendered and the submissions so made, we are of the opinion that it would be quite impossible for us to agree that in relation to the subject property a rate of £2.10 p.s.f. is appropriate. None of the comparisons could in any way support this figure. We are of the opinion, given the characteristics of this property as outlined above that the appropriate rate on this area of 16,807 sq.ft. should be £2.60. Added to that should be the agreed rate for the other areas hereinafter mentioned as well as £300 per car parking space. Accordingly we determine that the appropriate N.A.V. in the subject

property is as follows:-

Hostel	16,807 sq.ft. @ £2.60	=	£43,698
Stairwell	873 sq.ft. @ £1.00	=	£ 873
Balconies (open)	1,443 sq.ft. @ £1.00	=	£ 1,443
Boiler House	103 sq.ft. @ £1.00	=	£ 103

Car spaces	14 sq.ft. @ £ 300	=	<u>£ 4,200</u>
	<b>N.A.V.</b>	=	£50,317
	<b>R.V. @0.63%</b>	=	£ 316
	<b>Say</b>	=	£ 315