

**Status of Judgment: Draft**

Appeal No. VA00/3/043,

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

**Harrington Hall Ltd.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Guesthouse at Map Reference 69.70 Harcourt Street, Sundry Townlands, St Kevins, County Borough of Dublin

**B E F O R E**

**Fred Devlin - FSCS.FRICS**

**Deputy Chairman**

**Frank Malone - Solicitor**

**Deputy Chairman**

**Michael F. Lyng - Valuer**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 30TH DAY OF APRIL, 2002**

By Notice of Appeal dated the 11th day of October 2001, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £480 on the above described hereditament.

The grounds of appeal as set out in the said Notice are that:

"The valuation is excessive, inequitable and bad in law ".

1. The appeal proceeded by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7, on the 31<sup>st</sup> October 2001.
2. At the hearing the appellant was represented by Mr. Eamonn Halpin ASCS, ARICS, MIAVI and the respondent by Mr. Frank Gregg a Staff Valuer and Team Leader in the Valuation Office.
3. Prior to the oral hearing the valuers exchanged written submissions and valuations a copy of which was forwarded to the Tribunal and received into evidence given under oath at the oral hearing.
4. The property which is the subject of this appeal comprises two three storey over basement Georgian houses located on the east side of Harcourt Street in that section between Clonmel Street and Hatch Street Upper. The property was formally a convent and purchased at auction in December 1996 for £970,000. Following purchase the building was upgraded and modernised to meet statutory requirements for operation as a four star guesthouse.
5. The accommodation provided includes 28 en-suite guestrooms together with reception, guests lounge, breakfast room, kitchens and stores. The lift serves all floors and six off street car parking spaces are also available.  
The agreed area measured on a gross external area basis is 15,348 sq. ft. (1,426.4 sq. m.). It is common case that the property has been very well restored and the original Georgian features retained in the principal rooms.
6. At the 1999/2 revision the rateable valuation was determined at £480. No change was made at first appeal stage and it is against this decision that the appeal to this Tribunal lies.
7. Mr. Halpin having taken the oath adopted his written submission and valuation previously received by the Tribunal as being his evidence in chief. In his evidence Mr. Halpin pointed out that the building suffered from an inefficient layout and requires higher than normal annual maintenance costs because of

its age and Georgian character. Mr. Halpin expressed the view that the Commissioner had valued the subject property by comparison with hotels in the vicinity, which had the benefit of a bar and other facilities.

8. In evidence Mr. Halpin contended for a rateable valuation of 340 calculated as set out below:

**Method One**

On Bedroom Basis

28 Beds @ £12.15 per bedroom = Rateable Valuation £350

In support of his opinion of Net Annual Value Mr. Halpin introduced eight comparisons as set out in Appendix 1 attached to this judgement.

Mr. Halpin pointed out that all his comparisons were guesthouses located in other areas of Dublin with the exception of his comparison No.1 i.e. the Hotel Lenehan, which no longer existed having been demolished as part of the new Russell Court Hotel premises.

9. Under cross-examination Mr. Halpin was unable to confirm if any of his comparisons had a lift. He agreed with Mr. Gregg that the most relevant comparison was Albany House a very well appointed guesthouse close to the subject and on the same side of Harcourt Street and which was Mr. Gregg's comparison No. 1. However Mr. Halpin disputed Mr. Gregg's devaluation of this property which he said was measured on a net internal area basis whilst all the other comparisons and the subject were measured on a gross external area basis. Mr. Halpin said that he believed the area of Albany House to be 13,606 sq. ft. measured on a gross external area basis.
10. Mr. Gregg having taken the oath adopted his written submission and valuation, which had previously received by the Tribunal as being his evidence in chief. In oral evidence Mr. Gregg said that Mr. Halpin's valuation method No. 1 was no longer an accepted method for arriving at net annual value as it does not adequately reflect the size or quality of the property to be

valued. Mr Gregg in his evidence contended for a rateable valuation of £480 calculated as set out below:

**Tone of the List Basis**

15,348 sq. ft.	@	£5	=	£76,740	or
1,426.4 sq. m.	@	£53.80 per square metre			
£76,740 N.A.V.	@	0.63%	=	£483	
<b>Rateable Valuation</b>		<b>say</b>		<b>£480</b>	

**Check:**

Purchase Price 1996				£970,000
Refurbishment 1997				£500,000
Total				£1,470,000
	@	10%	=	£147,000
@ IPD Index to 1998	=	109/195.3	=	£82,043
Rateable Valuation	@	0.63%	=	£516

**To allow for possible non rateable refurbishment**

<b>Rateable Valuation</b>		<b>say</b>		<b>£480</b>
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In support of his opinion of Net Annual Value Mr. Gregg introduced two comparisons as set out in Appendix 2 attached to this judgement.

- 11.** Under cross-examination Mr. Gregg agreed that Albany Hall was a prime comparison by virtue of its location and general characteristics. Nevertheless the subject property was in his opinion better than Albany Hall in that it had been completely restored, had a lift and a four star rating neither of which Albany Hall possessed. Mr. Gregg pointed out that the appeal valuer at the 1995/2 appeal stage noted that the roof of Albany Hall was in poor condition and that the basement area was not in use. These factors he said were reflected in the valuation. Mr. Gregg said he was unable to answer one way or another the proposition put to him by Mr. Halpin that the area of Albany Hall was measured on a net internal area basis but he agreed that if this were the case the area would be 15-20% higher if measured on a gross external area basis.

**12.** The Tribunal has carefully considered all the evidence and arguments adduced and makes the following findings:

- 1) Albany Hall is the most relevant comparison put forward in terms of location, size and nature of user. In view of its importance the Tribunal requested that the valuers carry out a joint measurement of the property if possible and to let the Tribunal know the outcome of this exercise. Despite of several reminders and for whatever reasons this has not happened so that the weight attached to the Albany Hall evidence is considerably lessened.
- 2) It is common case that the subject property has been tastefully restored and the accommodation provided is to a high standard of finish. All bedrooms have the benefit of the lift and the property occupies a good city centre location.
- 3) The Tribunal finds that Mr. Halpin's valuation method No.1 is of limited assistance and in any event does not meet the statutory requirements in that it arrives at a rateable valuation without going through the necessary process of first determining Net Annual Value. The Tribunal also accepts Mr. Greggs contention that this method does not adequately reflect either the size of the bedroom accommodation or the overall characteristics and quality of the establishment.
- 4) Of all the comparisons put forward the Tribunal finds the most relevant to be Mr. Halpin's comparisons 2,3 and 6 and Mr. Gregg's comparison No. 2 notwithstanding the fact that it is no longer trading. As originally stated Albany Hall is considered to be very relevant but in view of the dispute that has arisen regarding the basis of this valuation its value as a comparison is considerably lessened.

### **Determination**

Having regard to the above the Tribunal determines the Rateable Valuation of the subject property to be €548 calculated as set out below.

#### Valuation

1426.4m	@	£48 per sq m	=	£68,500	
Rateable Valuation	@	.63%	=	£432	(€548)

