

Status of Judgment: Draft

Appeal No. VA01/3/055

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

Hugh McGee/Clonmaca Ltd.,

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hotel at Map Reference 5J (Holiday Inn), Townland: Bunnagee, ED: Letterkenny Rural,
RD: Letterkenny, County Donegal

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Patrick Riney - FSCS. MIAVI

Member

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

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 29TH DAY OF NOVEMBER, 2002

By Notice of Appeal dated the 16th day of October 2001, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €1841.12 on the relevant property above described. The Grounds of Appeal as set out in the said Notice of Appeal are that;

"1. The valuation is excessive and inequitable.

2. Not valued in accordance with the Valuation Acts and related legislation."

1. This appeal proceeded by way of an oral hearing held in Letterkenny on the 22nd of February 2002.
2. At the hearing the appellant was represented by Mr. Patrick McCarroll ARICS FIAVI ASCS IRRV MCI Arb, and the respondent by Mr. Damien Curran MRICS, ASCS, BSc(Surv), a district valuer in the Valuation Office.
3. Prior to the hearing the Valuers exchanged written submissions and valuations which were forwarded to the Tribunal and subsequently received into evidence under oath at the oral hearing.
4. The property which is the subject of this appeal is a new purpose built four-star hotel trading as the “Holiday Inn”, Letterkenny. The hotel occupies a prominent location at the Dry Arch Roundabout on the Letterkenny to Derry road about 3 km from the town centre. The building is mainly three-storey with two two-storey sections at the rear. The agreed accommodation is as follows:

Ground Floor:	Reception area
	Bar
	Restaurant
	Function Room
	Kitchen
	Conference area
	Swimming Pool and associated recreational area.
First and Second Floors:	121 en suite bedrooms

The agreed floor area measured on a gross external area basis is 10,841.43 m² (111,700 sq.ft.).

There is ample off street car parking for a hotel of this size and nature.

At the 2000/4 revision the subject hereditament was assessed at a rateable valuation of £1,450 (€1841.12). No change was made at first appeal stage and it is against this decision that the appeal to this Tribunal now lies.

5. The Appellant's Evidence

In evidence Mr. McCarroll contended for a rateable valuation of €165 calculated as set out below:

Hotel	10,841m ²	@	€21.53(pm ²)	=	€233,416
Rateable Valuation		@	0.5%	=	€165

In support of his valuation Mr. McCarroll introduced two comparisons, details of which are attached to this judgement. Mr. McCarroll also provided profit and loss statements for the period from the 17th March 2000 to the 31st of December 2000 and for the 12-month period ending on the 30th September 2001 but did not refer to them in his evidence or in his assessment of Net Annual Value.

In evidence Mr. McCarroll said that in arriving at his opinion of net annual value he had regard to a number of factors including location, size and the fact that the property was only one year in operation. He also had regard to the rateable valuation of the Mount Errigal Hotel in Letterkenny and Jackson's Hotel in Ballybofey, both of these hotels, he said, were much smaller than the subject and occupied better locations. The Holiday Inn Mr. McCarroll said, was the largest hotel in Co. Donegal and this was something that should be taken into account in arriving at net annual value.

6. The Respondent's Evidence

Mr. Curran having taken the oath adopted his written submission and valuation which had previously been received by the Tribunal as his evidence in chief. In evidence Mr. Curran contended for a rateable valuation of €841.12 calculated as set out below:

Hotel	10,841.69 m ²	@	€34.03 pm ²	=	€368,224
Rateable Valuation		@	0.5%	=	€841.12

In support of his valuation Mr. Curran put forward four comparables details of which are attached to this judgement. Mr. Curran in his evidence said that in arriving at his opinion of net annual value he had regard to a number of factors including the location of the hotel at a prominent roundabout and its proximity to Letterkenny. Letterkenny he said was a thriving commercial town that also had the benefit of a strong tourist trade.

7. Findings

The Tribunal has carefully considered all the evidence and arguments adduced by the parties and makes the following findings:

- 1) Of all the comparisons put forward, the Tribunal attaches most weight to the Mount Errigal Hotel in Letterkenny. This hotel is quite close to the subject and while somewhat smaller and closer to the town it also has a function room and full leisure facilities.
- 2) The other comparisons are of lesser assistance and with the exception of the Quality Court, are located elsewhere in Donegal.
- 3) By any criteria the subject is a large establishment and certainly much larger than any of the hotels put forward by the respective valuers as comparisons. In arriving at an opinion of appropriate rental value a hypothetical tenant in the market as envisaged under the Valuation Act 2001 would have regard to the size of the hotel, its location and its trading potential on an annual ongoing basis.

Determination

Having regard to the foregoing the Tribunal determines the Rateable Valuation of the subject property to be €1,626 calculated as set out below:

Hotel	10,841sq.m.	@	€30 per sq.m.	=	€325,230
			Say	=	€325,200
Rateable Valuation		@	0.5%	=	€1626