

Appeal No. VA05/1/037

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

Bittan Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Restaurant/Cafe, Guesthouse at Lot No. 5,6,7a, Church Street, Townparks, Skerries, County Dublin.

B E F O R E

John Kerr - BBS. ASCS. ARICS. FIAVI Deputy Chairperson

Joseph Murray - B.L. Member

Patrick Riney - FSCS FRICS FIAVI Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF SEPTEMBER, 2005

By Notice of Appeal received in this office on the 29th day of March, 2005, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €30.00 on the above described relevant property.

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

"Valuation is excessive and inequitable."

The appeal proceeded by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay, Dublin, on the 27th May, 2005. At the hearing the appellant was represented by Ms. Sheelagh O Buachalla, B.A., ASCS, a Director of GVA Donal O Buachalla, Property & Rating Consultants, 86 Merrion Square South, Dublin 2. The respondent was represented by Ms. Ciara Marron, B.Sc. Property Management & Valuation, Dip. in Prop. Valuation & Management, MIAVI, a Valuer with the Valuation Office.

In accordance with the Rules of the Tribunal, prior to the commencement of the hearing the parties had exchanged their respective submissions to the Tribunal. From the evidence so tendered the following emerged as being the facts relevant and material to the appeal.

Location

The subject property is located in Church Street, Skerries at its junction with Convent Lane.

Description

The subject property facilitates a family business run and owned by chef, Mr. Terence McCoy. The property consists of 3 amalgamated terraced buildings in Church Street, Skerries which were developed piecemeal over a number of years and consists of numbers 5, 6 and 7, Church Street. Number 5, following refurbishment and extension, is used entirely as a guesthouse with the exception of staff quarters on the third floor. Number 6 is a two-storey building used entirely as a guesthouse. The guesthouse is 3-star rated and has 18 bedrooms. The ground floor of Number 7 trades as the Redbank Restaurant, with a dedicated laundry to the rear. The remainder of Number 7 is occupied as the owners' residence.

Valuation History

The subject property was valued in August 2004 when the valuation was increased from €67.30 to €250. Following first appeal to the Commissioner the valuation was reduced to €230.

Tenure

Freehold

Services

All main services are connected

Agreed areas with valuation assessed by respondent

Guesthouse	678.93 sq. metres	@ €37.58 per sq. metre
Restaurant	157.90 sq. metres	@ €68.34 per sq. metre (not contested)
Laundry	20.74 sq. metres	@ €27.33 per sq. metre
Covered yard	13.94 sq. metres	@ €13.67 per sq. metre
Boiler room	2.50 sq. metres	@ €12.67 per sq. metre
Total Net Annual Value = €36,868.60		
RV @ 0.63% = €231		
Say RV = €230		

Agreed areas with valuation contended for by appellant

Guesthouse	678.93 sq. metres	@ €27.33 per sq. metre
Restaurant	157.90 sq. metres	@ €68.34 per sq. metre (not in issue)
Laundry	20.74 sq. metres	@ €13.67 per sq. metre
Covered yard	13.94 sq. metres	@ €6.83 per sq. metre
Boiler room	2.50 sq. metres	@ €12.67 per sq. metre
Total Net Annual Value = €29,346.39		
RV @ 0.63% = €185		

Appellant's submissions

- The location in Skerries is not ideal for running a guesthouse as trade is seasonal: good in the summer months but poor in the winter. Skerries is a nice place to live from the point of view of quality of life, but is not good for business.
- Dublin Airport location is much better for business. People tend to book online for a location near the Airport to catch early morning flights. Skerries is 25 minutes from the Airport and as such does not have the Airport catchment business.

- Mullingar was submitted as an example of a good location with a 15-mile radius catchment area around the town. Taking the hinterland of the same radius for Skerries, the available trading market base is negatively impacted.
- Although a quaint building, the layout of the guesthouse is poor due to the piecemeal development approach and as there is no lift, customers with a physical disability have to be accommodated on the ground floor.
- During the summer months there is competition from unregistered Bed and Breakfast accommodations and the appellant stated that many of these are private homes and do not pay rates. It was stated that of 26 guesthouses in the Fingal rating authority area, 8 were rateable. A document titled *Rating Records PrintOut (List)* dated 13 May 2005 was given in by Ms. Sheelagh O Buachalla, representing the appellant, to support this. A copy of that document is contained in Appendix 1 to this Judgment. Reference was made to Valuation Tribunal Appeal **VA/92/2/50 – Thomas Meehan** which concerned sandpits located in the east Galway region. The appellant’s sandpit was rated while others were not which apparently affected his competitive position. In that case the Tribunal lowered the valuation of the subject.
- The guesthouse is located on Church Street which is basically a residential street and does not have the benefit of a sea view. Visitors tend to come to Skerries just for the day rather than to stay overnight.
- There are no onsite customer car parking facilities. Fingal County Council is introducing parking metres. The hypothetical tenant would be more likely to pay a higher rent for a premises with parking facilities.
- The restaurant does good weekend trade but trades poorly during the week.
- The guesthouse operated at a 43% occupancy level in 2004.
- The appellant sees the guesthouse as his “pension” as he is at an age where he can no longer sustain the same level of work input in the restaurant as he could in the past.

Appellant’s comparative evidence

The appellant’s comparisons are at Appendix 2 to this Judgment.

Comparison Number 1 – Bushfield House - could not be considered as it is outside the rating authority area of Fingal where the subject property is located

Comparison Number 2 – Ann-Marie Beggs & Gerry Butterly - modern purpose built guesthouse located just off the old Dublin-Belfast Road, near Dublin Airport. This is a 3-star guesthouse with 10 ensuite bedrooms. It is smaller than the subject and the rate per square metre is €34.17 on the guesthouse and €27.33 on the boiler house. It has onsite car parking facilities. It has an area of 539 sq. metres in the guesthouse and 10.40 sq. metres in boiler house. (This is a common comparison)

Comparison Number 3 – Bracken Court – a purpose-built 40-bedroom 3-star hotel located near Balbriggan and with an area of 4146 sq. metres valued at €35 per square metre.

Respondent's submissions

- The property fronts onto Church Street and benefits from its corner position on Church Street and Convent Lane. .
- Number 7 is finished to an excellent standard and provides high quality accommodation. This section of the development is purpose-built.
- The Tone of the List in the Fingal area is the best guide to the level.
- €230 is a fair level of valuation and is not excessive.
- On cross examination the respondent did not feel there was a major difference in rating values assessed between a 3-star and a 4-star guest house.

Respondent's comparative evidence

The respondent's comparisons are at Appendix 3 to this Judgment.

Comparison Number 1 – Robert & Gemma McAuley, located on the Lusk-Dublin road with 14 ensuite bedrooms, swimming pool and car parking facilities. The level per square metre on the guesthouse is €43.17 on an area of 222.89 sq. metres.

Comparison Number 2 – Ann-Marie Beggs & Gerry Butterly, the same as the appellant's comparison number 2 mentioned above.

Comparison Number 3 – Leone Kelly, a guesthouse close to Dublin Airport. This is a 4-star guesthouse with 17 double/twin bedrooms and 1 suite. It is finished to an excellent standard and has ample parking. The level on the guesthouse area comprising 760.20 sq. metres is €39.30 per sq. metre; on the guesthouse annex of 120.10 sq. metres, the level is €30.76 per sq. metre and on the laundry/ store/ boiler house together comprising an area of 33.90 sq. metres, the level is €23.92 per sq. metre.

Comparison Number 4 – Geraldine Cowley, located near Castleknock. This is a 3-star guesthouse with 7 ensuite rooms. The level per sq. metre is €43.74 on an area of 311.39 sq. metres.

Findings and Determination

In view of the evidence and submissions of the parties the Tribunal finds as follows:

- The location of the subject is remote compared to guesthouses and hotels such as the common comparison number 2 – Ann-Marie Beggs & Gerry Butterly and the respondent’s comparison number 3 – Leone Kelly in the vicinity of Dublin Airport. The levels on the guesthouses in the respondent’s comparisons numbers 1 and 2 at €34.17 per sq. metre are lower than that on the subject.
- The Valuation Office comparisons are not comparable from the point of view of coastal location. The “tone of the list” as put forward by the Valuation Office does not appear to be a fair or representative tone as the comparisons of the respondent are not similarly circumstanced with that of the subject property. The Fingal area is diverse with inland and coastal properties each with their own attributes.
- There is apparent inequality in the manner in which guesthouses have been treated for rating purposes where some are rated and others not. This, however, is a matter which falls outside the jurisdiction of this Tribunal. The issue before the Tribunal is one of quantum.
- There is in effect no private parking facilities at the subject premises and because of its location trade tends to be seasonal as far as the guesthouse is concerned with occupancy levels at around 43% in 2004.

The Tribunal, having considered the findings, determines the rateable valuation of the subject property at €190 calculated as follows:

Guesthouse	678.93 sq. metres	@ €29.00 per sq. metre = NAV €19,689.00
Restaurant	157.90 sq. metres	@ €68.34 per sq. metre = NAV €10,380.85
Laundry	20.74 sq. metres	@ €13.67 per sq. metre = NAV €283.51
Covered yard	13.94 sq. metres	@ €6.83 per sq. metre = NAV €95.21
Boiler room	2.50 sq. metres	@ €12.67 per sq. metre = NAV €31.67
Total Net Annual Value = €30,480.21		
RV @ 0.63% = €192		
Say RV = €190		

And the Tribunal so determines.