

Appeal No. VA05/3/011

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

Filmbridge Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Club House, Golf Driving Range, Sports Centre, Store at Lot No. 1AAb2AB/1, Rathmiles, Ballybrittas, Mountmellick, County Laois.

B E F O R E

Michael P.M. Connellan - Solicitor

Deputy Chairperson

Michael F. Lyng - Valuer

Member

Michael McWey - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 1ST DAY OF NOVEMBER, 2005

By Notice of Appeal dated the 9th day of July, 2005, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €1,980.00 on the above described relevant property.

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

"The rateable valuation is excessive having regard to the location, size and nature of the buildings, the level of business carried out therein and the tone of the list for other buildings of similar use in the Co. Laois area.

There is also an issue with the calculation of the floor areas of the property by the Valuation Office (which has been mentioned at first appeal stage)."

The appeal proceeded by way of an oral hearing in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 26th day of September, 2005. At the hearing the appellant was represented by Mr. Conor Ó Cléirigh, M.R.I.C.S., A.S.C.S., F.I.A.V.I., and the respondent by Mr. Terry Fahey, a Valuer in the Valuation Office.

The Property Concerned

The property concerned comprises several buildings outlined below:

- A three storey clubhouse
- A single storey bowling facility
- A golf academy
- A driving range
- Office (Tractor Store)
- First Floor (Tractor Store)
- Store (Steel containers x 2)

Location

The subject property is situated in the village of Killenard just off the Dublin/Cork road (about 2 miles) and one mile from the village of Ballybrittas and three miles from Portarlinton. It is about forty-five minutes from Dublin.

The golf and country club stands on about 220 acres of land and encompasses an 18-hole championship golf course, designed by Seve Ballesteros and Jeff Howe.

It is part of a multi-million euro investment which includes a 5-star hotel with 100 bedrooms, the Thatch Public House, a spa, a leisure centre, a swimming pool, a gymnasium etc. and a substantial residential development. The clubhouse is one of the largest in Europe. The property is of the highest quality and has an excellent finish throughout.

The clubhouse has three floors; the ground floor lower comprises changing rooms for members and visitors, male and female toilets and showers, caddy master's store and buggy room, conference room, offices, dry goods stores and cold room.

The ground floor comprises entrance lobby, reception/office, restaurant, lounge bar, male and female toilets, kitchens, pro shop, office and terrace overlooking the golf course.

The first floor comprises restaurant dining rooms, male and female toilets, holding kitchen and terrace overlooking the course. There is also a crow's nest viewing area approached by a spiral staircase.

The clubhouse has a gross external floor area of 3,238.10 sq. metres. It is of concrete block construction with plastered and painted elevation and a pitched slate roof. Internally the building is finished to a high standard.

The bowling facility is a single storey structure, extending to a gross external floor area of 2,321.59 sq. metres with a tubular steel roof. The bowling area includes eight indoor rinks together with a bar and changing rooms, with a small lobby and office to the front of the building. This facility interconnects with the clubhouse at ground floor level.

The golf school or academy is a separate single-storey building of 348.95 sq. metres of concrete block construction with painted elevations and a pitched slate roof. Internally it is finished with plastered and painted walls, carpeted floor covering and suspended ceiling tiles with insert lighting and comprises an entrance lobby and office, waiting area, servery and store, male and female toilets and practice room. The building interconnects with the driving range which has ten tee boxes overlooking a 9 hole golf course. The driving range comprises 362.25 sq. metres.

The outbuildings include a tractor store, an office, a canteen, a WC, stores and two steel containers. The tractor store is 448.10 sq. metres. The office is 84.60 sq. metres and the first floor store is also 84.60 sq. metres. The two steel containers are 28.80 sq. metres combined.

Services

Main ESB and foul sewerage connections are accessible to the property. The water supply is from a private source within the grounds. The buildings are all serviced by air conditioning.

Tenure

The property is held in fee simple.

Areas

The gross external floor areas of the buildings were agreed.

Rating History

On the 1st December, 2004 the revision officer issued a certificate determining the rateable valuation of the entire property at €2,068. On the 17th December 2004 an appeal was lodged with the Commissioner of Valuation. On the 16th June 2005 the Valuation Office issued a certificate determining the rateable valuation at €1,980. On the 9th July 2005 an appeal was lodged to the Valuation Tribunal against the assessment of €1,980.

The Appellant's Evidence

Mr. Conor Ó Cléirigh, having confirmed that he now agreed with the respondent's areas, contended for a rateable valuation of €1,143 calculated as set out below,:

Clubhouse	3,238.10 sq. metres @ €39.28 per sq. metre	= €127,192.56
Bowling Facility	2,321 sq. metres @ €0.78 per sq. metre	= €1,440.38
Golf School Building	348.90 sq. metres @ €41.02 per sq. metre	= €14,311.88
Driving Range	362.25 sq. metres @ €20.59 per sq. metres	= €7,458.73
Tractor Store	Agreed	= <u>€8,127.22</u>
		= €28,530.77
Rateable Valuation @ 0.5%		= €1,142.65
Say RV		€1,143

Mr. Ó Cléirigh in support of his opinion of net annual value confined his evidence to the following.

Location

He stated that the property was located in Killenard, a small village situated between Ballybrittas on the old N7 route and the town of Portarlinton, County Laois. Killenard is in a rural area with a scattering of dwellings, a community hall, a school and a church. He maintained that access to the complex was somewhat fragmented as the main approach was through a series of small country roads approx 3.5 km from the Killenard turn-off on the new motorway (M7). He said that there was no signage to the Heritage complex at the turn-off, merely a sign for Killenard. They were not allowed to erect a sign for the club.

Tourist Destination

Mr. Ó Cléirigh maintained that County Laois was not recognised as a tourist destination by either the domestic or overseas tourist market and he produced and referred to figures extracted from the recent publication Preliminary Midlands East Region Facts 2004 published by the Research and Strategic Planning Section of Fáilte Ireland (see Appendix 3 attached to this judgment).

Buildings On Site

Mr. Ó Cléirigh maintained that the Bowling facility, which he said was unique and a first in Ireland should be valued at a lesser rate than the clubhouse and that he would call Mr. Tom Millan, the secretary of the appellant company, to give evidence in relation to this.

In support of his opinion of net annual value Mr. Ó Cléirigh introduced 5 comparisons details of which are set out in Appendix 1 attached to this judgment. His comparison No. 5 is the Heritage Hotel, Portlaoise, Co. Laois. The main hotel block has a rateable valuation of €40.54 per sq. metre. He said that this was appealed to the Tribunal (**VA03/2/017 – GMK Enterprises Ltd.**) but was settled by agreement between the parties before hearing and that the settlement equates to a 10% loading on the higher end of the prevailing rate per sq. metre for other hotels in the county. He said that he would adopt a similar approach in the assessment of the clubhouse and had allowed a 10% loading to the upper end of the prevailing clubhouse rate in the County.

Mr. Ó Cléirigh said that membership subscription was €40,000 and Green Fees €110. He believed the K Club subscription for 50 years was €250,000 with €80,000 green fees. He again

emphasised that County Laois was not a tourist area and that this had had an adverse bearing on the club.

Mr. Tom Millan, CPA, said that he was secretary of the company and that the membership fee was €40,000 in redeemable preference shares, redeemable on request and that the annual subscription was €1,000 plus VAT. He said that the bowling complex was built to encourage people to play bowls, particularly in bad weather when golf was not available. He further stated that they had researched the number of people in England playing bowls at 2 million and that they had employed an agent in England to bring their facility to the attention of these players but with little success. In 2004 they had 1,900 players bringing in an income of €14,000. They had come to the conclusion that the employment of an agent in England was not beneficial and had cancelled his contract. He would, in comparison, rate the K Club at 10 out of 10 as the best club in Ireland, and said that they would rate their own club at 6 out of 10. He maintained that residential property must be available with the club. They were selling three-bedroom detached dwellings at €675,000 whereas the K Club were offering deluxe apartments at €1.2 to €1.5 million. Filmbridge Ltd. was promoting the Club as a golf and country club.

Cross-examination by Mr. Fahey

Under cross-examination by Mr. Fahey, Mr. Ó Cléirigh said that there was no signpost for the club in the village or at the turn-off from the motorway, merely a signpost for Killenard. He maintained that it was difficult to access the clubhouse. He agreed that he considered the rateable valuation per sq. metre on the Heritage Hotel to enable him to arrive at his valuation on the clubhouse.

Mr. Ó Cléirigh agreed that the subject property was one of the largest in Europe and was of the highest quality. He reiterated that the Clubhouse was 2.5 miles from the motorway and that access was fragmented and along country roads. He said that 220 acres was dedicated to the club.

Respondent's Evidence

Mr. Terry Fahey having taken the oath adopted his written précis which had previously been received by the Tribunal as his evidence-in-chief. He said that the complex was on a 300 acre

site and that the clubhouse was one of the largest in Europe situated 2.5 miles from the motorway and approximately one hour from Dublin. He maintained that the tourist aspect of the appellant's case was not relevant as people would play golf at the Heritage the same as anywhere else. He said that he would rate the buildings at the K Club as 10 out of 10 for quality of buildings and the Heritage as 8 out of 10 for quality of buildings. He said that the 2005 AIB Senior Irish Open was held at the Heritage in June this year and that the Club had been named as the best new golf course in Britain and Ireland by the Gold World Magazine. He contended for an RV of €1,975 and not €1,980 as set out in the Valuation Certificate. In support of his opinion of net annual value he produced three comparisons details of which are set out in Appendix 2 attached hereto.

Determination

The Tribunal has carefully considered all the evidence and arguments adduced by the parties and make the following findings.

1. The level on the bowling facility should be lower than the level on the clubhouse.
2. The fact that the Heritage Golf and Country Club was in a poor tourist area had little or no bearing on the financial success of the club. It is situated in the midlands and close to Dublin. The membership is full and the club is well known in the golfing world as a championship course, as it hosted the AIB 2005 Irish Senior Open this year.
3. The demand for bowling appears limited both in Ireland and England. The market has been tested and found wanting.
4. It would be difficult to let the bowling premises situated where it is and it would be of limited use to interested tenants.

Having regard to the foregoing the Tribunal determines the rateable valuation of the property to be €1,825 calculated as set out below:

Clubhouse	3,238.10 sq. metres @ €64.92 per sq. metre	= €10,217.45
Bowling Facility	2,321.00 sq. metres @ €52.00 per sq. metre	= €120,692.00
Golf School Building	348.95 sq. metres @ €47.84 per sq. metre	= €16,693.77
Driving Range	362.25 sq. metres @ €3.91 per sq. metre	= €8,661.40
Tractor Store	448.10 sq. metres @ €13.68 per sq. metre	= €6,130.00
Office (Tractor Store)	84.60 sq. metres @ €20.50 per sq. metre	= €1,734.30
1 st Floor Tractor Store	84.60 sq. metres @ €6.84 per sq. metre	= €78.66
Two Steel Containers	28.80 sq. metres @ €6.84 per sq. metre	= <u>€196.99</u>
Total NAV		€64,904.57
Rateable Valuation @ 0.5%		€1,824.52
Say RV		€1,825

And the Tribunal so determines.