

Appeal No. VA05/3/049

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

Nethercross Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hotel, Land, Office(s), House at Lot No. 1/1, Roganstown, Swords Lissenhall, Swords, County Dublin.

Quantum - location

B E F O R E

Michael P.M. Connellan - Solicitor

Deputy Chairperson

Michael F. Lyng - Valuer

Member

Joseph Murray - B.L.

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 17TH DAY OF NOVEMBER, 2005

By Notice of Appeal dated the 20th day of July, 2005 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €2,470.00 on the above described relevant property.

The Grounds of Appeal are set out in a letter accompanying the Notice of Appeal, a copy of which letter is contained in Appendix 1 to this judgment.

This appeal came before the Tribunal at an oral hearing on the 11th October, 2005 at the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7. At the hearing the appellant was represented by Mr. Joseph Bardon, F.S.C.S., F.R.I.C.S of Bardon & Co., and the respondent by Mr. Damien Curran, M.R.I.C.S., A.S.C.S., B.Sc. (Surv.) a Team Leader in the Valuation Office.

The property concerned is an extensive, mainly two-storey hotel, substantially purpose-built except for the original Roganstown House, which was gutted, rebuilt and refurbished. It is a 52-bedroom hotel, 20 of the bedrooms are on the ground floor and 32 on the first floor. It has a restaurant, residents' lounge, conference centre/function rooms and gymnasium as well as an 18-hole golf course. All of the bedrooms have en-suite facilities. There are additional facilities including leisure centre, reception areas, golf pro shop, changing rooms and swimming pool.

The hotel is on 4 acres and the golf course is on 155 acres.

The hotel is as yet ungraded but the applicants have written confirmation from Fáilte Ireland that it will have 4-star status.

It is situated in the townland of Roganstown about 10km east of Ashbourne and about 5km west of Swords on a minor country road leading to Naul. It is in a rural area and about 3 miles from Dublin Airport.

Mains water is supplied and connected to the property. Drainage is to a private treatment plant installed by the appellants. There is no council refuse collection service and no public transport services.

The area of the hotel has been agreed at 5,731.76 sq. metres.

Rateable Valuation

The subject property was initially assessed in October, 2004 at RV €2,470 effective from 1st January, 2005. The appellants state that they did not receive the Proposed Valuation Certificate and were therefore not in a position to lodge representations within the statutory time frame.

The rateable valuation was issued unchanged on 1st December, 2004. Following an appeal to the Commissioner of Valuation on the 4th of January, 2005 the rateable valuation was issued unchanged at €2,470 on the 23rd June, 2005. This appeal was lodged to the Valuation Tribunal on 20th July, 2005.

The Appellant's Evidence

Mr. Ian McGuinness, Manager of the hotel and stepson of the owner of the property, Mr. Joe McLoughlin, gave evidence. The hotel is held under lease from Mr. McLoughlin. The property was used as a farm up to 2½ years ago. Mr. McGuinness had a background in golf and because of this the appellants built the hotel and Christy O'Connor Junior designed the golf course.

They paid a contribution of €70,000 to Fingal County Council and spent €20,000 on road alignment. In addition they had to expend considerable money on installing a sewage treatment plant and drainage. There is no council refuse collection in the area and it costs them €3,200 a month for private collection.

Mr. McGuinness said the road signage was appalling. The hotel was difficult to find because of this. They had to advertise and employ a salesman to sell their facilities and golf club to corporations etc.

They had a good wedding trade and the golf course was going well with 200 members. They did a lot of golf outings, golf contributed almost 30% of their income, weddings about 30% and the rooms and restaurant the remainder. They had very nice gardens which contributed to the success of weddings etc. Their business from Dublin Airport (about 3 miles away) was poor but was about 6 or 7 persons a week and was on a come and collect basis.

The hotel is held under lease from Mr. McLoughlin at a yearly rent of €500,000. The landlord owns the property and hotel.

Mr. Bardon having taken the oath adopted his written précis and valuation which had previously been received by the Tribunal as being his evidence-in-chief.

Mr. Curran objected to Mr. Bardon's evidence on the grounds that he had two methods of estimating the rateable valuation and that they were contradictory. Mr. Bardon stated that they were not contradictory and were permissible. He said he approached his valuation on two grounds:

- (a) That there were no hotels of a comparable function in the Fingal area and that accordingly it was permissible to use hotels outside the Fingal area as comparisons.
- (b) That if the submission at (a) was rejected then he would rely on levels applied to other hotels in the Fingal rating authority area to support his valuations.

The Tribunal noted Mr. Curran's objections and allowed Mr. Bardon to give his evidence.

In relation to (a) above he mentioned that there were no hotels in the Fingal area which offered a full range of facilities such as leisure centre, swimming pool, gym and 18-hole golf course i.e. a golf and country club.

The Deer Park Hotel in Howth and Portmarnock Golf Links Hotel offered limited facilities of a similar nature. He gave a list of several comparisons from within Fingal rating authority area and these are set out in Appendix 2 to this judgment.

He further stated that Roganstown offered facilities which were more akin to those which were available at the Citywest Hotel, Saggart, the Slieve Russell Hotel, Ballyconnell, the Nuremore Hotel, Carrickmacross, etc. These are all outside the Fingal rating authority area. The 6 comparisons given by him are set out in Appendix 3 to this judgment.

Mr. Bardon referred to the four comparisons given by Mr. Curran in his précis (set out in Appendix 4 to this judgment) and stated that these were not hotels that compared with Roganstown as they were in more favourable locations. They did not have the same facilities and catered to a different clientele. He said that Mr. Curran was comparing 4-star hotels only with 4-star hotels.

In relation to comparisons outside the Fingal rating authority area, Mr. Bardon calculated Roganstown on an NAV of €244,514 @ 0.63% = RV €1,540.43 – Say €1,540, as detailed in his précis.

In relation to comparisons within the Fingal rating authority area he calculated an NAV on Roganstown of €282,405 @ 0.63% = RV €1,779.15 – Say €1,780, again as detailed in his précis.

Respondent's Evidence

Mr. Damien Curran having taken the oath adopted his written précis and valuation which had previously been received by the Tribunal as being his evidence-in-chief.

He stated that the Valuation Office compared hotels with hotels and 4-star hotels with 4-star hotels only.

He further stated that he made allowances for location in considering his rateable valuation of €2,470. 3-star hotels were inferior to 4-star hotels and it would be unfair to compare them with 4-star hotels. In his précis his comparisons were all 4-star hotels. He said that No's 1, 2 and 3 were most comparable with Roganstown.

The Crown Plaza, Santry is 2.8 miles from Dublin Airport beside Santry Stadium, has 204 bedrooms and is 4-star. It is situated on its own grounds. He stated that the Valuation Office made adjustments for size on occasions.

No's 2 and 3 in his comparisons were the 4-star Great Southern Hotel, with 230 bedrooms and no leisure centre and the Posthouse Forte International Airport Hotel, also 4-star with 249 bedrooms and no leisure centre, both at Dublin Airport.

No. 4 on his list is Turvey Hotel & Country Club situated close to the village of Donabate. It has 12 bedrooms and is ungraded but is considered to be the equivalent to 4-star.

In cross-examination he agreed that comparisons No. 2 and 3 were airport hotels with large passing traffic and that a great deal of their business came from the airport and from passing traffic.

The Crown Plaza was in a large residential area as well as a large industrial area with a shopping centre nearby. The other 2 hotels were airport hotels which got their clientele from

people travelling through the airport or to and from the airport. No. 2 & 3 were close to the M3 motorway.

Findings

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

1. The Tribunal has considered only comparisons from within the Fingal rating authority area. The appellant's comparisons No. 1 - Portmarnock Golf Links Hotel, No. 4 - Grand Hotel, Malahide, No. 5 - White Sands Hotel, Portmarnock and No. 6 - Marine Hotel, Sutton are in the North Dublin suburbs, while No. 7 - The Carnegie Hotel in Swords is in a Dublin suburb on the N1. These comparisons are valued at a lower rate per sq. metre than the subject. The respondent's comparison No.1 - Crown Plaza is located in North Dublin city, although technically in the Fingal rating area, and has much passing trade. Comparisons Nos. 2 and 3 - Great Southern and The Posthouse Forte are located at Dublin Airport. In these circumstances, from the point of view of location, the respondent's comparisons cannot be compared with the subject property.
2. Roganstown Golf & Country Club is a modern purpose built hotel, blended with the old Roganstown House refurbished, with an 18-hole golf course. It is situated in a rural area some 3 miles from Dublin Airport. The map contained in the respondent's précis of evidence clearly indicates that this premises is set in a very much rural location compared with both the appellant's and respondent's comparisons in the Fingal rating authority area. While the appellant's comparisons have relatively good locations they are, in the Tribunal's view, inferior to the subject in one or more of the following respects: age, quality, size, star rating, range of facilities.
3. The subject property is difficult to access because of its situation along a country road and it suffers from a lack of signage.
4. It has no public transport services.
5. The only service provided by Fingal County Council to the property is mains water.
6. The appellants had to provide drainage to a private treatment plant installed by them at considerable expense. They also had to make and re-align the roadway at a cost of €20,000.
7. There is no refuse collection service.
8. Although it is only 3 miles from Dublin Airport, the subject hotel gets little or no business from it and there is no passing trade.

9. People using the hotel have an objective in mind, to play golf, use the gym/leisure facilities or to attend weddings or conferences.
10. The appellant has to advertise extensively and employ a salesman to promote business for their hotel and golf club.

Having regard to the foregoing the Tribunal determines the rateable valuation of the property concerned at €2,239 calculated as set out below:-

5731.76 sq. metres @ €62 per sq. metre	= NAV €355,369.12
@ 0.63%	= RV €2,238.82
Say	= RV €2,239

And the Tribunal so determines.