

Appeal No. VA88/0/184

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

Michael Purtil

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Greenmount Hotel, Lot 2 Sandhills Road, Ballybunion, Co. Kerry

B E F O R E

Hugh J O'Flaherty

S.C. Chairman

Paul Butler

Barrister

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF JANUARY, 1989

By notice of appeal dated 22nd August, 1988, the appellant appealed against the respondents decision fixing the Rateable valuation of the above described hereditaments at £61.00.

In the course of his written submission of the same date he said that at the initial appeal his valuation had been reduced from £64.00 to £61.00. He considered this totally excessive and beyond his means of payment. His grounds for appeal were as follows:-

- (a) He purchased the Greenmount Hotel in May 1985 and the valuation at time of purchase was £25.00 which was within his means at the time.
- (b) He applied for and got planning permission to remove a glass verandah and replace it with a more durable and secure structure. This was completed in May 1987, without any Bord Failte or Government grant. It was financed through a personal loan from the bank which he is now paying off. As a result of this improvement his property was assessed and increased from a valuation of £25.00 to £64.00. The previous assessment was carried out in 1959 and all improvements since then were taken into account.
- (c) The Greenmount Hotel is an old structure of approximately 75 years, it has 11 bedrooms for accomodation use, it has no grounds only a garage/shed at back of building. It is expensive to maintain because of exposure to the sea air. Ballybunion is a small business town with no industry. It has no year round trade for his kind of business. Therefore he is totally dependent on the tourist trade which has dropped off drastically over the years. Because of such a drop off he has cut his business period from four months of trade to three months (1st July to end of September) as indicated in Bord Failte - 1988 Tourist Guide.
- (d) He said that starting in 1989 hotel owners will be required to pay an additional levy through Bord Failte to the Department of Labour for Manpower/Training. This new levy is in addition to the annual renewal of registration fee. All these overheads make it almost impossible to operate as a legitimate business. Undocumented Bed and Breakfast Houses and

Guesthouses who do not pay any fees or rates have an unfair advantage over registered businesses and can provide accommodation at reduced rates.

On behalf of the respondent, in his written submission of the 16th December, 1988, Mr. David M. Molony M.A.Bsc. A.R.I.C.S. who is an associate of the Society of Chartered Surveyors in Ireland with seven years experience in the Valuation Office set out, in the first instance, the location of the property. He said that Ballybunion is located 21 miles north of Tralee, 52 miles west of Limerick, and 85 miles north west of Cork. It is one of the foremost popular holiday resorts in the Kerry region which attracts a large number of tourists and day trippers.

He said that he inspected the property in February, 1988. He said the hereditament comprises a graded hotel. The business area contains Reception, Bar, Residents Lounge, Dining Room, Kitchen, Toilets, Store and 13 Guest Bedrooms all with H & C, 2 with shower en suite and 1 with bath en suite. The appellant retains an apartment on the ground floor, at the rear of the premises, for his own use.

The property was purchased in May 1985 for £85,000. The premises were subsequently improved with the erection of a new verandah at the front of the property together with various internal and external improvements at a cost of £23,500.

The "Greenmount Hotel" is listed Grade C in the Bord Failte "Hotels and Guesthouses 1988" Guide Book.

Mr. Moloney then set out the valuation history:

The property was first described as a Hotel, offs and yard in 1959 Revision R. V. £27.00. The valuation was subsequently appealed to the Circuit Court and was reduced to £25.00.

In the 1987 revision the premises were listed by Kerry County Council to "Value demolition of verandah and new extension" following alterations carried out by the appellant. The valuation was increased to £64.00. The appellant was aggrieved and appealed to the Commissioner of Valuation who deputed Mr. Molony to inspect the subject property and report. Having considered the report the Commissioner reduced the Valuation to £61.00.

He estimated the net annual value of the property to be £10,000. and as far as the rateable valuation devalued, as regards the hotel part of the premises, devalued at 10p per metre square.

He said that in his valuation assessment half of the floor area of the diningroom and kitchen has been allocated to non domestic and half to domestic. In addition one of the hotel guest bedrooms has been valued as domestic. This approach to the valuation has been adopted only for these specific areas as these are on occasions used by the appellants family during the summer season.

Mr. Moloney said that he had negotiations with Ms. Gabrielle Kiely, in the absence of the appellant who was in America at the time, and he understood Miss Kiely to have authority to negotiate on behalf of Mr. Purtill and it was on that basis that a reduction on valuation from £64.00 to £61.00 was agreed.

He thought that by referring the matter to the Tribunal for a further reduction in valuation the appellant was endeavouring to take advantage of his earlier negotiations with Ms. Kiely by undermining the previous agreement. He said that in arriving at the rateable valuation of £61.00 regard was had to other revised hotels and guesthouses in the town of Ballybunion.

The oral hearing took place in Tralee on the 10th January, 1989, when Mr. Moloney appeared but the appellant did not appear. Mr. Moloney reiterated the fact of the agreement that had been reached on the reduction from £64.00 to £61.00.

The Tribunal concludes that this is a binding agreement on Mr. Purtill but, even if it did not so hold, it finds that the valuation fixed is a fair one having regard to the comparable valuations referred to by Mr. Moloney, viz Marine Hotel which is situated on Sandhills Road, Ballybunion and where the Hotel accommodation devalues at 11.5p per metre square. Mr. Moloney thought that it was located at an inferior location to that of the Greenmount Hotel. A further example given was the Eagle Lodge where the devaluation was at 12p per metre square. The Eagle Lodge is situated at Main Street, Ballybunion and the third example was the Central Hotel, also in Ballybunion, where the devaluation was 10.5p per metre square.

Accordingly, the respondent's decision will be affirmed.