

Appeal No. VA89/0/013

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

Mulbarton & Co. Ltd

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hotel at Lot No. 18a.20a Main Street, (Townland of Tanderagee), Bailieborough, Co. Cavan

B E F O R E
Mary Devins

Solicitor (Acting Chairman)

Paul Butler

Barrister

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF DECEMBER, 1989

By notice of appeal dated the 28th day of July, 1989, Mulbarton & Co Ltd appealed against the determination of the Commissioner of Valuation fixing a valuation of £115 on the Mulbarton Hotel, Bailieborough, Co Cavan.

The grounds of the appeal were that the rates were causing great hardship and that they could force the hotel into liquidation.

The subject property consists of a three storey hotel with a single storey extension to the rear. There are 21 bedrooms (three ensuite), meeting room and office on the upper two floors. The ground floor comprises a foyer, main lounge bar, dining room, ballroom, stores, small lounge bar, kitchen and toilets.

In a written submission received on the 18th October, 1989 Mr Patrick McMorrow, B Agr Sc., valuer with eight years experience in the Valuation Office outlined the recent valuation history of the subject property. He said that prior to 1970 the subject property was valued as two separate lots, a licensed hotel with a rateable valuation of £85.00 and house, shop, offices, etc. with rateable valuation of £35.00. In 1970 this was revised and the premises was first valued as one lot as "licensed hotel, ballroom, office, yard and small garden" and valued at £150.00. The premises was again revised in 1988 and no change was made at this stage. However, the occupier was aggrieved and appealed to the Commissioner of Valuation who deputed Mr McMorrow to inspect the subject premises and report. Having considered this report the Commissioner reduced the rateable valuation to £115.00. He said that included in the total rateable valuation of £115.00 there is an allowance of £18.00 for domestic usage. As regards the inability to pay the rates Mr McMorrow said that in arriving at the rateable valuation regard was had to the Rosses Point Hotel Co. Ltd. v. The Commissioner of Valuation, judgment of the High Court 1986. He said that a prospective tenant is likely to have an entirely different criterion from that of the prospective lessor in determining economic margins and therefore net annual value. He listed as comparisons the Lake Hotel, Virginia, Co Cavan, The Carolan Arms, Mohill, Co Leitrim, The Sliabh An Iariann, Ballinamore, Co Leitrim and The White Horse, Cootehill, Co Cavan. He said that the rateable valuation in proportion to the capital value and therefore to the net annual value is not any greater in the subject premises than in these comparisons. He said that all of the four hotels had been sold in recent years and that all of these hotels were similar in location and

general circumstances to the subject property. On the basis of the sales crisis he made a comparison between the ratio of rateable valuation and capital value.

Elizabeth Murphy, on behalf of the appellant outlined the grounds on which she intended to rely as follows:-

1. Poor trading - due to excessive competition in the area from new establishments recently formed.
2. Greatly reduced employment due to the collapse of Bailieborough Co-op and the transfer of factories from the area.
3. That functions were lost due to the lack of parking facilities.

At the oral hearing which took place on the 20th October, 1989 in Cavan Courthouse, Mrs Elizabeth Murphy and Ms Celia Kelly represented the appellant and Mr Patrick McMorrow represented the respondent.

Mrs Murphy gave evidence to the effect that the hotel suffered a serious downturn in trade. This year the hotel had only one wedding reception whereas in previous years it had as many as seventeen in any one year. The hotel had no car parking facilities. On the question of the value of the premises Mrs Murphy said that the same has been for sale for some time and that she received no bids. She is asking for a price in excess of £140,000 but says that she would be "tempted" by an offer of £140,000.

Mr McMorrow gave evidence broadly in terms of his written submission. He stressed that the premises (including the subject property) referred to in Table 1 of his submission had all sold within the last three and a half years and that the prices were specified "capital value".

Having regard to that and to Mrs Murphy's asking price he thought the sum of £140,000 was a realistic capital value.

Having regard to the percentages used in the other comparisons in Table 1 the Tribunal is satisfied that the rateable valuation of £115.00 is fair and takes into account the limitations referred to by the appellant. The Tribunal, being aware of the statutory requirement to take "like with like", is satisfied that the Commissioner's decision should be affirmed.