

Appeal No. VA92/2/038

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

Ethel Traynor "Forest Hotel"

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed Hotel at Lot No. 11.1 Market Square, Townland of Ballygar, E.D. Killeroran,
Co. Galway
Quantum

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Brian O'Farrell

Valuer

Joe Carey

P.C. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 8TH DAY OF SEPTEMBER, 1992

By notice of appeal dated the 24th day of March, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation on the above described hereditament at £50.

The grounds of appeal as set out in the Notice of Appeal are that "There is no employment in the Town and no Business in the area. I cannot afford to pay when the business is not there".

The Property:

The premises is described as a fully licensed hotel in Ballygar. The ground floor consists of a bar, dining room cum lounge, kitchen, toilets and store. Upstairs there are 10 ensuite bedrooms.

Written Submissions:

On the 29th of July, 1992 Ethel Traynor submitted a statement prepared by O'Neill Foley & Company, Chartered Accountants giving turnover figures for the years 1989, 1990 and 1991.

The figures were as follows:-

| | IR£ |
|-------------------------|---------|
| 13 months ended 31/7/89 | 152,176 |
| Year ended 31/7/90 | 127,507 |
| Year ended 31/7/91 | 137,237 |

Ms. Traynor also said that Ballygar is hard hit by unemployment and immigration which has resulted in a decline in business.

Mr. Christopher Hicks from the Valuation Office presented a written submission on the 10th of August, 1992 on behalf of the Respondent. He said that the site was purchased in 1987 for £18,500 and the cost of building the premises was approximately £80,000. He set out his valuation as follows:

| | |
|-----------------------|----------|
| Minimum Capital Value | £100,000 |
| @ 10% = N.A.V. | £ 10,000 |
| @ .5% = R.V. | £ 50 |

Mr. Hicks offered Hotel Bailie, Bailieborough, Co. Cavan (Appeal No. 89/13) as a comparison in which the R.V. was fixed at £115 (capital value was agreed at £140,000). Mr. Hicks said that there are ten registered hotels in East Galway. He submitted a Table listing five of these

including the subject. Hotel Bailie was also included for reference. This Table is attached as Appendix "A".

Oral Hearing:

The oral hearing took place in Galway on the 8th of September, 1992. Mr. John Naughton, Solicitor, appeared on behalf of the Appellant and Mr. Christopher Hicks appeared on behalf of the Respondent. Ms Ethel Traynor also attended the hearing. Mr. Naughton said that Ballygar was a town with a population of about 500 people. Employment is very bad in the town. The Appellant opened the business about 4 years ago. The hotel has a 100% occupancy for just 2 weeks of the year and for the rest of the year operates as what could be described as an up-market Bed and Breakfast. He referred to the turnover figures as set out above. He said that the hotel has no full-time staff and that Ms. Traynor puts in 80 to 90 hours per week working. The hotel has a function room which holds 80 to 90 people.

Mr. Hicks in evidence referred in some detail to his written submission. He said that the population of Ballygar had in fact increased over the last number of years and referred to figures from the Central Statistics Office as follows:

1971 - population 368

1988 - population 462

Present - population 472

He referred to his comparisons and pointed out that the subject premises is the hotel with the lowest valuation. Most of the comparisons are old rumbling buildings whereas the subject premises is a purpose-made hotel with 10 bedrooms all en-suite.

Determination:

The Tribunal is satisfied that Mr. Hicks has approached this matter in a reasonable manner. However, taking into account the downturn in the hotel business in particular since the building of the subject premises the Tribunal feels that there should be some reduction in rateable valuation and determines a rateable valuation of £45.