

Appeal No. VA92/4/023

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

**Boyne Valley Hotel**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed Hotel, House, Offices, Yard and Land at Lot No. 1Ba, Townland of Stameen,  
U.D. Drogheda, Co. Louth  
Quantum

**B E F O R E**

**Henry Abbott**

**S.C. Chairman**

**Padraig Connellan**

**Solicitor**

**Veronica Gates**

**Barrister**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 10TH DAY OF NOVEMBER, 1992**

By notice of appeal dated the 7th day of July, 1992, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £630 on the above described hereditament.

The grounds of appeal are that:-

"the rateable valuation is far too excessive even allowing for the new refurbishing and extension that has been put on to the Hotel."

**The Property:**

The subject is a Grade A Hotel situated on the south side of Drogheda along the main Dublin-Belfast road. A new bedroom block was built recently costing £450,000 comprising 16 double en-suite rooms with new entrance and reception area. There are 24 double bedrooms and 12 singles in the Hotel. There is a large night club. The buildings are set well back from the road with an approaching avenue. The site of the Hotel is approximately 7 acres.

**Valuation History:**

The property was listed by Drogheda Corporation to value "new commercial bedrooms". A new block costing c. £450,000 was built to the front of the property. The R.V. was increased from £265.00 to £650.00. Following first appeal the R.V. was reduced to £630.00. It is against this figure that an appeal lies to the Valuation Tribunal.

**Written Submissions:**

A written submission was received on the 15th October, 1992 from Mr. Michael Slattery, M.A., B.Comm., a District Valuer with 24 years experience in the Valuation Office on behalf of the respondent. The respondent's submission sets out the basis of valuation as follows:-

<b><u>Valuation</u></b>	<b>Rateable Valuation and Net Annual Value</b>
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In arriving at the rateable valuation particular regard was had to the relationship of R.V.'s to rental levels for recently revised comparative properties in the area.

Est. Capital Value	£1,000,000
Est. N.A.V.	£1,000,000 _ 10 y.p. = £100,000
R.V.	£ 100,000 x .63% = £630.00

Areas agreed with agent at 1st Appeal stage.

Old ground floor	17,946 s/ft
1st Floor	5,991 s/ft
Attic	440 s/ft
Basement	4,176 s/ft
New 2/s extension	<u>9,330</u> s/ft
	37,883 s/ft _ 3540 sm <sup>2</sup>

A written submission was received on the 16th October, 1992 from Mr. Frank Flynn of Robert B. Daly & Son Limited, Auctioneers and Valuers, on behalf of the Appellant. In this submission Mr. Flynn set out much comparative information and took four methods of calculating R.V. summarised as follows:-

- (1) Investment Method - Calculation R.V. - £250
  - (2) R.V. per bedroom - Calculation R.V. - £415
  - (3) Contractors Method - Calculation R.V. - £419
  - (4) Local Comparisons - Calculation R.V. - £212
- Calculation R.V. - £196

The appellant submitted that on the basis of the four alternative methods offered by them the valuation ought to be £425.

### **Oral Hearing:**

The oral hearing took place in Dublin on the 23rd day of October, 1992. Mr. Mark De Blacam, Barrister, instructed by Patrick Tallan & Company, Solicitors, appeared for the appellant and Mr. Michael Slattery, a District Valuer with 24 years experience working in the Valuation Office appeared for and gave evidence on behalf of the respondent. Mr. Frank Flynn, of Robert B. Daly & Son Limited M.I.A.V.I., Drogheda, a member of the Irish Auctioneers and Valuers Institute

with 15 years experience, gave evidence for the appellant, as also did Mr. Michael McNamara, the principal of the appellant.

Evidence was given by both parties along the lines of their precis and it emerged that two local premises were being relied upon heavily by the appellant as comparisons. These were the Bull Inn and the Rosnaree Hotel both valued at sums significantly lower than the subject. While it emerged that the turnover of the Bull Inn was comparable in money terms to that of the subject, it was clear that the Bull Inn is a bar type premises without the extensive range of buildings and facilities of the subject and hence the Tribunal considers that it is not really a valid comparison. The valuation of the Rosnaree Hotel, which is apparently trading quite buoyantly, is one of long standing and again not useful for the purpose of establishing relativities. The Tribunal considers that Mr. Slattery was influenced by the valuation of £1 million which he placed on the premises together with the fact that a significant passing rent of £1,000 a week was established for the disco premises in the subject hotel. The Tribunal accepts that the rent for the disco was a "flash in the pan" and not one which would indicate lasting buoyancy of rental capacity of the premises. The Tribunal also accepts that the restaurant trade has gone down and that the hotel is not in the optimum position to attract tourists to the Boyne Valley. The Tribunal is however impressed with the fact that Mr. McNamara is committed to bringing the premises round to a better state of trading even if this involves improvements on the premises. Nevertheless, with the benefit of hindsight and with the knowledge that the disco has not been revived in the hotel, doubts may be justified as to whether the premises together with other ancillary facilities not involved in this appeal were worth all of the £1.4 million paid for them in the recent sale.

The Tribunal has considered the various approaches offered by both the appellant and the respondent and finds that both sides, not unreasonably, have taken extreme limits of reasonably valid approaches to illustrate their cases. The Tribunal is of the view that to reflect the rental value which a tenant would be willing to pay for the subject premises notwithstanding its current

short comings, the Tribunal must take a more moderate approach. Accordingly, the Tribunal finds a valuation of £500 in respect of buildings with land at £11.80, totalling £511.80.