

Appeal No. VA93/3/039

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

Fitzpatrick Killiney Castle Hotel

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed Hotel, Offices and Land at Map Reference: 1B, Townland: Killiney Hill Road,
Ward: Dalkey Hill, Dun Laoghaire Rathdown, Co. Dublin
Quantum

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Brian O'Farrell

Valuer

Paddy Farry

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 28TH DAY OF MARCH, 1994

By Notice of Appeal dated the 11th day of August, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,900 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

"the valuation is excessive and inequitable having regard to the provisions of the Valuation Acts and on other grounds also."

The Property:

The property comprises an established hotel consisting of the 18th century Killiney Castle with extensions occupying a site of about 5½ acres with frontage to Dalkey Avenue and Killiney Hill Road of about 300 meters and from which there are two access gates. The site is separated from the public road by a high stone wall and also contains the self-catering apartments and travel agency which are valued elsewhere.

The buildings comprise the old three-storey over basement castellated structure with newer mainly four storey extensions at side together with some further extensions at side and rear developed at various stages throughout the years. There are also some small service buildings and a good sized tarmacked carpark and grounds to the front.

The hotel, rated as Grade A* by Bord Failte (4 star since 1/1/1994) contains 88 bedrooms, seven of which are exclusive suites. The accommodation also includes reception areas, lounges, lounge bars, two restaurants, three conference rooms, two banqueting rooms which can also double as conference/training rooms, a night club, leisure complex and various administrative offices, kitchens, stores, cold stores, toilets and staff facilities. The leisure centre forms an integral part of the hotel building although it has its own independent entrance lobby. The facilities here include a heated swimming pool, two squash courts, gym, aerobics room, steam, sauna and solarium rooms, hair and beauty salon and changing/locker rooms.

Valuation History:

The property was first valued as a hotel when a valuation of £240.00 was assessed. It was subsequently revised and appealed as below to take account of extensions, renovations, etc.

| | | |
|------|----------------|---------------------------------------|
| 1975 | R.V. £1,200 | 1st App. to £1,000; C.C. App. £960.00 |
| 1977 | R.V. Stet O.V. | 1st App. Stet O.V. |
| 1980 | R.V. Stet O.V. | |
| 1985 | R.V. £1,175 | 1st App. £1,030 |
| 1987 | R.V. £1,410 | 1st App. £1,400 |
| 1988 | R.V. Stet O.V. | |

The property was listed in 1991 by Dun Laoghaire Corporation with a request to "Value new buildings, value extensions, etc."

As a result of this Revision the valuation determined and issued at £1,900.

Written Submissions:

Mr. Raymond Ward, F.R.I.C.S. A.C.I. Arb, of Messrs. Lisney, Auctioneers & Valuers, presented an undated written submission which was received by the Tribunal on the 2nd March, 1994.

In the said submission the valuation history was set forth. Emphasis was laid upon the fact that the increase from £1,400 to £1,900 rateable valuation involved, not only the valuing of the latest extensions, but an overall increase of 35% in the assessment which, it was submitted, is totally unjustifiable and unwarranted.

Two figures relating to area were amended at hearing. The figure 53,750 square feet for Castle and original bedroom block were amended to read 33,900 square feet and the total of 100,440 square feet was amended accordingly to 100,540 square feet.

In the said submission Lisneys suggested that the valuation should be approached on a number of bases, i.e.:

- (a) Extending the 'price per sq.metre basis' agreed in the 1987 Appeal to the extension built since.
- (b) Inputting notional rental figures by reference to analysis of settlements and decisions in relation to comparable premises, particularly the Royal Marine Hotel, Dun Laoghaire.
- (c) Arriving at a net annual value on a profits basis by reference to the extracts from the audited accounts submitted.

Details of the methods are set out in Appendix 1.

The valuations arrived at using these methods are as follows:-

- (a) By reference to extension of the price per square metre basis - R.V. £1,550.
- (b) By the reference to comparisons - R.V. £1,550.
- (c) By reference to accounts - R.V. £1,525.

Denis Maher, a District Valuer with 18 years experience in the Valuation Office, presented a written submission dated 24th February, 1994 on behalf of the respondent.

In his said submission Mr. Maher said, *inter alia*, that the subject property is situated in south County Dublin, approximately mid-way between the villages of Dalkey and Killiney, about 3 miles south of Dun Laoghaire and 10 miles south of Dublin city.

Mr. Maher produced valuations on four bases as follows:-

- (1) Going Concern Basis:
R.V. £2,500

- (2) Area Basis:
R.V. £2,500

- (3) Bedroom Basis:
R.V. £2,200

- (4) Accounts Basis:
R.V. £2,500

Mr. Maher arrived at his (lower) rateable valuation of £1,900 in order to comply with the stated requirements of uniformity as laid down in the Valuation Act, 1852 and in accordance with Section 5 of the Valuation Act 1986. Details of these valuations are set out in Appendix 2.

By way of comparisons Mr. Maher cited *VA90/3/32 - Royal Marine Hotel, Dun Laoghaire, VA92/2/44 - Silver Springs Hotel, Cork* and *Shannon Shamrock Hotel, Bunratty, Co. Clare*.

Oral Hearing:

The oral hearing took place in Dublin on the 4th March, 1994. Hugh O'Neill, Senior Counsel, instructed by Messrs. Walker & Company, Solicitors, appeared on behalf of the appellant. Mr. Denis Maher appeared on behalf of the respondent.

Mr. Patrick Fitzpatrick, Chairman and owner of the hotel, in evidence, went through the history of the hotel and the changing market it provided for. On the question of the location of the hotel he said that it is very difficult to find and he expressed the belief that the Royal Marine Hotel has a 20-25% better turnover than his hotel.

Under cross examination Mr. Fitzpatrick accepted that the hotel is recognised as a hotel of international standard and that it was once mentioned as one of the best 300 hotels in the world. He thought that the Royal Marine Hotel in Dun Laoghaire was in a far better location.

Mr. Paul Taffe, Financial Director of the group of which the subject premises is part, gave evidence in relation to the accounts which appear in the submissions here before referred to. He said that he had previously been the accountant in the Killiney Castle Hotel.

Mr. Raymond Ward of Messrs. Lisney, referred in detail to his submission. He said, *inter alia*, that the extension amounts to less than 10% of the floor area of the premises and that the site was some 5.5 acres and not 7.5 as submitted on behalf of the Commissioner. Under cross examination Mr. Ward agreed that the square metre basis was no longer used but he said that he was not submitting it as a sole basis. He understood that the capital value of the hotel was about £4 million but did not give this detailed consideration. The costs of the conference centre amounted to £822,000.

Mr. Maher in evidence referred in detail to his submission. He emphasised that the 1987 valuation was prepared on a square metre basis and did not accept that the same was a good method of comparison. Under cross examination Mr. Maher did not accept that the location of the Royal Marine Hotel is superior. He submitted that it was his job to put a rateable valuation on the buildings not the furniture of the hotel.

Determination:

The Tribunal has had regard to the said written submissions and to all the oral evidence adduced at the hearing. The Tribunal is satisfied that the best comparative evidence available is that of the Royal Marine Hotel in Dun Laoghaire. It emerged in the course of the evidence that the Royal Marine Hotel, although of a somewhat lesser grade, charges more for its bedrooms.

The Tribunal further accepts that the Royal Marine Hotel is in a far better location than that of the subject premises and, indeed, it appears from the Judgment of the Tribunal in the appeal of *VA90/3/32 - Royal Marine Hotel*, that the Commissioner's representative in that appeal submitted that the location of the Royal Marine Hotel was much superior to that of the Killiney Castle Hotel. Further, the Royal Marine Hotel has a greater number of bedrooms. By reason of the foregoing and, to a lesser extent, taking into consideration the former rateable valuation of the subject premises, the Tribunal is satisfied that the net annual value of

the subject premises is somewhat less than that of the Royal Marine Hotel and determines rateable valuation at £1,675.