

Appeal No. VA93/4/022

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

**William Power, Warcham Investments Limited**  
**t/a Tinakilly House Hotel**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Hotel and Land at Map Reference: 2Ca, Townland: Tinakilly, E.D.: Wicklow Rural, R.D.:  
Rathdrum, Co. Wicklow  
Quantum - Comparisons

**B E F O R E**

**Henry Abbott**

**S.C. Chairman**

**Veronica Gates**

**Barrister**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 24TH DAY OF JUNE, 1994**

By Notice of Appeal dated the 2nd day of November, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £400 on the above described hereditament.

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

- "1. The Rateable Valuation is excessive in comparison to similar properties.
2. The RV is excessive having regard to the NAV as at November 1988."

**The Property:**

The property is located just outside the village of Rathnew on the Wicklow Road. It is approached by a long oaklined avenue and stands on about 5½ acres of woodland and gardens.

The main building comprises a two storey Victorian manor house added to over a number of years by the addition of a number of one, two and three storey modern blocks at the rear. The walls are constructed of rubble, brick and concrete blocks and the roofs are slated.

The property is now a Grade A hotel with 29 ensuite bedrooms, function room, dining room, sittingroom, bar, kitchen and ancillary accommodation. The extension and upgrading of the hotel cost about £1.2 million. The hotel also specialises in the provision of private dining rooms and full conference facilities for the corporate sector.

**Tenure:**

The property is held freehold.

**Valuation History:**

Prior to the 1980 Revision the premises was rated as a guesthouse with a rateable valuation of £80. After the 1980 Revision the property was changed to house & restaurant, motor house and land as the guesthouse business was discontinued and the rateable valuation remained at £80.

The premises was listed for revision in 1992 to value new extensions and the valuation was fixed at £400. The appellant appealed to the Commissioner of Valuation but no change was made at First Appeal. It is against this determination of £400 that an appeal now lies to the Valuation Tribunal.

**Written Submissions:**

A written submission was received on the 8th June, 1993 from Mr. Nicholas McAuliffe, A.R.I.C.S. of Kenneally McAuliffe, Surveyors, Valuers and Estate Agents, on behalf of the appellant.

In the written submission Mr. McAuliffe described the property and its accommodation and set out his calculation of the net annual value as follows:-

**1) Capital Value Basis**

Estimated Net Book Value 31st October 1992	£700,000.00
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N.A.V. @ 7%	£ 49,000.00
N.A.V. 1988 (reduced by 15%)	£ 41,650.00
R.V. @ 0.5%	£ 208.25
Say	£ 210.00

**2) Turnover Basis**

Year ended 31st October 1991 (net of VAT)	£589,575.00
Net Profit 18%	£106,123.50
N.A.V. @ 50%	£ 53,061.75
N.A.V. 1988 (reduced by 15%)	£ 45,102.48
R.V. @ 0.5%	£ 225.00

Mr. McAuliffe said that he had calculated the net annual value on the subject premises taking into the account the fact that it had certain limitations such as:-

- 1) The location between the village of Ashford and the town of Wicklow which was off the main Dublin to Wexford and Waterford route.
- 2) The preservation order which restricted the owner from developing the property freely.
- 3) The physical layout of the property as a Victorian country residence with large ornate rooms and inefficient use of space.
- 4) The turnover for the business. He said that the hotel relied heavily on national and international marketing to ensure business throughout the year. He said that the extension of the subject premises had been necessitated by the need to provide accommodation for the growing conference business.

Mr. McAuliffe offered four comparisons as follows:-

- 1) **Marlfield House, Gorey, Co. Wexford**  
Bord Failte Grade: \*\*\*\* (4 star)  
Rateable Valuation £295 (1990 First Appeal)
- 2) **Tulfarris House Hotel, Blessington, Co. Wicklow**  
Bord Failte Grade: \*\*\* (3 star)

Rateable Valuation £300 (1987 First Appeal)

**3) Ardenode Hotel, Ballymore Eustace, Co. Kildare**

Bord Failte Grade: \*\* (2 star)

Rateable Valuation £265 (1992/3 Revision)

**4) Markree Castle, Collooney, Co. Sligo**

Bord Failte Grade: \*\*\* (3 star)

Rateable Valuation £200 (Revised 1990)

A written submission was received on the 9th June, 1994 from Mr. Tom Cuddihy, a District Valuer with 27 years experience in the Valuation Office, on behalf of the respondent.

In the written submission Mr. Cuddihy described the property, its valuation history and tenure as set out above. He set out his calculation of the rateable valuation by three methods and these are set out below:-

**Method 1:**

Old Buildings	17,431ft <sup>2</sup>	@ £2.15 =	£37,476
New Buildings	10,491ft <sup>2</sup>	@ £4.00 =	£41,964
Basement	1,571ft <sup>2</sup>	@ £0.50 =	<u>£ 785</u>
			£80,225

Est. N.A.V. = £80,000 x 0.5% = £400.00 R.V.

**Method 2:**

Estimate Capital Value = £1,000,000 @ 8% = £80,000

Est. N.A.V. = £80,000 x 0.5% = £400.00 R.V.

**Method 3:**

Average Gross Profit for 90/91/92 =	£465,059
@ 35% Net Profit =	£162,770
Less Tenants Share 40%	£ 97,662

Est. N.A.V. = £97,000 x 0.5% = £485.00 R.V.

Mr. Cuddihy offered three comparisons as follows:-

- 1) **Marlfield House, Gorey, Co. Wexford**  
 1990/1 First Appeal  
 Grade A Hotel with 19 ensuite bedrooms  
 Rateable Valuation £295
  
- 2) **Ballymaloe House, Midleton, Co. Cork**  
 1991/4 First Appeal  
 Grade A Hotel with 28 ensuite bedrooms  
 Rateable Valuation £415
  
- 3) **Grand Hotel, Wicklow**  
 Grade B Hotel with 14 ensuite bedrooms  
 Rateable Valuation £215

Mr. Cuddihy said that Tinakilly House Hotel came within the category of hotel called "Country House Hotels" where the standard of service and accommodation far exceeds that provided by the average hotel and for that reason he had used Comparison 1 and 2 set out above. He said that the pricing structure indicated the standard, i.e. the De Lux Room in the Grand Hotel costs £30 per night whereas the Admiral Suite in Tinakilly House costs £100 per night.

#### **Oral Hearing:**

The oral hearing took place herein on the 20th June, 1994. Mr. Nicholas McAuliffe of Kenneally McAuliffe, appeared for the appellant and Mr. Tom Cuddihy of the Valuation Office, appeared for the respondent.

Debate ensued in relation to the valuation approach of the two valuers. The comparison with the Grand Hotel, Wicklow did not bear up as there had been considerable work done on the hotel recently, and its valuation did not reflect this. Comparisons outside the south east of the country did not invite significant attention from the Tribunal and the debate narrowed down to considering the merits of the subject relative to Tulfarris House Hotel and also to Marlfield House in Gorey. While Tulfarris deals with a significantly different market it nevertheless has a comparative location and a country house ambience which is similar in many ways to the subject property. The capital valuation of the subject on various approaches evident in

the case compares with Tulfarris House Hotel within the same range. The Tribunal heard of the purchase price of Tulfarris House Hotel following receivership.

The Tribunal is of the view that Marlfield House is a superior premises and that the valuation ought to be taken on a basis somewhere in a range dictated by the two comparisons.

Accordingly, having regard to all the comparisons offered and the evidence and arguments given by the parties, the Tribunal finds that the rateable valuation of the subject is £340 and so determines.