

Appeal No. VA98/4/006

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

Patrick Allen

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Licensed Hotel at Map Reference 4, 5, 6, 7, Foyle Street Townland: Ballynally, Town of
Moville, E.D. Moville, Co. Donegal
Quantum - Appropriate comparisons

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Barry Smyth - FRICS.FSCS

Member

Finian Brannigan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 14TH DAY OF DECEMBER, 1999

By Notice of Appeal dated the 15th day of October 1998, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £400 on the above described hereditament.

Eight grounds of appeal were set out in a document attached to the Notice of Appeal.

The appeal proceeded by way of an oral hearing that took place on the 10th December 1999. Mr. Patrick McCarroll Chartered Valuation Surveyor, A.R.I.C.S, F.I.A.V.I. A.S.C.S. I.R.R.V., A.C.I. Arb appeared on behalf of the appellant. Mr. Christopher Hicks, Appeal Valuer appeared on behalf of the Commissioner of Valuation. Prior to the commencement of the hearing the parties had exchanged their précis of evidence and submitted the same to this Tribunal. Mr. McCarroll submitted his pressay to the Tribunal on the 29th November 1999 and Mr Hicks submitted his pressay to the Tribunal on the 29th November. Both valuers having taken the oath adopted their précis as being their evidence in chief. Submissions were also made. From the evidence so tendered the following emerged as being the facts relevant and material to and for the purposes of the appeal.

The Property

The premises comprise the former two-storey hotel building fronting Foyle Street together with two and three storey extensions. The premises are located on the western side of Foyle Street, a narrow street located on the southern side of Main Street.

The accommodation provided is:

Ground Floor

Reception

Bar and Lounge

Meeting Room

Dining Room

Function Room

First and Second Floors

Bedroom accommodation

Number of Bedrooms

50

Grade

2 Star

Valuation History

The property was last valued as a hotel in 1967 at R.V. £90. At that time it had 24 bedrooms, none with en-suite facilities. Since then it has grown to include several adjoining buildings and a substantial recent addition to the rear.

As a result of additions and refurbishment a new rateable valuation of £400 was issued in November 1997. No change was made to the valuation at first appeal. The appeal to this Tribunal was lodged on 15th October 1998.

Appellant's Valuation Assessment and Comparisons

Mr. McCarroll on behalf of the appellant assessed the rateable valuation on the subject premises as follows:

Valuation :

$$\begin{array}{rcl} 35,000 \text{ sq.ft. @ } £1.75 \text{ p.s.f.} & = & £61,250 \\ @ 0.5\% & = & £306.00 \end{array}$$

Comparisons offered:

- 1. Frank Dorrian Ltd. – VA97/7/005 - RV £285**
- 2. Ostan na Rosann – VA97/7/002 - RV £250**
- 3. Inishowen Gateway – VA99/3/049 – RV £832**

Full details are attached as Appendix A.

Respondent's Valuation Assessment & Comparisons

Valuation:

$$\begin{array}{rcl} 35,000 \text{ sq.ft. @ } £2.30 \text{ p.s.f.} & = & £80,500 \\ \text{N.A.V. } £80,000 @ 0.5\% & = & \text{R.V. } £400 \\ \text{R.V. per bedroom} & = & £7.84 \end{array}$$

Comparisons

- 1. Bayview Hotel, Killybegs – VA96/3/015 - RV £475**
- 4. Seaview Hotel – VA96/3/016 - RV £290**
- 5. Lake of Shadows – VA94/3/019 – RV £350**
- 6. Dorrian's Imperial Hotel – VA97/7/005 – RV £285**

Full details are attached as Appendix B.

Tribunal Findings and Determination

The Tribunal has considered the comparisons submitted by the appellant and the respondent together with the written submissions and the evidence offered. The appellant and respondent have largely based their respective cases on the comparisons. The main issue therefore for the Tribunal is to decide on the most appropriate comparison in arriving at the determination in the matter. It is common case that the Sea View and the Lake of Shadows - two comparisons submitted by the respondent, largely depend on the licensed trade aspect of the business and the Tribunal finds that these two comparisons should be disregarded for the purpose of a decision in this case.

As to the respondent's comparison The Bayview Hotel, Killybegs, is a three star hotel and is a better quality new purpose built premises and on this basis we regard it as being an inappropriate comparison. As to the appellant's comparison Ostan an Rosann which analyses at £1.16 per sq.ft., this appears to be out of line with the valuations of other hotels in Donegal on a square footage basis and may reflect poor trading conditions. The appellants comparison number 3 Inishowen Gateway Hotel, is clearly a superior premises to the subject property being purpose built with a three star rating and a leisure centre together with extensive carparking.

The Tribunal finds that the comparison common to the appellant and the respondent, Dorrians Imperial Hotel is the most appropriate comparison although there is a disparity in the number of bedrooms between the subject property and Dorrian's. They are comparable in almost all respects, while the subject property has 51 bedrooms as against 26 bedrooms in Dorrian's Imperial Hotel. We accept the uncontested evidence of Mr. McCarroll that the troubles have lead to a significant decrease in crossborder trade to Moville, where the subject premises are located and the disappearance of a formally lucrative Scottish tourist trade. We find therefore

that this offsets the benefit of the extra bedrooms in the subject property. Having regard to the foregoing the Tribunal determines that the subject property should be valued as follows:
35,000 sq.ft. @ £2.00 per sq.ft. given an NAV of £70,000

@ 0.5% = R.V. £350.

The Tribunal therefore determines the R.V. of the subject property at **£350.**