

Status of Judgment: Distributed

Appeal No. VA99/1/008

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

Patrick Trainor

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Hostel at Map Reference: 27-28/2, Main Street, Townland: Knightstreet, E.D Ballingarry,
RD: Croom, Co. Limerick
Quantum

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

George McDonnell - F.C.A.

Member

Rita Tynan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF JUNE, 2000

By Notice of Appeal dated 13th day of January 1999, the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £20 on the above described hereditament.

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

"Since its conversion to a hostel, business has been negligible and has lost money every year. As a hostel the NAV would be extremely low".

The relevant Valuation History is that at the 1997 revision Lot 27 Knight Street and Lot 28 Knight Street were amalgamated and a rateable valuation of £55 fixed thereon.

Following an appeal the amalgamated lot was subdivided as follows:

Lot 27.28/1 Knight Street:	Licensed Shop	RV £28
Lot 27.28/2 Knight Street:	Hostel	RV £20

A written submission prepared by Mr. Cyril Curtin, consultant Valuer on behalf of the appellant, was received by the Tribunal on the 27th August, 1999. Mr. Curtin's experience includes five years as a Valuer in the Valuation Office. Mr. Curtin enclosed with his written submissions audited accounts for Trainors Hostel Limited for the year ending 30th June, 1997.

The written submission contended that a fair rateable valuation for the subject hereditament would be £5.

A written submission prepared by Mr. Patrick Conroy on behalf of the respondent was received by the Tribunal on the 22nd of August, 1999. Mr. Conroy is a district Valuer in the Valuation Office with 25 years experience.

The written submission set out the basis for the Rateable Valuation as follows:

The comparative method is relied on:

306 sq. m. (3290 sq. ft.) @ £13.45 psm (£1.25 per sq. ft.)	=	£4115 p.a.
NAV	=	£4,115 p.a.
@ .5%	=	£20.57
Say R.V.	=	£20.00

The written submission contained six comparisons. The details of the six comparisons were summarized on page 11 of the written submission. This summary is appended to this judgement as **Appendix A**.

The oral hearing took place in the Council Chambers, Limerick Corporation on the 10th of September, 1999.

Mr. Cyril Curtin appeared on behalf of the appellant and Mr. Conroy appeared on behalf of the respondent. In his sworn testimony, Mr. Curtin adopted his written submission as his evidence to the Tribunal.

He said the appellant had spent £90,000 on the premises which included a grant of £42,000.

Mr. Curtin said the subject had a bad location, not being situated on either of the two main roads to the tourist areas of Kerry. These main roads had hostels located adjacent to them. Also another disadvantage was that there was no reasonably priced restaurant in the village of Ballingarry, which people staying at the subject could use.

In further testimony Mr. Curtin said that the subject generated income of £5,118 in the year ending 30th June, 1997. This represented an occupancy rate of 10%.

At this stage in the hearing Mr. Curtin sought to put in evidence the occupancy rate for 1998.

Mr. Conroy objected to this as he had not been giving prior sight of these figures. The Tribunal decided in favor of Mr. Conroy in this matter.

Finally, Mr. Curtin said he could not see anybody paying an annual rent of £4000 per annum for the subject given the level of business carried on there as described in the accounts.

Under cross examination by Mr. Conroy, Mr. Curtin said that in arriving at his Ratable Valuation he had not considered other hostels as he had used the accounts of the subject to derive a ratable valuation. In further replies Mr. Curtin said his valuation of £5 was a nominal one as he could not see anybody paying a rent of £1000 per annum for the subject.

Under further cross examination Mr Curtin said the cash expenses of £8,407 had been overstated in his written submission by £5,811, which was the amount for depreciation net of grants. This

had arisen because he had not received the relevant page of the accounts. He calculated the cash expenses as £2,715 as against Mr. Conroy's calculation of £2,236 for same.

Mr. Conroy put it to Mr. Curtin that taking £5,118 for income and £2,715 for cash expenses and using the .5% gives an extra £29 R.V.

Mr. Conroy put it to Mr. Curtin that the improvement in turnover from the 1996 accounts was 78%. In reply Mr. Curtin said this was insignificant because the starting base was so small.

In his sworn testimony, Mr. Conroy adopted his written submission as his evidence to the Tribunal. He had based his RV on comparisons. He said that it was very difficult to find rent for hostels. There were usually owner occupied or held by contract between related parties.

The first four of his comparisons are at the bottom end of the hostel market. Comparisons five and six were better in terms of location and quality of buildings. In each of his six comparisons the rate per m² was higher than the rate per m² for the subject.

Under cross-examination by Mr. Curtin, Mr. Conroy said he had no accounts for his comparison hostels but they would have higher occupancy rates than 10%.

In his closing submission Mr. Curtin said the business was doing badly and that therefore a rent of £4,000 per annum did not make any sense.

In his closing submission, Mr. Conroy said that his valuation was based on the appropriate statutory provisions and on comparisons which had not been challenged.

The Tribunal has considered the written submissions and the evidence offered by the appellant and the respondent.

The Tribunal finds that the evidence adduced by the respondent based on comparisons which were unchallenged by the appellant show a preponderance of evidence to support the decision of the Commissioner. The Tribunal therefore affirms the decision of the Commissioner of Valuation and determines the rateable valuation of the subject hereditament to be £20.

