

Appeal No. VA99/3/056

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

**Lowstrand Leisure Ltd. t/a Merriman Inn**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Hotel at Map Reference 22-27 Kinvara, R.D. Gort, Co. Galway

**B E F O R E**

**Fred Devlin - FRICS.ACI Arb.**

**Deputy Chairman**

**Marie Connellan - Solicitor**

**Member**

**Michael Coghlan - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 17TH DAY OF APRIL, 2000**

By Notice of Appeal dated the 3rd day of August 1999, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £300 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; "the valuation is excessive, inequitable and bad in law in that the quantum is excessive when compared with recent appeal and tribunal decisions for buildings of similar function".

The appeal proceeded by way of an oral hearing which took place in Galway Corporation, City Hall, College Road, Galway on the 15<sup>th</sup> day of March 2000. Mr. Eamonn Halpin B.Sc. (Surveying) A.S.C.S. A.R.I.C.S. M.I.A.V.I. of Eamonn Halpin & Co. appeared on behalf of the appellant. Mr. Bernard Stewart, a District Valuer with 29 years experience in the Valuation Office appeared on behalf of the Commissioner of Valuation. In accordance with the Rules of the Tribunal, the valuers had prior to the commencement of the hearing exchanged their précis of evidence and submitted the same to this Tribunal. Both parties 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.

### **Property**

The premises comprises a new 2 storey 32 bed 3 star hotel in the village of Kinvara, Co. Galway. The site was acquired for £200,000 c. 1996 and the building was erected at a cost of £1.3m. The hotel is constructed with concrete block wall rendered externally with feature Norfolk Reed thatched roof over. There are double glazed windows fitted throughout. Kinvara is a small fishing village located 18 miles south of Galway and 13 miles north of Ballyvaughan.

### **Valuation History**

The property is new and was first revised in November 1997 at RV £300. No change was made to the valuation at first appeal.

### **Appellant's Valuation**

#### Agreed Areas

Hotel 18854sq.ft.	@ £2 =	£37,708
Stores 265 sq.ft	@ £1 =	<u>£265</u>
		£37,973 @ 0.5% £189.86
	Say	£190

#### Profits Method

Average T.O. years 1997 & 1998	=	£346,595
NAV @ *7.0% of average T.O. £346,595	=	£24,261 @ 0.5%

= RV £121.30  
 Say £122

\* The RV in relation to comparison No. 5 devalues @ 5.5% of 1996 T.O.

The appellant submitted five comparisons to the Tribunal which are summarised below:

1. Hylands Hotel Ballyvaughan, Co.Clare RV £233 (1995/2 1<sup>st</sup> Appeal & 1998/4 Revision).  
 RV includes £7 domestic.  
 Approx. Devaluation Hotel 2,100sq.ft @ £2.00/sq.ft.
2. Cregans Castle Hotel, Ballyvaughan, Co. Clare RV £200 (1995/2 1<sup>st</sup> Appeal )  
 RV devalues at 19,712 sq.ft @ £2/sq.ft.
3. Rathkeale House Hotel, Rathkeale, Co.Limerick RV £290 (1997/4 1<sup>st</sup> Appeal)  
 RV Devalues at 25,992 sq.ft @ £2.25/sq.ft.
4. New Euro Lodge Hotel Rosslare, Co. Wexford. RV £175 (1998/4 1<sup>st</sup> Appeal)  
 RV Devalues at approx 15,000sq.ft @ £2.35/sq.ft.
5. Woodenbridge Hotel, Co. Wicklow. RV £240 inc.£25 domestic. (1996/4 - 1<sup>st</sup> Appeal)  
 RV Devalues Main Hotel 21,561 @ £1.90/sq.ft.

### Respondent's Valuation

			Imperial.
Hotel	1752m <sup>2</sup> @	£33.90 p.s.m.	£59,390
Outer store	25m <sup>2</sup> @	£10.60 p.s.m.	<u>£ 265</u>
			<u>265 sq.ft.</u> @ £1.00 p.s.f.
			£59,655

R.V. 0.5% of N.A.V. £60,000  
 £300.00 R.V.

Mr Stewart offered the Tribunal two comparisons of new hotels in the area recently revised. The details of these comparisons are summarised below:

1. Galway Bay Golf and Country Club  
1998/4 RV £1365.  
Devalues 7635 sq.m @ £35.75 (82,185 @ £3.32/sq.ft.)
2. The Oyster Manor Hotel - Clarinbridge  
1997/4 Revision  
Devalues:  
Refurbished old part: 1,415 sq.m @ £26.85 p.s.m. (15,233 sq.ft @ £2.50/sq.ft.)  
New Building: 1,306 sq.m @ £32.29 p.s.m. (14,064 sq.ft @ £3.00/sq.ft.)

### **Determination**

The Tribunal has considered the evidence of Mr. Halpin and Mr. Stewart and has noted the submissions as made.

In arriving at its conclusions the Tribunal has not in this instance deemed the accounts method for valuation to be appropriate and has placed no reliance upon the accounts as presented by the appellant as same have not been certified.

In coming to its determination the Tribunal has taken note of and considered the general description of the subject premises as outlined by the parties. It is noted that Mr. Halpin has placed emphasis on his comparisons numbered 1 and 2 (Hylands Hotel and Cregans Castle Hotel). Mr. Stewart has preferred his own first comparison namely the Galway Bay Golf & Country Club Hotel.

As regards the comparisons generally the Tribunal is minded to agree with the contentions of Mr. Halpin to the effect that locality is not always a prime basis for comparison where Hotels are concerned. In an ideal world the most compelling comparison would clearly be the identical business premises nearest to the subject. Unfortunately such a scenario rarely occurs. Thus the Tribunal does not feel itself constrained to deal with comparisons adduced only upon the basis of

their proximity to the subject. Nor of course will the Tribunal give preference to premises which though of a similar type are located at a considerable remove from the subject.

On foot of the foregoing, the Tribunal is not persuaded by Mr. Stewart's arguments as to the merits of the Galway Bay and Country Club Hotel as a prime comparison. Though proximate to the subject, the premises trades upon a year round basis, is nearer to Galway city and enjoys a more wide ranging clientele. Similarly Mr. Halpin's comparisons numbered 3 & 4, The Woodenbridge Hotel in Wicklow and The Euro Lodge Hotel at Rosslare Harbour are both located in a different environment to the subject and are therefore of little assistance to the Tribunal.

In the view of the Tribunal Mr. Halpin's first and second comparisons are more persuasive as being Hotel premises of a similar size and as carrying on a trade similar in nature to the subject. However it is the view of the Tribunal that the subject premises as a recently constructed purpose built hotel is more favourably located and generally superior.

Accordingly, the Tribunal has determined that the valuation of the subject premises should be £224.00 devalued as follows:-

<b>Hotel</b> 18,554 sq.ft. @ £2.40	= £ 44,529.60
or (1,752 m <sup>2</sup> @ £25.50 p.s.m.)	
<b>Stores</b> 265 sq.ft. @ £1.00	= <u>£ 265.00</u>
or (25 m <sup>2</sup> @ £10.60 p.s.m.)	
<b>TOTAL</b>	= £44,794.60
<b>RV @ 0.5%</b>	= £ 223.97
<b>Say</b>	= £ 224.00

The Tribunal so determines.