

Appeal No. VA99/4/002

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

**T.A. O'Brien (Southern Hotel)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Licensed hotel at Map Reference 6, Sandhills Road, Ballybunion, Killehenry, Listowel, Co. Kerry

**B E F O R E**

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

**Deputy Chairman**

**Michael Coghlan - Solicitor**

**Member**

**John Kerr - MIAVI**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 3RD DAY OF MAY, 2000**

By Notice of Appeal dated the 2nd day of October 1999, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £79 on the above described hereditament. The Grounds of Appeal as set out in the said Notice of Appeal are that; "this hotel was built on the site of a derelict premises under the seaside renewal scheme. The business has proved difficult to establish and Ballybunion has only a 4 week season. The hotel is closed from 30th September to 1st May and has traded at a considerable loss in the two years it opened for business so far. Gross turnover circa £80,000 per annum".

The appeal proceeded by way of an oral hearing which took place in the Council Chamber, Tralee UDC, Town Hall, Princes Quay, Tralee on the 19<sup>th</sup> day of April 2000. The appellant Mr. Thomas O'Brien was himself in attendance. Mr. David Molony, a Valuer with 18 years experience in the Valuation Office appeared on behalf of the Respondent. In accordance with the Rules of the Tribunal, the parties had prior to the commencement of the hearing exchanged their précis of evidence and submitted the same to this Tribunal

At the oral hearing 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 the appeal.

### **The Property**

The subject is a three storey hotel with 15 ensuite bedrooms, unclassified in the Hotel & Guesthouse Guide Book 2000. The property was renovated in 1997. The floor area is 747.6 sq.m (8,044 sq. ft.). The property is in excellent condition.

### **Valuation History**

The property was listed in 1998 by Kerry County Council to value Southern Hotel. Valuation was assessed at £79. No change was made to the valuation at first appeal.

### **Appellant's Evidence**

Mr O'Brien in his written evidence said that the hotel was a seasonal hotel operating from May to September and that it had a hotel and not a 7 day license. The hotel did not have its own parking and rented space from adjacent car parks on an annual basis. He said that in his view the property should be valued at £1.50 per square foot to take account of these disadvantages. He said that the subject premises should be compared with the adjacent hotels i.e. the Marine Links Hotel valued at £72 and the Greenmount Hotel valued at £61.

## Respondent's Evidence

Mr Molony on behalf of the Commissioner of Valuation valued the premises as follows:

8,044 sq.ft. @ £2.00 p.s.f. = £16,088  
 Estimated NAV £16,088 @ 0.5% = £80.44  
 Say £79.

Mr Molony submitted three comparisons to the Tribunal as follows:

1. The Cliff House Hotel, Ballybunion, Co Kerry VA97/2/046  
 Valuation 27,335 sq.ft. @ £1.85 p.s.f. = £50,569  
 Estimated NAV £50,569 @ .5% = £252.85  
 Say £250
2. The White Sands Hotel, Ballyheigue, Co. Kerry 1994/4 F/A  
 Valuation 31,720 sq.ft. @ £2.25 p.s.f. = £71,370  
 Estimated NAV £71,370 @ .5% = £356.85  
 Say £355
3. The Towers Hotel , Glenbeigh, Co. Kerry 1995/4 F/A  
 Valuation 20,626 sq.ft. @ £2.10p.s.f. = £42,550  
 Estimated NAV £42,550 @ .5% = £215.00

Mr Molony said that the comparisons offered by the appellant were not suitable comparisons as the Greenmount Hotel was valued on a square metre basis and the Marine Links was a 1988 revision.

## Determination

The Tribunal has taken into consideration both written submissions as received from the parties concerned and has noted the oral submissions of Dr. O'Brien, the Appellant, and Mr. Moloney for the Respondent. It is noted that Mr. Moloney has generously reduced his own assessment for valuation to the level of £1.85 per square foot upon noting the information of the Appellant that

the subject premises was offered no more than 2 star status by Bord Failte and has only a restricted hotel licence.

The Tribunal has considered the comparisons adduced by Mr. Moloney and has noted his arguments in respect of same. The Tribunal is in general agreement with the Appellant that the best comparison available is that of the Cliff House Hotel also located in Ballybunion. This premises is considerably larger than the subject, is fully licensed and is generally superior.

The Tribunal accepts that the business of the subject is seasonal in nature and the summer season is restricted to perhaps three good months. This is confirmed by the fact that Ballybunion is a designated area under the seaside renewal scheme.

It is the view of the Tribunal that the subject premises is generally inferior to the Cliff House in that it is smaller, does not have a full licence and is restricted as regards parking. Taking all these factors into consideration the Tribunal determines the valuation of the subject premises to be £70.00 devalued as follows:

Hotel, 8044sq. ft @ £1.75 per sq. ft = £14,077.00

Estimated N.A.V. = £14077 @ .5% = £70.38

Say £70.00

The Tribunal so determines.