

**Status of Judgment: Draft**

Appeal No. VA01/1/026

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 2001**  
**VALUATION ACT, 2001**

**Cabra Castle Hotel**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Hotel and Land at Map Reference 2Fa, Cormey, 29.35, E.D. Kingscourt, R.D.  
Bailieborough, County Cavan

**B E F O R E**

**Fred Devlin - FSCS.FRICS**

**Deputy Chairperson**

**John Kerr - MIAVI**

**Member**

Frank O'Donnell - B.Agr.Sc. FIAVI Member

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 29TH DAY OF NOVEMBER, 2002**

By Notice of Appeal dated the 23rd day of April 2001, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £755 (€58.65) on the relevant property described above. The Grounds of Appeal as set out in the said Notice of Appeal are that:

"The rateable valuation of £755 is excessive, inequitable and bad in law."

1. This appeal proceeded by way of an oral hearing in the offices of the Tribunal, Ormond House, on Friday the 7<sup>th</sup> of December 2001.
2. At the hearing the appellant was represented by Mr. Joseph Bardon FSCS FRICS of Bardon and Company and the respondent by Mr. Damien Curran MRICS ASCS BSc.(Surv.) a district valuer in the Valuation Office.
3. Prior to the oral hearing the valuers exchanged written submissions of valuation and forwarded copies to the Tribunal which were subsequently received into evidence under oath at the oral hearing.
4. The property which is the subject of this appeal comprises a three star hotel and grounds located in a rural area about 2 miles north of Kingscourt, on the Kingscourt to Carrickmacross Road and some fifty miles from Dublin. The hotel is set back from the road and is approached by way of a long avenue which traverses a private nine hole golf course. The lands held with the hotel extend to an area of approximately 90 acres and are laid out to provide gardens, golf course and parklands used in conjunction with the hotel.
5. The hotel has been in operation since the early sixties and has been extended in a piecemeal fashion over the past several years. According to Mr. Bardon, part of the property dates from the 15<sup>th</sup> century, but in the main the buildings are of a more recent period and built in a mock castellated style. The former stable block at the rear has been converted to provide bedroom accommodation at two levels.
6. The gross area of the hotel including the converted stable block is agreed at 6237.4m<sup>2</sup> (67,139 sq.ft.). Mr. Bardon said that the area of the stable block was 2955.5 m<sup>2</sup> and this figure was not disputed by Mr. Curran. The accommodation provided consists of a reception area, three bars, restaurant, ballroom, gallery and a range of function rooms together with 68 en suite bedrooms 50 of which are in the converted stable block.
7. At the 1999/4 revision, the then existing rateable valuation of £15 was increased to £755 €58.65. No change was made at the first appeal stage and it is against this decision that the appeal to this Tribunal lies.
8. Mr. Bardon having taken the oath adopted his written submission of valuation previously received by the Tribunal as being his evidence in chief given under oath. In his evidence Mr. Bardon said that the building was inefficient in use and lay out due to its age and configuration. The converted stable block, which contains 50 bedrooms, was physically

separate from the main hotel building and this limited the ability of the hotel to operate efficiently as a unit.

Mr. Bardon pointed out that the main building was five storey and did not have a lift. This had, he said, an adverse effect on the operation of the hotel and made the bedrooms in this part of the building and the upper levels particularly difficult to let and hence this affected the overall efficiency and profitability of the establishment. Mr. Bardon also said that the hotel occupied a somewhat remote location with a small local population base and very limited passing trade. Whilst the hotel had a number of function rooms and catered for weddings and other locally based activities it did not have a leisure centre, which most hotels of a similar size and quality possess and potential customers expect.

By virtue of its age and nature of construction, the subject Mr. Bardon said, was more expensive to maintain on an annual ongoing basis than other hotels of a similar size. Due to the inefficient layout of the building, heating and other costs were higher than the norm. All of these factors must be taken into account in arriving at net annual value and in particular a lower rate per square foot should be applied to the bedroom accommodation in the converted stable buildings.

- 9.** Having regard to the foregoing Mr. Bardon contended for a rateable valuation of £570 (€723.75) calculated as set out below:

Main Castle Buildings	35,326 sq.ft.	@	£1.80	=	£ 63,587
Converted Stable Blocks	31,813 sq.ft.	@	£1.60	=	£50,901
Net Annual Value therefore				=	£114,488
Rateable Valuation		@	0.5%	say	£570 (€723.75)

In support of his opinion of net annual value, Mr. Bardon put forward details of twelve hotels located throughout the country as set out in the appendix 1 attached to this judgement.

- 10.** Under cross-examination Mr. Bardon agreed with Mr. Curran that a number of his comparisons were not relevant and ultimately stated that the last three of his comparisons were the most helpful to the Tribunal.
- 11.** Mr. Curran having taken the oath adopted his written submission and valuation previously received by the Tribunal as being his evidence in chief.

In oral evidence Mr. Curran said that there were no directly comparable properties in Cavan or Monaghan and that in arriving at his opinion of net annual value he considered the Nuremore Hotel in Carrickmacross to be the most relevant comparison. A number of his comparisons he said were introduced merely to show the levels of value attributed to other hotels which he considered to be inferior to the subject in terms of location and quality. In his evidence Mr. Curran contended for a rateable valuation of £755 (~~€~~58.65) calculated as set out below:

Hotel	6,237.4 sq.m.	@	£24.22 per sq.m.	=	£151,069
	R.V.	@	0.5%	=	£755
Turnover Year ending 12/99		=	£2,121,431		
	To '88	=	£1,657,000		
	10%	=	£165,746		N.A.V.
	.5%	=	£828		R.V.
Valuation Office Valuation			£755		( <del>€</del> 58.65)

In support of his opinion of net annual value Mr. Curran put forward details of seven other hotels as set out in the appendix 2 attached to this judgement.

Under cross-examination Mr. Curran agreed that there was a lack of consistency in the valuation methodology used in his comparisons. Some were valued on a comparative basis whilst others were valued on a percentage of capital value and or a percentage of adjusted turnover.

In relation to the subject property Mr. Curran did not consider the absence of a lift to be of any great significance in arriving at net annual value nor did he consider that the nature of the layout and construction adversely affected the overall efficiency of the property. He said it could be argued that the somewhat rambling design and layout added character and charm which distinguished the property from a typical modern purpose built hotel and hence made it more attractive to customers. In his opinion the subject was the best hotel in Cavan and drew its custom from a wide area, particularly at weekends.

## Findings

Having regard to all the evidence and argument adduced including the details of all the comparisons the Tribunal makes the following findings:

- 1) It is common case that the subject property is a three star hotel of some character located in a rural area with quite extensive grounds part of which are laid out as a nine-hole golf course.
- 2) The buildings are undoubtedly old but nonetheless have been well upgraded and maintained so as to provide good quality bedroom accommodation and public areas. The Tribunal accepts Mr. Curran's contention that part of the charm of the hotel is the fact that it is somewhat rambling in layout, and this together with its castellated appearance adds to the overall charm and attractiveness of the property.
- 3) Comparative evidence adduced by the valuers is substantial in quantity but under critical examination much of it is of little assistance to the Tribunal as many of the hotels referred to are dissimilar in quality, age, size and location. For example the Adare Manor Hotel and Dromoland Castle at one end of the spectrum and the Bailie Hotel in Bailieborough and the Riverdale Hotel in Ballybay at the other end of the spectrum, cannot be considered as being particularly relevant. The fact that there is no uniformity in the valuation methods used does not make the task of this Tribunal any easier.
- 4) Given the nature of the comparative evidence the Tribunal considers the comparative method to be the most appropriate method of valuation. The Tribunal does not accept Mr. Bardon's contention that the bedroom accommodation in the former stable block should be valued at a lower rate than the main buildings which in Mr. Bardon's opinion are very inefficient in layout and operation. The Tribunal does not accept Mr. Bardon's argument in this regard and in the circumstances of this appeal considers an overall rate per sq. metre to be appropriate having regard to the quality of this bedroom accommodation and its close proximity to the main hotel building.
- 5) Of all the comparisons put forward, the Tribunal attaches most weight to the Nuremore Hotel, Carrickmacross, the Four Seasons in Monaghan, the Hotel Hillgrove in Monaghan and the Kilmore Hotel, Co. Cavan, notwithstanding the fact that these hotels are mainly modern purpose built hotels.

**Determination**

Having regard to the foregoing and taking into account the age and character of the subject property, the Tribunal determines the rateable valuation of the property to be €851 calculated as set out below:

Area	6237.4 sq.m.	@	£21.52 ( <del>€27.32</del> )	per m. <sup>2</sup>	=	say	£13,400
Rateable Valuation		@	.5%		=		£670 ( <del>€851</del> )