

Appeal No. VA08/3/001

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

**The Twelve**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2190682, Hotel, Shop at Lot No. 1Aa/1, Aghalugger, Barna, Galway,  
County Galway

**B E F O R E**

**John Kerr - BBS. ASCS. MRICS. FIAVI**

**Deputy Chairperson**

**Patrick Riney - FSCS FRICS FIAVI**

**Member**

**James Browne - BL**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 27TH DAY OF NOVEMBER, 2008**

By Notice of Appeal dated the 26th day of June, 2008, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €1,075 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are:

" In comparison to similar properties, having regard to the NAV, taking into account the lack of facilities in the hotel, we consider the RV to be excessive."

This appeal proceeded by way of an oral hearing in the offices of the Tribunal at Ormond House, Ormond Quay Upper, Dublin 7, on the 17<sup>th</sup> day of September, 2008. At the hearing the appellant was represented by Mr. John F. Kenneally, MIAVI, of Kenneally McAuliffe Surveyors, Property and Rating Consultants. Mr. David Molony, B.Sc, MRICS, a District Valuer in the Valuation Office, appeared on behalf of the respondent, the Commissioner of Valuation. Each representative having taking the oath adopted his précis of evidence and valuation, which had previously been received by the Tribunal and exchanged with the other party, as his evidence-in-chief.

### **History, Location & Description**

The property is located in the village of Barna on the coastal route to Clifden/Roundstone which is approximately 7.5 kilometres west of Galway City centre. It is in a pivotal location at the crossroads in the village of Barna, with dual road frontage to the main Barna Road and the Moycullen Road.

The property comprises a purpose-built, three storey over basement hotel building of conventional construction with concrete block walls, with part cut stone and part smooth cement plaster rendering, and with pitched and hipped slated roofs. The hotel has a 4-star grading with 48 guest bedrooms, all ensuite. The main accommodation in the property comprises “The Pins Bar”, “The West Restaurant” and a self-contained bakery shop, known as “The Pins Bakery”. There is a small dining/banqueting room which caters for small wedding events, having a capacity for approximately 80 people. There is underground car-parking for approximately 59 cars with surface level parking for approximately 18 cars.

The agreed floor areas are:

Ground Floor Hotel/Shop: 4,408 sq. metres

Basement Stores: 506 sq. metres

### **Appellant’s Case**

Mr. John Kenneally stated that there were no other facilities attached to the property, pointing out there was no spa, no leisure centre and no swimming pool. The Bed and Breakfast rate was €80 per person sharing suites during the week and €100 per person sharing suites at weekends.

He pointed out the total site area was circa one acre, emphasising it was a tight site with a narrow vehicular access off the main road. The property has surface and underground car-parking, no formal gardens and has a 4-star rating.

The hotel's trade centred around the bedroom business and apart from its bar and restaurant, the only other facility within the building was a small function room which had a maximum banqueting capacity for 80 persons.

In view of the foregoing he emphasised the hotel had a reduced level of appeal to potential customers in a very competitive hospitality market.

Mr. Kenneally referred to his three comparisons (details at Appendix 1 hereto):

1. The Claregalway Hotel which commenced trading in July, 2004 and is located in the Claregalway village on the western side of the N17. He pointed out it has banqueting facilities for over 280 guests and a leisure centre including gymnasium, spa and swimming pool.
2. The Connemara Coast Hotel. This is a long established two storey hotel on extensive grounds which overlooks the Connemara coastline and is approximately 11 miles west of Galway City. He stated that it has 112 bedrooms, 2 bars, 3 banqueting rooms with a capacity for in excess of 300 guests and a leisure centre incorporating spa, swimming pool and gymnasium.
3. The Ballynahinch Castle Hotel. This is a period property that has been extended with 40 bedrooms, bar, restaurant and banqueting facilities for over 135 persons.

In his opinion, his first comparison i.e. the Claregalway Hotel was his primary comparison, and its valuation devalued at €38 per square metre.

In his opinion the existing RV of €1,075 applied by the respondent to The Twelve hotel was excessive and his estimate of value was as follows:

Gross Floor Area

Hotel:	4,398.91 sq. metres	@ €38 per sq. metre	=	€167,158.58
Basement:	505 sq. metres	@ €25 per sq. metre	=	<u>€12,625.00</u>

Total NAV €179,783.58

Say €179,784

RV @ 0.5% €899

### **Cross Examination by Mr. David Molony**

Mr. Kenneally agreed that his comparison 1, the Claregalway Hotel, was further from Galway City than the subject property. However, he pointed out that it had considerably more facilities i.e. a leisure centre and spa and that the banqueting facilities were for 280 guests, as opposed to 80 guests in the subject property. He did not accept that his comparison 2, the Connemara Coast Hotel, was somewhat inferior to the subject, as he considered the location was superior and the conference facilities, and overall bedroom and banqueting facilities were considerably greater. He did accept that his comparison 3, the Ballynahinch Castle Hotel, was an old historic house, which had been converted to a hotel and thereby quite different to the subject property. Mr. Kenneally also pointed out that primary access to the hotel was from the car-park to the rear of the property.

### **Respondent's Case**

Mr. Molony pointed out that the property was located in the suburbs of Galway City on the main Connemara coastal route. He emphasised that The Twelve hotel was finished to a high standard and aimed at the upper end of the market. This hotel had been awarded the best runner up hotel category in the Hospitality Awards Ireland 2007 which was second to Carton House in County Kildare. He also referred to reports in the Irish Times on 11<sup>th</sup> August, 2007 and 4<sup>th</sup> August, 2007. He stated that Barna had seen quite a few commercial units added in recent years and pointed out that access to the car-park was from the side of the property. He also stated the hotel had a self contained café and bakery shop.

Mr. Molony referred to his 3 comparisons (details at Appendix 2 hereto):

1. Caruso Ltd. t/a Quality Hotel, Oranmore, County Galway. He pointed out that this was a 3-star hotel whereas the subject property had a 4-star rating. It also was located on the N6 in Oranmore approximately 2 miles east of Galway City.
2. The Galway Bay Golf and Country Club Hotel, Clarinbridge, County Galway. This hotel is graded 4-star and is located approximately 2 miles south west of Oranmore and 8 miles from Galway City. The accommodation comprises 93 bedrooms with conference facilities. There are no leisure facilities.

3. Broswar Enterprises Ltd. t/a Raheen Woods Hotel, Athenry, County Galway. This property has a 3-star rating and is located on the outskirts of Athenry, 15 miles from Galway City centre. It has 48 ensuite bedrooms, 2 function rooms, a leisure centre and spa.

Mr. Molony stated that in his opinion the subject property was located in a pivotal position, was classified as a boutique hotel and whilst it had no leisure facilities, it was a modern, purpose-built hotel in a popular location with all other modern facilities. In view of the foregoing he had valued the property as follows:

Hotel/Shop: 4,408 sq. metres	@ €45 per sq. metre	= €198,360.00
Basement Stores: 506 sq. metres	@ €34.16 per sq. metre	= <u>€17,284.96</u>
Estimated NAV		€15,644.96
RV @ 0.5% = €1,078.22		
RV Say €1,075		

### **Cross Examination by Mr. Kenneally**

Mr. Molony accepted that he had used only one 4-star rated hotel in his comparisons i.e. the Galway Bay Golf and Country Club. However, he pointed out his first comparison, the Quality Hotel at the Oranmore roundabout, had only a 3-star rating and accepted that it was quite different to the subject property.

In his summing up Mr. Molony pointed out that The Twelve Hotel was a 4-star graded hotel, well located within a few miles of Galway City and bearing this in mind he had valued it at €45 per square metre, in comparison to his comparison 3, the Galway Bay Golf and Country Club which had a 4-star rating and was valued at €44.45 per square metre.

Mr. Kenneally had used two 4-star comparisons which had been valued at a lesser rate per square metre and were closer to the subject property.

### **Findings and Determination**

1. The Tribunal, having considered all of the evidence, finds that comparisons 1 and 2, the Claregalway Hotel and the Connemara Coast Hotel, as submitted by the appellant to be of greatest assistance in determining a reasonable valuation.

2. Having heard all the oral evidence and submissions, and having considered the préces lodged herein the Tribunal finds that in view of:

(a) the lack of any leisure facilities

(b) the limited capacity of the function room to 80 people and

(c) the side access to the surface and underground car-parking, a suitable allowance should be made in assessing the rateable valuation of the subject property as follows:

Ground Floor: 4,408 sq. metres @ €41 per sq. metres = €180,728.00

Basement Stores: 506 sq. metres @ €27 per sq. metres = €13,662.00

Total NAV €194,390.00

RV @ 0.5% = €971.95

RV Say €70

And the Tribunal so determines.