

Appeal No. VA88/0/164

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

**John Carey t/a Whitegates Hotel**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Whitegates Hotel, Muckcross Road, Killarney Co. Kerry

**B E F O R E**

**Hugh J O'Flaherty**

**S.C. Chairman**

**Paul Butler**

**Barrister**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 20TH DAY OF JANUARY, 1989**

By notice of appeal dated 23rd day of August 1988, the appellant appealed against the respondent's decision fixing the rateable valuation of the above entitled hereditaments at £135.

Mr Frank O'Donnell Bachelor of Agricultural Science, M.I.A.V.I., M.I.R.E.F., Principal of Frank O'Donnell & Co., Valuation and Rating Consultants of 9 Upper Fitzwilliam Street, Dublin 2, presented a written submission on the 5th January, 1989. He set out that the subject premises is a

licensed hotel. The rateable valuation was increased from £80 to £120 on 1981 revision. This was subsequently reduced to £110 on 1981 first appeal.

As a result of works that were carried out by the present owner, the rateable valuation was increased to £135 on 1987 revision. This figure is the subject of the current appeal.

He said that the hotel stands on 3 acres of ground on the outskirts of Killarney on the Muckcross Road and about half a mile from the town centre.

The premises consists of a licensed hotel, grade B. It appears to have been originally a private house to which various additions have been added over the years. The overall design and layout is as a consequence unsatisfactory and leads to significant inefficiencies in use, staffing, appearance and usable space.

The premises is of mixed construction with old rubble walls in part, concrete walls in other parts, mixed slate and felt roofs. It is typical of such a small hotel/inn which has developed piece meal over the years.

The condition generally is reasonable but there is need for significant investment to correct the design problems.

He set out the accommodation as follows:-

At ground floor level there is a bar, dining room/functions area, kitchens and ancillary accommodation. There are four guest bedrooms on this floor which are reached by means of an uninviting corridor.

At first floor level there is a meeting room, thirteen guest bedrooms, a manager's flat and two staff rooms.

The works from which the increase in rateable valuation arises were carried out by the present owner and consisted of (1) an extension housing a new entrance/reception area with a meeting room over, (2) internal reorganisation which gave an additional two bedrooms.

He set out then what the hypothetical tenant in the rating hypotheses would pay having regard to the many factors in arriving at a net annual value. It is unnecessary to reproduce Mr O'Donnell's submissions in extenso because they were elaborated upon in the oral hearing.

However, he estimated the net annual value to be in the order of £10,000 and in the circumstances he considered £100 rateable valuation to be fair. This would mean the hotel area would be valued at 10p per sq m.

Mr Brian O'Flynn who is a valuer with 13 years experience in the Valuation Office, presented his written submission on the 29th December, 1988. In the course of that submission he described the property as follows:-

The Whitegates Inn is a grade B hotel, situated approx 1100 metres from the town of Killarney on the Flesk Road. This Flesk Road is the principal tourist route from Killarney leading to Muckross Park, Molls Gap and Kenmare.

The hotel has 15 bedrooms each with bathroom or shower. The accommodation is as follows:

10 rooms	1 double and 1 single bed
2 rooms	1 double bed
1 room	1 double 2 single beds
2 rooms	2 single beds.

The maximum capacity is 42 persons. There is a diningroom, bar, residents lounge and kitchen. The domestic quarters are comprised of a sittingroom, kitchenette, 3 bedrooms and bathroom.

The hotel which is in good repair is easily accessible and has adequate car parking for both bar trade and medium sized functions. The external appearance is attractive with different roof heights and stepped frontage.

He gave the valuation history as follows:-

The building was first valued in 1952 as a house . It was described by the valuer in his report as a very attractive and unusually designed bungalow. The R.V. was fixed at £17. The house was partly in use as tea rooms during the tourist season.

The next revision took place in 1961. The premises was now a registered Guest House Grade 'B'. The R.V. was fixed at £32.

In 1964 following further improvements the premises was valued at £40. The premises was still a registered guest house.

In 1967 the rateable valuation was increased to £70 by which time the premises had become a licensed guest house with 13 guest rooms and 3 private rooms. The valuation was increased from £70 to £75 in 1969 to take account of small additions to bedrooms and again by £5 in 1971.

In 1981 the valuation was increased from £80 to £120 and this was appealed and reduced to £110, which included £14 for the domestic element.

The premises was listed for revision in 1987 by the local authority and a valuation of £135 was placed thereon. This was appealed against and Mr O'Flynn was deputed to inspect the premises. Having considered his report the Commissioner made no change.

**Basis of Valuation**

Hotel	1025m <sup>2</sup> @ 13p/m <sup>2</sup> =	£133.25
Open store	14m <sup>2</sup> @ 3p/m <sup>2</sup> =	.42
Open porch	7m <sup>2</sup> @ 6p/m <sup>2</sup> =	.42
Boiler house	5m <sup>2</sup> @ 6p/m <sup>2</sup> =	.30
Small car park		say <u>1.00</u>
		<u>£135.00</u> R.V.

Estimated N.A.V. = £25,000. R.V. is 0.54% of N.A.V.

Mr O'Flynn said that the valuation was agreed with Mr O'Donnell in 1982 at £110. This figure devalued at 13p/m<sup>2</sup> and that the additional area valued in 1987 was valued on the same basis, even though the entire hotel had been improved.

He gave the following comparisons with comments as appears hereunder.

## (1) The Castlerosse Hotel 1987 First Appeal

Verandahs	225m <sup>2</sup> @ 3p =	£ 6.75
Hotel	1954m <sup>2</sup> @ 15p =	293.10
Staff	288m <sup>2</sup> @ 10p =	28.80
Kns	182m <sup>2</sup> @ 12p =	18.24
Opne mo ho's	479m <sup>2</sup> @ 3p =	14.37
Stores	182m <sup>2</sup> @ 9p =	<u>16.47</u>
		<u>£377.73</u> Say £380.00

Domestic Element £30.

Comments:- Grade A. approx 2 miles from Killarney on Killorglin Road near golf course. 40 bedrooms with bathroom en-suite. Motel style with long distances between bar/dining area and bedrooms.  
N.A.V. £45,000. Open April to September.  
Room occupancy 40%. On five acres.

## (2) The East Avenue Hotel 1986 First Appeal

Bar, disco & Hotel	1329m <sup>2</sup> @ 18p	=	£239.22
Stores	90m <sup>2</sup> @ 6p	=	5.40
1st fl unfinished	310m <sup>2</sup> @ 9p	=	<u>27.90</u>
			<u>£272.52</u>
			Settled at £260.00

Comments:- Grade B Hotel. Situated close to town. Near the International Hote. 16 bedrooms all en-suite. Very limited car parking on site. C. 10-12 cars. Developed in piecemeal fashion from a private house. Comparable.

## (3) Scotts Hotel. College St. 1985 &amp; 1987 First Appeals.

Hotel	1268m <sup>2</sup> @ 14p =	£177.52
Stores	56.3m <sup>2</sup> @ 9p =	5.07
Rent-a bicycle store	28m <sup>2</sup> @ 20p =	5.60
Off licence	27m <sup>2</sup> @ 6p =	<u>16.20</u>
		<u>£204.39</u>
		Say £200.00

Comments:- Central situation on College Street. Limited car parking. Emphasis on bar trade. Bedrooms are plain. Grade C. 27 bedrooms incl. 9 with bathrooms en-suite, bedroom area needed much improvement when valuation assessed. Includes DNR, bar, lounge, disco bar. Purchased 1979 for £250,000 included car park at rere (approx 1 acre).

- (4) The Royal Hotel. College St. 5 Fair Hill.  
1986 First Appeal.  
Hotel 1289m<sup>2</sup> @ 12p = £154.68. Say £150.

Comments:- The valuation here does not reflect the true position approx £200,000 was spent on improvements along in 1985/1986. The hotel is grade B\* with 28 bedrooms each with bathroom en-suite. There was a major problem with itinerant casual traders directly in front of the hotel also the hotel has no car parking of its own and finally the entire site is now built over.

- (5) The International Hotel  
Hotel 4474m<sup>2</sup> @ 13.3p = R.V. £635

Comments:- Grade B\*. 88 rooms with bathroom en-suite with an attractive reception area, also lounge bar to front. Residents lounge and dining room. Limited car parking outside the hotel central location. The hotel has been improved substantially since it was last valued.

The oral hearing took place on the 9th January, 1989 at Tralee when Mr Carey, Mr Culloty, accountant and Mr O'Donnell gave evidence and made submissions.

There was handed in a document showing the rates per night, bed & breakfast, single room for the various hotels and this is reproduced below.

	<u>1983</u>	<u>1988</u>	<u>% Changes</u>
Castlerosse Hotel	£36.00	£45.00	+25%
East Avenue Hotel	£19.50	£29.00	+51%
Scotts Hotel	£21.50	£27.00	+30%
Royal Hotel	£12.50	£38.50	+220%
International Hotel	£24.00	£32.00	+33 1/3%
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Hotel Europe Killarney	£45.00	£61.00	+33.5%
Aghadoe Heights	£26.00	£42.50	+63.4%
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Whitegates Hotel	£18.75	£19.75	+5%
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The Tribunal thinks it undesirable to reproduce, in the course of a judgment, the financial affairs of any particular appellant because, while the hearings are in private the judgment may become public property but suffice it to say that Mr Carey has, through Mr Culloty, made out a strong case for showing that his profits have declined.

The Tribunal thinks that Mr Carey has, since, made out a strong case but the hurdle that he would have to cross is the fact that an agreement had been made previously with Mr O'Donnell and, therefore, there is a heavy onus on Mr Carey to show that circumstances have changed.

The Tribunal is of the view that it is significant that whereas all the hotels have increased by at least 25% in their rates for bed & breakfast from 1983 to 1988 Mr Carey's has only increased by 5%. The Tribunal thinks that East Avenue Hotel provides a reasonable comparable and that if one were to keep the proportions applicable to the respective rateable valuations vis-a-vis the rate charged per room for bed & breakfast that this might provide a key to what the correct rateable valuation should be. Once again, the Tribunal would reiterate that this is not an infallible method but it would seem to produce a just result.

Indeed, Mr Brian O'Flynn in the course of the oral hearing, fairly accepted that Mr Carey had made out a case for some reduction though, perhaps, not as much as the Tribunal now finds. The Tribunal finds that the correct rateable valuation should be £120.

