

Appeal No. VA16/3/014

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**AN tACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

**WESTAR HOTELS LTD &
LE MONDE HOLDINGS LTD**

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

In Relation to the Issue of Quantum of Valuation in Respect of:

Property No. 2187128, Hotel At Lot No. 1A 2A/ Unit 2A, Abbeylands Shopping Centre, Abbeyland, Clane, Naas 1, County Kildare.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 7TH DAY OF NOVEMBER, 2018**

BEFORE:

Dolores Power – MSCSI, MRICS

Deputy Chairperson

Thomas Collins – PC, FIPAV, NAEA, MCEI, CFO

Member

Rory Hanniffy - BL

Member

1. THE APPEAL

1.1 By Notice of Appeal received on the 2nd day of August 2016, the Appellant appealed against the determination of the Respondent pursuant to which the net annual value ‘(the NAV)’ of the above relevant Property was fixed in the sum of 2,770.

1.2 The sole ground of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 19 (5) of the Act because:

“The RV as assessed is excessive & inequitable given the type, nature, size and location of the subject. The Commissioner has failed to fairly weigh the subject against the broad tone & to make appropriate allowances for the subject.”

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €1,000.

2. VALUATION HISTORY

2.1 On the 29th day of May, 2014 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €2,770.

2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation manager did not consider it appropriate to provide for a lower valuation.

2.3 A Final Valuation Certificate issued on the 3rd day of 3rd day of July, 2014 stating a valuation of €2,770.

3. THE HEARING

3.1 The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 24th day of July, 2017. At the hearing the Appellant was represented by Mr Eamonn Halpin BSc (Surveying), MRICS, MSCSI of Eamonn Halpin & Co Ltd and the Respondent was represented by Mr Rita Harris, Valuer of the Valuation Office.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. FACTS

4.1 From the evidence adduced by the parties, the Tribunal finds the following facts.

4.2 The subject property is located on the outskirts of Clane, Co. Kildare off the R407, is a 4 star hotel with 96 bedrooms and facilities such as a leisure centre, function room, bar and restaurant.

4.3 The accommodation areas are agreed between the parties.

5. ISSUES

5.1 The sole issue raised in this Appeal is whether the rateable value of the property as determined by the Commissioner is correct.

6. RELEVANT STATUTORY PROVISIONS:

6.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably be expected to let from year to year, on the assumption that the probable annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

7. APPELLANT’S CASE

7.1 Mr Halpin contended that the Tribunal should reduce the rateable valuation of the subject property for the following reasons:

7.2 The rateable valuation as assessed at €2,770 places the subject property as the 4th best hotel of 28 in Co. Kildare, noting that the top 2 are the K Club and Carton House which he claimed are not remotely comparable.

7.3 The subject property is located in Clane, the 8th largest town in Co. Kildare with a population of 6,702 in the 2011 census. Mr Halpin argued that this limits the hotel's potential.

7.4 Clane is not located on or near a major primary route.

7.5 Clane is not a vacation destination.

7.6 The subject property is vastly too large for its population base and passing trade. He argued that its extreme size was ill considered from the outset and that a quantum allowance is justified given its size and actual location.

7.7 The Commissioner places excessive weight on the prior valuation of the subject which it is claimed is inconsistent with Section 49 (1) of the Valuation Act and was not tested by way of representations or appeal. Additionally this valuation was carried out in 2006 when the economy was booming and it was expected that the hotel would be a success.

7.8 The hotel has had low occupancy over a number of years.

7.9 The subject property is too large for the potential of the local market and its consistently low occupancy proves this. It is argued that this would be reflected in a bid by a hypothetical tenant. The excessive size also carries with it proportionally higher costs.

7.10 The inferiority of the property is confirmed in its relative turnover which averaged €4 million in the years 2011-2014 inclusive compared with Comparator 1, The Kilashee Hotel which turned over €10.7 million in 2015 and is valued at 12% less than the subject.

7.11 Mr Halpin gave details of 4 comparison properties:

- i. The Kilashee Hotel & Spa, Naas, Co. Kildare @ €34.28/m sq.
- ii. The Glenroyal Hotel, Maynooth, Co. Kildare @ €47/ m sq.
- iii. The Osprey Hotel, Naas, Co. Kildare @ €45/ m sq.

iv. The Clanard Court Hotel, Athy, Co. Kildare @ €31/ m sq.

7.12 Mr Halpin concluded his evidence by contending for a RV of €1,920

8. RESPONDENT'S CASE

8.1 Ms. Harris contended that the valuation of €2,770 was fair, reasonable and accurate for the following reasons:

8.2 The hotel is valued in line with the Tone of the List and consideration was given to the Tone of the List for hotels on the Valuation List in the Kildare Co. Council area.

8.3 The Commissioner of Valuation received a revision request to remove 3 suites which were no longer part of the hotel thereby reducing the floor area on the first floor by 200 m sq. and the RV from €2,815 to €2,770. This was the only change made to the valuation on revision.

8.4 The 5 comparators support her case. Ms. Harris argued that 3 of the 4 comparators submitted by the Appellant supported her case and the fourth, Kilashee House Hotel, was appealed in 2001 on the basis of issues such as location, listed building, not purpose built, wasted space throughout and accessibility which she stated did not apply to the subject which is a modern , purpose built hotel.

8.5 Ms Harris gave details of 5 comparison properties:

- i. The subject property prior to current revision @ €44.50 / m sq.
- ii. The Glenroyal Hotel, Maynooth, Co. Kildare @ €47 / m sq.
- iii. The Osprey Hotel, Naas, Co. Kildare @ € 45 / m sq.
- iv. The Courtyard Hotel, Leixlip, Co. Kildare @ 54.66 / m sq.
- v. Barberstown Castle, Straffan, Co. Kildare @ €41, €44.42, €47.83 / m sq.

9. SUBMISSIONS

9.1 No legal submissions were made.

10. FINDINGS AND CONCLUSIONS

10.1 On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation

of the Property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Kildare County Council.

10.2 The Tribunal were of the opinion that the subject property has an inferior location in terms of population and passing trade.

10.3 The Tribunal found the most useful comparators to be the Glenroyal Hotel, Maynooth and the Osprey Hotel, Naas, both of which have superior locations to the subject property.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €2,380.

That the rateable valuation of the subject property be as set out below:

12,448 m sq. @ €38.25 /m sq.

€476,136 @ 0.5% = €2380.68

Say €2,380

And the Tribunal so determines.