

Appeal No. VA07/3/060

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

**Ashgrove Group**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Showroom, Workshop, Office(s) at Lot No: 27A/1, Ballybrittas, Ballybrittas,  
Mountmellick, County Laois

**B E F O R E**

**Maurice Ahern - Valuer**

**Deputy Chairperson**

**Joseph Murray - B.L.**

**Member**

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

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 11TH DAY OF DECEMBER, 2007**

By Notice of Appeal received on the 2nd day of August, 2007 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €164.00 on the above described relevant property.

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

"On the basis that the rateable valuation is excessive and inequitable"

The appeal proceeded by way of an oral hearing held at the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 10<sup>th</sup> day of October, 2007. At the hearing the appellant was represented by Mr. Eamonn Halpin, B.SC (Surv), ASCS, MRICS, MIAVI, of Eamonn Halpin and Company Limited. Ms. Meryl Eacrett, mother of the Principal of the appellant Company, also attended. Mr. Ian Power, B.Sc Property Management & Valuations, MIAVI, a Valuer in the Valuation Office, appeared on behalf of the respondent. In accordance with the Rules of the Tribunal and following established practice the parties had, prior to the hearing, exchanged their written submissions. At the oral hearing both valuers, having taken the oath, adopted their written submissions respectively as their evidence-in-chief.

### **At Issue**

Quantum.

### **The Property**

The property concerned is a new, purpose-built, 2-storey industrial type unit located in a rural, agricultural area approximately 1 mile from the village of Ballybrittas, Co. Laois and 3-4 miles from the M7 motorway.

The property is of portal steel frame construction with pitched Kingspan roof and rendered block walls to 3.9 metres high with eaves height of 6.8 metres. There are concrete floors throughout the ground floor with plywood sheeted flooring at first floor level. There is parking to the side and rear of the property.

The ground floor accommodation consists of an entrance hall, offices, workshops, stores, a canteen/coffee shop, a sales room and WCs. The first floor consists of an auction room, a furniture display area and stores.

### **Valuation History**

|                |   |
|----------------|---|
| September 2006 | Property inspected by Revision Officer, Mr. Power who issued a Valuation Certificate with an RV of €164           |
| January 2007   | Appellant appeals the valuation. No agreement reached.  |
| July 2007      | The Commissioner of Valuation issues the result of the First Stage appeal with the valuation unchanged at RV €164 |

August 2007

The appellant appealed the Commissioner's decision to the Valuation Tribunal through Brian A. Rennick & Co Solicitors.

### **Tenure**

The property is understood to be freehold.

### **Services**

All main services are connected to the property.

### **The Appellant's Case**

Mr. Halpin, having taken the oath, made a number of changes to the Comparisons section of his précis of evidence (see Appendix 1 hereto). He said that the property in question is located in an agricultural area 1 mile from Ballybrittas village, Co. Laois. It is approximately ¼ mile off a minor road and is not visible from that road. He said this is a moderate, tertiary, commercial location with no potential for passing trade. He said that the moderate construction cost of €50,000, excluding the site, was relevant.

Mr. Halpin described the building as generally functional and fitted out to a basic to moderate standard. Essentially, he said, it does the job for which it was constructed but there are no lavish finishes. The workshops and store area have plain unplastered wall finishes. He drew the Tribunal's attention to the photographs in his précis of evidence in support of this description and also to show that the property was not visible from the entrance gate.

The occupiers, he said, use the building in connection with their business as antiques and furniture dealers. It also incorporates their furniture restoration workshops, which area accounts for approximately 51% of the entire ground floor. Their business, which was established for many years in Francis Street, Dublin, was transferred to the subject premises, on a site owned by them, in 2006. This is not a high profile area for this type of business and would not be successful but for the support of their existing customers.

Mr. Halpin then outlined how the building was used. On the ground floor there was a small office area which, combined with the canteen/coffee shop and WCs, amounted to 23% of the floor space. The canteen/coffee shop was not used except at sales times for clients. The sales room, used for occasional sales of miscellaneous items, amounted to 26% and the remainder

of the ground floor was occupied by workshops and stores. The first floor consisted of a walk around display area, a sales room for monthly antiques and collectables auction sales and a store.

Mr. Halpin then read from his précis of evidence a list of points in support of his case touching on the following:

- (i) the rural location, lack of passing trade and lack of profile of the property concerned;
- (ii) the large size of the property at 2,015 sq. metres meriting a quantum allowance;
- (iii) his view that the RV was excessive in view of the tone of the list and the size of the property;
- (iv) the moderate construction cost;
- (v) the occupiers' personalised goodwill;
- (vi) his view that the property would be difficult to let ;
- (vii) the restricted headroom of approximately 3 metres in the ground floor workshop and stores;
- (viii) his view that the comparisons relied on at Revision stage were not comparable.

Mr. Halpin contended for a rateable valuation of €15 calculated as follows:

### **Ground Floor**

Offices, canteen, coffee shop & WCs

244.95 sq. metres @ €20.50 per sq. metre = €5,021

Workshop & Store (restricted headroom c. 3m)

524.22 sq. metres @ €13.67 per sq. metre = €7,166

Store/Sales Room

266.2 sq. metres @ €17.08 per sq. metre = €4,547

### **First Floor**

Mezzanine 979.73 sq. metres @ €6.83 per sq. metre = ~~€6,692~~

NAV

€23,000

@ 0.5% = RV €15

In support of his estimate of net annual value Mr. Halpin introduced 4 comparisons and 1

rental comparison, details of which, as amended by Mr. Halpin at hearing, are at Appendix 1 to this Judgment. He said he had listed the 5th (rental) comparison for assistance in looking at rental values close to the time when the tone was formed.

Under cross examination by Mr. Power, Mr. Halpin agreed that none of his comparisons had a mezzanine/1<sup>st</sup> Floor in retail use. He also stated that his Comparison No. 2 (Midland Furniture) was the closest comparison to the subject property as regards location and confirmed he had acted for the appellant in that case when it was appealed to the Tribunal – **VA98/3/128 – Midland Furniture Ltd.** Mr. Power read the following extract from the Tribunal determination in that appeal and asked Mr. Halpin if he agreed with it. Mr. Halpin replied that he did.

*“In his submission, Mr. Halpin stated that the subject property comprised a series of basic workshops. The original buildings are of very basic construction being iron post with part concrete block walls and corrugated asbestos sheeting over. Roofs are of corrugated asbestos and there are concrete floors internally. The first buildings were erected around 1979 with extensions added in 1984 and 1995. Approx. half of the building have eaves height of no more than 12ft. with the extension (1995) having eaves height of 16 ft. and double skin metal deck roof.”*

When further questioned by the Tribunal, Mr. Halpin stated that the building cost was circa €25 per sq. foot, excluding the site, built by direct labour at rock bottom cost. Putting in the mezzanine, which restricted the headroom, further restricted the value of the property. He said that one would have to know where the property is as it was not visible from the road. Ms. Eacrett added that the Planning Permission would not allow the property to be seen from the entrance.

### **The Respondent’s Case**

Mr. Power first dealt with the location and description of property concerned and said that he disagreed with Mr. Halpin’s presentation of both. He said the location was on a quite busy road between Ballybrittas and Portlaoise and close to the Heritage Spa complex. The property was well advertised and very accessible.

He disagreed with Mr. Halpin where he stated that the auctions were held on the first floor

room of the building. From his investigations, he said, this room is used primarily as a full-time interior showroom used for retail sales rather than auctions. The quality of the accommodation was better than basic.

Mr. Power contended for a rateable valuation of €164, calculated as set out below:

|                  |                   |                        |                     |
|------------------|-------------------|------------------------|---------------------|
| Offices          | 74.35 sq. metres  | @ €30.75 per sq. metre | = €2,285.96         |
| Coffee/Canteen   | 170.61 sq. metres | @ €27.34 per sq. metre | = €4,664.48         |
| Workshop         | 450.41 sq. metres | @ €17.08 per sq. metre | = €7,693.00         |
| Auction Room     | 266.20 sq. metres | @ €27.34 per sq. metre | = €7,277.91         |
| Store            | 73.81 sq. metres  | @ €13.67 per sq. metre | = €1,008.98         |
| Showroom         | 979.72 sq. metres | @ €10.25 per sq. metre | = <u>€10,042.13</u> |
| Total NAV Nov 88 |                   |                        | = €32,972.55        |

Measured Gross Externally

Rateable Valuation = Total NAV @ 0.5% = €164.86

Say €164

In support of his estimate of net annual value, Mr. Power introduced 6 comparisons, details of which are at Appendix 2 to this Judgment. Mr. Power stated that, unlike Mr. Halpin, he had tried to get as near a comparison as possible in terms of industrial level, despite the property concerned being retail. Nevertheless it was valued in line with industrial units in and around the locality.

Cross examined by Mr. Halpin, Mr. Power repeated that the levels he placed on the property concerned are much more in line with industrial units even though the subject is in retail use. He also stated that all of his comparisons are within a four mile radius of the subject property.

He agreed with Mr. Halpin that the building is not of a high quality saying he had taken that into consideration. He had visited the property on two occasions and found it quite busy on the first occasion and quiet on the second occasion with some activity in the workshop. However he had not valued it as a retail shop. He agreed that the property is located in a rural area but stated that it was on the main road to the Heritage Hotel and Spa which is well advertised.

## Findings

The Tribunal, having carefully considered all of the oral and written evidence provided by the parties and the arguments adduced at the hearing, makes the following findings:

1. The property concerned is a building of basic quality, as is evidenced by the construction costs.
2. It is located in a rural, agricultural area.
3. It is on a minor road, has poor profile and is not visible from that road.
4. The site appears to have been dictated by the Planning Permission as the appellant was not allowed to build near the roadway.
5. Accordingly, there appears to be little prospect of passing trade.
6. None of the 10 comparisons introduced by the parties is directly comparable to the subject property.
7. The respondent took account of the quality of the building and the rural location and, although the property is in retail use he valued it in line with industrial units in the area.
8. Nevertheless, the Tribunal finds that the respondent did not make sufficient allowance for the disadvantages of the property concerned in terms of location, profile and building quality.

## Determination

In view of the foregoing findings the Tribunal determines the rateable valuation of the subject property to be €134 calculated as set out below:

|                |                   |   |                      |   |                  |
|----------------|-------------------|---|----------------------|---|------------------|
| Offices        | 74.35 sq. metres  | @ | €27.34 per sq. metre | = | €2,032.73        |
| Coffee/Canteen | 170.61 sq. metres | @ | €20.50 per sq. metre | = | €3,497.51        |
| Workshop       | 450.41 sq. metres | @ | €17.08 per sq. metre | = | €7,693.00        |
| Auction Room   | 266.20 sq. metres | @ | €22.00 per sq. metre | = | €5,856.40        |
| Store          | 73.81 sq. metres  | @ | €13.67 per sq. metre | = | €1,008.98        |
| Showroom       | 979.72 sq. metres | @ | €6.83 per sq. metre  | = | <u>€6,691.49</u> |
|                |                   |   | Total NAV            | = | €26,780.11       |

RV @ 0.5% = €133.90

Say RV €134

And the Tribunal so determines.