

Appeal No. VA11/3/001

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

Cashel Motor Works

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2207365, Office(s) at Lot No. 5B (Floor 1), Spafield, Cashel Rural,
Cashel, South Tipperary, County Tipperary.

B E F O R E

Maurice Ahern - Valuer, IPAV

Deputy Chairperson

Tony Taaffe - Solicitor

Member

Michael Connellan Jr - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 5TH DAY OF JANUARY, 2012

By Notice of Appeal dated the 6th day of July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €6 on the above described relevant property.

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

"On the basis that the RV as assessed is excessive & inequitable." "The Commissioner has overestimated the relative value of the subject premises in the local market. He should have made allowances for subject's type, size, & location."

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on 3rd day of October, 2011. The appellant was represented by Mr. Eamonn Halpin, BSc Surveying, ASCS, MRICS, MIAVI. Mr. John O'Connor, BA (Hons) a Grade 3 Valuer in the Valuation Office represented the respondent, the Commissioner of Valuation.

In accordance with the rules of the Tribunal, the parties had prior to the commencement of the hearing exchanged their précis of evidence and submitted same to this Tribunal. At the oral hearing both parties, having taken the oath, adopted their respective précis as being their evidence-in-chief.

The Property

The subject property consists of a showroom, offices, workshop and yard which the respondent is of a view is constructed to a very high standard.

Location

The property is located approximately 1km south of the town centre of Cashel.

Accommodation

The following areas have been agreed by both parties.

Showrooms:	918 sq. metres
Offices:	162 sq. metres
Parts Area:	258 sq. metres
Workshop:	1,150 sq. metres
Front Yard:	5,000 sq. metres
Rear/Side Yard:	<u>6,550</u> sq. metres
Total Area:	14,038 sq. metres

Rating History – Relevant Dates

1. In 2006 the subject property was previously valued as part of a single entity, together with the 1st floor offices of the appellant, at a total RV of €760. An appeal to the Commissioner of Valuation was made in June 2006 and the valuation was revised downwards to a total RV of €650.

2. The property was listed again for Revision in 2010 and was sub-divided in July 2011. The property the subject of the current appeal was valued separately at RV €540.
3. Representations were made in October, 2010 and the valuation remained unchanged. An appeal to the Commissioner of Valuation was lodged in December, 2010 and again the valuation remained unchanged. This appeal was disallowed in June 2011.
4. On 6th July, 2011 an appeal against the decision of the Commissioner of Valuation was lodged to the Valuation Tribunal by the appellant, through their agents Eamonn Halpin & Company seeking a reduced assessment.

The Appellant's Case

Mr. Eamonn Halpin having taken the oath, adopted his précis as his evidence-in-chief. The appellant referred to the original Valuation Report on the entire premises. He stated that in the preparation of the original valuation report of the entire of these premises, the Valuation Office had relied upon a comparison of a motor showroom in Letterkenny, County Donegal and while he accepted that there had been a reduction in NAV from €760 to €650, there still had been, what he described as a "*latent prejudice*" on the part of the Valuation Office in relation to the subject property. The original valuation figures placed on the premises were, as he described them, "*too fixated with the old value.*"

He referred to the location, the description, the trading environment and the population of the town of Cashel and the accommodation which the subject property offered. He offered the view that the size of the showroom of 918 sq. metres was exceptional. He submitted that the subject property would not have been built in 1988, that if it had to be assessed at that time it would have got a quantum allowance. There was, in his view, an insufficient allowance made for the size of the subject property. He emphasised the very large size of the yards and suggested that, a stand back and look approach for these yards, would have been appropriate.

Mr Halpin contended for an RV of €330, calculated as follows:

Showroom	918 sq. metres @ €41.00 per sq. metre	€37,638
Offices & Staff Areas	162 sq. metres @ €30.75 per sq. metre	€ 4,981
Parts	258 sq. metres @ €20.50 per sq. metre	€ 5,289

Workshop	1,150 sq. metres @ €27.34 per sq. metre	€1,441
Yards		<u>€ 3,000</u>
		€2,349

Allow 20% Quantum allowance due to size and local market constraints:

TOTAL NAV	€65,879
@ 0.5%	€29.40
Say RV	€30

Mr. Halpin then went through the comparisons presented by him in his précis and suggested that a quantum allowance of 20% should be applied for the size of the subject property, and for the oversupply of property in the rating area. It was his view that the market had collapsed because there were so many developments in Cashel. He then referred to a sketch map of Cashel presented by him and then proceeded to take the Tribunal through the photographs of the various comparisons. He then referred to his summary on page 12 of his précis.

Under cross-examination he accepted that none of his comparisons, with the exception of Minogue's, were in the same rating authority area as the subject property. Mr. Halpin maintained that under Section 49(1) that he was entitled to rely on other comparable properties outside the rating area and to produce them as valid comparisons, because, he stated, that there was no directly suitable comparison within the rating authority area. He stated that his primary comparison, Minogue's, was next door to the subject property. It was put to him that Minogue's was in fact a retail warehouse. Mr. Halpin said in response to this that the properties were, what he described as, interchangeable. Mr. O'Connor put it to Mr Halpin that the Valuation Act, 2001 was quite specific, in so far as it sets out that comparisons must come from the same rateable valuation by the same rating authority area.

The Respondent's Case

Mr. John O'Connor adopted his précis and stated that Mr. Halpin had already dealt with the valuation history and that he did not propose to go over that again. He then set out the basis upon which the rateable valuation of €540 was arrived at which resulted from a total NAV of €108,627.30, as follows:

Showrooms	918 sq. metres @ €50.00 per sq. metre	€45,900.00
Offices/staff	162 sq. metres @ €41.00 per sq. metre	€ 6,642.00
Parts	258 sq. metres @ €31.00 per sq. metre	€ 7,998.00
Workshop	1,150 sq. metres @ €31.00 per sq. metre	€35,674.80
Front Yard	5,000 sq. metres @ €1.50 per sq. metre	€ 7,500.00
Rear/Side Yard	6,550 sq. metres @ €0.75 per sq. metre	€ 4,912.50
Total NAV		€108,627.30
Total RV		€43.13
Say RV		€40

He then went through his comparisons. Details of these comparisons are attached at Appendix 1 to this judgment. He suggested that a consideration of these would lead to the conclusion that an RV of €40 was fair and reasonable.

Under cross-examination by the appellant, Mr. O'Connor stated that he was not aware of whether Minogue's was used as a comparison when preparing a valuation of the subject property. Mr. Halpin put it to Mr O'Connor that the appellant was entitled under Section 49(1) to introduce comparisons of comparable outside the subject rating authority area. Mr. Halpin put it to Mr O'Connor that there were no comparisons from the Cashel area. Mr O'Connor stated that to travel a distance of 13 to 15kms from Cashel would quite easily be undertaken by customers bearing in mind that it was a motor car business. He did not agree with the suggestion that there was a greater predominance of garages in Clonmel which had a population of 17,500 and that the hypothetical tenant would take this into account.

Closing Submissions

Mr. Halpin suggested that Minogue's should be used as a true comparison. The original approach in comparing the subject to a Letterkenny comparison was wrong, a hypothetical tenant would say that the property was much too large and would not pay the same as he would pay for a smaller property. This was an exceptionally large property for which the appellant was entitled to receive a quantum allowance.

On behalf of the Commissioner of Valuation, Mr O'Connor again repeated that the Minogue's comparison was a retail warehouse not comparable to a car showroom. They were totally different types of buildings, he said.

Findings

The Tribunal having carefully considered all the evidence adduced including that in relation to comparisons both in the written submissions and given orally at the hearing makes the following findings:

The level of valuation on the subject property is excessive taking into account the area of the premises, location and relative value of the premises.

Determination

In the circumstances, the Tribunal determines that the rateable valuation of the subject property is €508, calculated as follows:

Showrooms:	918 sq. metres @ €45 per sq. metre	
	(Allow 10% off original valuation assessment)	€41,310.00
Offices:	162 sq. metres @ €41 per sq. metre	€ 6,642.00
Parts:	258 sq. metres @ €31 per sq. metre	€ 7,998.00
Workshop:	1,150 sq. metres @ €31 per sq. metre	€35,674.80
Front Yard:	5,000 sq. metres @ €1.20 per sq. metre	€ 6,000.00
	(20% quantum reduction)	
Rear/Side Yard:	6,550 sq. metres @ €0.60 per sq. metre	<u>€ 3,930.00</u>
	(20% quantum reduction)	
Total NAV		€101,554.80
RV =	€101,554.80 @ 0.50% =	€507.77
RV Say,	€508	

And the Tribunal so determines.