

Appeal No. VA93/1/023

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

Joe Fallon t/a Joe Fallon Motors

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Garage, filling station, shop and petrol tanks at Map Ref: 29C, Townland: Burrow, D.E.D.:
Portmarnock South, R.D. Dublin-Fingal, Co. Dublin
Quantum

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Brian O'Farrell

Valuer

Padraig Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 8TH DAY OF OCTOBER, 1993

By Notice of Appeal dated the 23rd February, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £170 on the above described hereditament.

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

"the valuation is excessive and inequitable when rental levels are taken into consideration."

The Property:

The property consists of a modern garage and filling station with showroom, workshop, store, shop, pumps, canopy and forecourt. The business operates as an agent for 'Subaru'. Approximately £130,000 was spent on improvements prior to the 1990 Revision.

The agreed dimensions and areas of the shop are:-

Shop:	527 sq.ft.
Showroom:	775 sq.ft.
Workshop:	2,000 sq.ft.
First Floor Store:	1,163 sq.ft.
Tank Capacity:	21,000 gallons
Petrol throughput	312,000 gallons per annum

Valuation History:

The premises were valued in 1983 as a new garage at £85. At 1990 Revision the valuation was increased from £85 to £170 to take account of improvements. A First Appeal was made to the Commissioner of Valuation but no change was made to the valuation. It is against this valuation that an appeal lies to the Tribunal.

Written Submissions:

A written submission was received from Mr. Tadhg Donnelly of Brian Bagnall & Associates, Surveyors and Valuers, Property and Rating Consultants, on behalf of the appellant on the 24th June, 1993.

In the written submission Mr. Donnelly described the property and its location and accommodation, and set out the agreed rental values on the shop as set out below:-

Shop	527 sq.ft. @ £12.00 p.s.f. = £ 6,824
Showrooms	775 sq.ft @ £ 3.50 p.s.f. = £ 2,712
Workshop	2,000 sq.ft. @ £2.50 p.s.f. = £ 5,000
First Floor Storage	775 sq.ft. @ £1.50 p.s.f. = <u>£ 1,162</u>
Net Annual Value	£15,198

On this basis Mr. Donnelly assessed that Net Annual Value on the property at .63% of the Net Annual Value, i.e. £95.

Commenting on the rateable valuation attributed to the property by the Commissioner of Valuation, Mr. Donnelly said that the area in which the premises was located was a blighted area when it came to sustaining rents.

He supplied a list of comparisons in the immediate area where business had failed due, he said, to the high rents being asked. He said that properties built in the immediate area of the subject premises had been rented out and in a great proportion of instances people had defaulted on rents and shop units now lay idle. He said that the Net Annual Value which he had attributed to the subject premises represented a rent of £300 per week which he felt was the absolute maximum sustainable.

A written submission was received on the 17th June, 1993 from Mr. Desmond Doyle, B.Comm, a District Valuer with 22 years experience in the Valuation Office, on behalf of the respondent.

In the written submission Mr. Doyle set out details of the property and its valuation history and the agreed rental values per square foot as set out above. Commenting on the appellants grounds of appeal Mr. Doyle said that the rateable valuation was in line with other recently revised properties of similar function in the Dublin area. He said that the valuation was fixed at .63% of Net Annual Value. The conversion factor of .63%, he said, was well established and had been accepted by the Valuation Tribunal in **VA/92/3/24 - Tom Higgins & Company Limited, Sutton** and **VA/92/1/23 - Swords Hardware Stores**.

Mr. Doyle set out his calculation of the valuation on the premises as follows:-

N.A.V.

Shop:	527 sq.ft. @ £12.00 =	£ 6,324
Showroom:	775 sq.ft. @ £ 3.50 =	£ 2,712
Workshop:	2,000 sq.ft. @ £ 2.50 =	£ 5,000
First Floor Store:	775 sq.ft. @ £ 1.50 =	£ 1,163
Throughput:	312,000 gallons @ 4p/gallon	<u>£12,480</u>
		£27,679

R.V. @ .63% = £174.00, say £170.00

Mr. Doyle gave details of 3 comparisons:-

- 1) Irish Shell, Donaghmede S.C. - VA/92/1/6 - R.V. £130
- 2) Irish Shell, Fortfield Road - VA/91/2/1 - R.V. £185

3) Continental Oil Company, Jet Station in Lucan Village - 1991/3 First Appeal - £215

Oral Hearing:

The oral hearing took place on the 2nd day of July, 1993 in the Tribunal Offices in Dublin. The appellant was represented by Mr. Tadhg Donnelly M.I.A.V.I. of Brian Bagnall & Associates, Surveyors and Valuers, Property and Rating Consultants. The respondent was represented by Mr. Desmond Doyle, a District Valuer.

Mr. Donnelly said that in his precis he had attempted to show through his comparisons that rents in the area had collapsed and that business was decreasing in the subject premises. He said that the turnover was £7,000 per week and that no oil company had been interested in renting the premises and in fact most oil companies bought rather than rented. He said that in his opinion the N.A.V. was £15,000 and that in calculating this N.A.V. he had taken into account the petrol sales. Mr. Fallon, the appellant queried why the valuation on his premises should have doubled when the turnover in fact was falling. Mr. Doyle said on behalf of the respondent that he had calculated the N.A.V. on the subject premises in the normal way for garages, with petrol sales calculated separately at the rate of 4p per gallon applied to the figure for petrol supplied. Mr. Doyle said that the comparisons offered by Mr. Donnelly were not relevant comparisons as required by the 1986 Act.

Findings:

Having considered all the evidence and submissions the Tribunal is satisfied that the respondent has produced comparisons which are:-

- (a) Comparable
- (b) Related to tenements and hereditaments of similar function.
- (c) Made or revised within a recent period

However, the Tribunal finds that the comparisons vary in size considerably from the dimensions and agreed areas of the subject premises and that this factor combined with the obvious downturn in trade in the subject premises and the general difficulty in the rental market in the area inclined the Tribunal to the view that the Net Annual Value calculated in the normal way by the respondent is a little too high in this particular case, particularly taking into account the relatively low volume of petrol sales from the subject premises. The Tribunal therefore determines that the correct rateable valuation on the subject premises is £130 and so determines.

