

Appeal No. VA97/6/018

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

Directors of Northwest Livestock Mart Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Livestock mart at Lot No. 4Ac, Aghagad, Lisadill North, R.D. Sligo, Co. Sligo
Quantum - Absence of covered pens in livestock mart

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Rita Tynan - Solicitor

Member

Ann Hargaden - FRICS.FSCS

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 22ND DAY OF APRIL, 1999

By Notice of Appeal dated the 14th day of October 1997 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £45 on the above described hereditament.

The Grounds of Appeal as set out in the Notice of Appeal are that;

1. From 1st February to 31st May property is used on one day per week.
2. From 1st June to 1st September property is used on one day per month.
3. From 1st September to Mid December property is used on one day per week.
4. The property is closed from Mid December to 1st February.
5. We are unable to meet the exorbitant increase in rates which takes place yearly"

The appeal proceeded by way of an oral hearing, which took place on 8th day of April 1999 in the Circuit Court, Castlebar, Co. Mayo. Mr. Christopher Hicks, an Appeal Valuer in the Valuation Office appeared on behalf of the Commissioner of Valuation. The appellant was represented Ms. Philomena McGowan, Director of Northwest Livestock Mart Ltd. Mr. John McGowan was also in attendance. In accordance with practice and as required by the rules of this Tribunal the parties had prior to commencement of the hearing exchanged précis of evidence and submitted same to us.

The Property

The property comprises a livestock mart at Aghagad, Co. Sligo. It is located on the National Primary route close to the Village of Grange, ten miles North of Sligo town.

The buildings are of concrete and corrugated iron and consist of sales ring, offices and canteen. To the front is a roughly surfaced car park 130 feet deep and with a frontage of 164 feet to the main road. The balance of the premises is a mixture of open and covered pens and some ancillary structures.

Valuation History

The subject premises were revised in February 1995 when the valuation was increased to £45. There was no change at first appeal stage. It is against the determination of the Commissioner of Valuation that an appeal lies to this Tribunal.

Written submissions

A written submission was received on the 30th day of March 1999 from Ms. Philomena McGowan, Director of Northwest Livestock Ltd. In her written submission she set out the following reasons for this appeal.

1. On the 1st February to 31st May the premises used on a one-day per week basis.
2. From the 1st June to 1st September the premises are closed.

3. From 1st September to 15th December the premises is used on one day per week only.
4. From 15th December to 1st February the premises is closed.
5. The canteen is used on mart days only and is a service for cattle buyers/sellers and others who travel long distances to the Mart. It does not operate outside Mart trading and does not generate any passing trade whatsoever. We feel that it is grossly unfair to assume that a business that operates for part of the year should be rated beside one, which is operable for five to six days of each week all year round.

A written submission was received on the 26th day of February 1999 from Mr. Christopher Hicks, a District Valuer in the Valuation Office.

In his submission Mr. Hicks said that thirty-nine sales are held per annum in Grange Mart while the norm per marts in general is between forty five to fifty sales. He further stated that the property is prominently located on a busy main road close to the village of Grange and immediately adjoining a number of commercial/industrial concerns.

He advised that the R.V. is assessed at 0.5% of the N.A.V. and that since there was no rental evidence information available for this type of property, direct comparison is the basis used in this case.

In support of his valuation he gave details of Dowra Mart on the Cavan/Leitrim border, which was recently revised.

Dowra Mart: R.V. £90 Agreed June 1997 at First Appeal Stage.

Devalues: **Sales ring and office** 2,852 sq.ft. at £1.80.

Covered pens 2,090 sq.ft. at £0.60.

Open pens 874 sq.ft. at £0.25.

He set out his calculation of R.V. on the subject property as follows;

Sales ring, offices, canteen	2,872 sq.ft. @ £1.80	=	£5,170
Covered pens, sheds, canopy	1,743 sq.ft. @ £0.75	=	£1,307
Open pens	10,000 sq.ft. @ £0.15	=	£1,500
Yard/parking area	21,500 sq.ft. @ £0.05	=	£1,075
	Total	=	£9,052
	NAV £9,000 @ 5%	=	R.V. £45

Oral Evidence

Ms. Philomena McGowan referred to her written submission, which she adopted as her sworn evidence stated the following –

- That the revised valuation was excessive and that their business was very limited, seasonal and competitive.
- the running costs of the Mart often exceeds the intake on a sales day.
- the mart had a very limited hinterland with a lot of farmers that attend working in farming part-time and consequently their business was limited.
- The Mart closed on the 23rd May 1998 and they were unable to pay the increased rates.

Under cross-examination she stated the following –

- ◆ The main comparison used by Mr. Hicks “Dowra Mart” does a lot of business with surrounding counties. It has three sales per week and she considered that the two marts were not comparable in relation to either areas or availability of covered pens.

- ◆ She also stated that the only improvements carried out since they purchased the property in 1986 was the covering in of the second sales ring for use as a canteen on sales days.
- ◆ The commission on sales of animals would be in the region of £6 total, 35 sales were held per year and they could not hold any more because of competition from Ballyshannon, Dowra, Ballymote, Manorhamilton and the meat factories.

Mr. Hicks referred to his written submission, which he adopted as his sworn evidence and stated the following –

- He used Dowra Mart as a comparison because it was recently revised and the structures were of a similar nature.
- With regard to the appellant's comment on the level of business of the mart, he stated that there was no means available to assess turnover in marts.
- With regard to Dowra mart he stated that it had no parking and accepted that the covered pens available in Dowra are very desirable.
- He further stated that Dowra had potential for future development but bearing in mind the fact that the access was very poor via narrow roads.
- The buildings in Dowra mart while of a similar structure were better maintained.

The Tribunal has considered the written submissions of the appellant and the respondent and the oral evidence of Mr. Hicks for the respondent and the oral evidence of Ms. McGowan on behalf of the appellant. The Tribunal has taken the following factors into consideration:

The buildings in Dowra are physically better maintained although they are of similar construction. Although the potential tenant in looking at both marts would have regard to the considerable parking attached to Grange that is not attached to Dowra, in the Tribunal's view this is overcome in the Dowra mart by the availability of covered pens of 20,909 sq.ft. as opposed to covered pens of 1,743 in Grange. Ms. McGowan made a strong point that the

availability of covered pens is a major factor in attracting customers. It is the view of the Tribunal that this would be taken into account by the hypothetical tenant. Although Dowra appears to be in an inferior location and approached by narrow minor roads, it attracts customers from a larger hinterland. These factors have an impact on the overall value.

In the Tribunal's opinion therefore the valuation on the subject premises should be assessed as follows;

Sales ring, offices, canteen	2,872 sq.ft. @ £1.50	£4,308
Covered pens	1,743 sq.ft. @ £0.50	£ 871.50
Open pens	10,000 sq.ft. @ £0.10	£1,000
Yard, parking area	21,500 sq.ft. @ £0.05	£1,075
	Total N.A.V. =	£7,254.50
	x 0.5% =	£ 36.27
	Say R.V. =	£ 36.00

And the Tribunal so determines.