

Appeal No: VA18/1/0026

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

BRADY'S DUBLIN LTD.

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

**In relation to the valuation of
Property No. 298158, Retail (Warehouse) at Old Navan Road, Castleknock, Dublin 15.**

B E F O R E

John Stewart – FSCSI, FRICS, MCI Arb

Deputy Chairperson

Orla Coyne - Solicitor

Member

Frank O'Grady – MA, FSCSI, FRICS, FIABCI

Member

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 4TH DAY OF NOVEMBER, 2019.**

1. THE APPEAL

1.1 By Notice of Appeal received on the 25th day of February 2018 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 €284,000

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 28(4) of the Act because:

1. *“The rates of €100, €210, €20 and €25 applied to the various parts are too high.*
2. *The buildings are bespoke to the motors brands we represent and therefore of limited value in a general market situation.*

3. *The workshop is used for carrying out motor repairs of two specific brands at a low margin.*
4. *The yard areas are principally used for staff and car parking along with some of the areas used for car display.*
5. *The sale of used cars is a low margin activity; hence does not warrant the rate applied.*
6. *The store and office areas listed are small in nature and of little use beyond their current function for the motor brands we represent.*
7. *The store area is only accessible through the showroom area; hence, limits its use greatly.*
8. *Our business is purely motor trade which is an extremely fragile industry operating on gross margins of around 1%.”*

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €180,000

2. VALUATION HISTORY

2.1 On the 26th day of September 2017 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 €284,000.

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 29th day of January 2018 stating a valuation of €284,000.

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 19th day of June 2019. At the hearing the Appellant appeared in person and the Respondent was represented by Mr. Paul Ogbebor 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 comprises a motor showrooms plus offices in a modern building within easy access of the M50 and N3 motorways. The floor areas were agreed as follows:

Ground floor office 229.03m²

Ground floor showroom 565.20m²

Ground floor store 100.02m²

Warehouse 562.12m²

Yard (old) 352.8m²

Yard (old) 245m²

Yard (new) Concrete / tarmac 2141m² and

First floor office 96.62m²

5. ISSUES

5.1 The Appeal is concerned with the quantum of the valuation only.

6. RELEVANT STATUTORY PROVISIONS:

6.1 The value of the Property falls to be determined for the purpose of section 28(4) of the Valuation Act, 2001 (as substituted by section 13 of the Valuation (Amendment Act, 2015) in accordance with the provisions of section 49 (1) of the Act which provides:

“(1) If the value of a relevant property (in subsection (2) referred to as the “first-mentioned property”) falls to be determined for the purpose of section 28(4), (or of an appeal from a decision under that section) that determination shall be made by reference to the values, as appearing on the valuation list relating to the same rating authority area as that property is situate in, of other properties comparable to that property.

7. APPELLANT'S CASE

7.1. The Appellant Brady's Dublin Limited was represented by Enda Conefrey Dealer Principal who contended that the valuation was too high as it represented a 90% increase in the rates liability. He stated that they had been in business for 46 years and had five brands now reduced to Mercedes and Seat. He stated that the buildings were brand specific and would be of limited use to other marques. He pointed to the lack of comparable rental evidence and stated that they had lost €1.0m in 2008 and had lost the VW marque in 2012. He confirmed that Mercedes had made a large investment in the premises in 2016.

7.2 The Appellant submitted a letter to the Tribunal together with two comparable properties. Mr. Conefrey during the course of his evidence gave an overall view of his particular business and stated that it was a family business, that the margins were very tight and having gone through the usual difficulties as everybody did from 2008 it was only in or about 2015 that they began to get back on track. He confirmed that the business had begun to grow again in 2015 however, cheap imports, the E.U. emissions requirements/regulations allied to the increase in 'green awareness' resulted in a fall in the market for new cars in 2016.

7.3 He said that he found it difficult to benchmark their site with other premises in the area, while other motor groups have been taken over by much larger groups.

7.4 His first comparison was situated in Coolmine Dublin 15 and was built to a specific Ford specification in 2006 / 2007. It had a quoting rent of €100,000pa for approx. 1,864 m².

7.5 His second comparison was situated in Finglas Dublin 11 and while it is bigger than the subject property it would be the nearest alternative to it, and it run by a very large motor car operator. It comprised 3,510m² equally split over two floor and the quoting rent was €285,000pa

7.6 He further stated that the subject's property's yard was used not only by customers but also by staff and for used-car displays. He also stated that the sale of used cars was a low margin activity for this space, and he did not believe warranted it being rated.

7.7 He stated that the showrooms had been built to a specific brand requirement and he believed they would be of little or no use to another operator without significant changes being made to the subject property.

7.8 He further stated the work-shop area which is used for carrying out motor repairs for two specific brands, is equipped accordingly and the work carried out within the workshop area is not high margin / value related. He claimed that the store and office areas are small in nature and also have little use beyond their current function for the motor brands they represent. He also pointed out that the storage is only accessible through the storeroom which also limits its use significantly. Therefore, he believed that the rates were too high and was seeking a reduction in the valuation of the subject property determined by the Commissioner of Valuation to €180,000.

7.9 During cross examination Mr Conefrey confirmed that the Finglas comparison was outside the rating authority in a separate rating authority. He accepted that the yard in the subject property was used for the sale of used and new cars and for staff car parking.

8. RESPONDENT'S CASE

8.1 Mr. Ogbebor for the Respondent adopted his detailed precis of evidence.

8.2 contended for a valuation for a total NAV of €284,177 broken down as follows:

Level	Block	Use	Area m ²	€/per m ²	NAV
0	B, C, D, E, H	Office	229.03	€100	€22,903
0	A	Showroom	565.20	€210	€118,692
0	F, I	Store	100.02	€100	€10,002
0	G	Warehouse	562.12	€100	€56,212
0		Yard (old)	352.8	€20	€7,056
0		Yard (old)	245.0	€25	€6,125
0		Yard (new) (concrete/tarmac)	2,141.0	€25	€53,525
1	B, C, F	Office	96.62	€100	€9,662
					€284,177

SAY €284,000

8.3 In support of his valuation Mr. Ogbebor put forward his four comparisons.

8.4 **Comparison No. 1** -details in Appendix 1 - comprised the Subject Property and the basis of its pre-2017 valuation prior to its redevelopment now being the subject of its revision. Mr. Ogbebor said in his evidence that this comparison was the subject property pre 2017. The valuation then had not been challenged. On the subject's redevelopment while some of the old areas of the property had been kept, by and large the square area of the subject property had been increased due to the Appellant had demolished two adjoining dwelling-houses to increase the area of the subject property.

8.5 **Comparison No. 2** -details in Appendix 2 which was also occupied by the Appellant and has the same levels of valuation as the Subject Property with a difference is in respect of the second yard being at a lesser rate.

8.6 **Comparison No. 3** -details in Appendix 3 This property is also in car showroom/sales use and comprises a similar unit to the subject property. It is located approximately 2.5km from the subject property and its showroom area is valued at a higher level than the subject property at €240/m².

8.7 **Comparison No. 4.** -details in Appendix 4- This property is located in Finglas and comprises a larger showroom/sales outlet with ancillary office workshop and stores and its showroom valuation was higher at €260/m² than the Subject Property.

8.8 Mr Ogbebor concluded by saying that the current valuation of the Subject Property is supported by the tone of the list post revaluation.

8.9 During cross examination Mr Ogbebor agreed that the subject property was in a cul-de-sac but stated that the subject property prior to development was in the same location as was the adjoining one and he stated that the levels in both cases had not been challenged. He stated that the levels adopted were extracted from the comparisons provided and the higher levels for showrooms in the third and fourth comparisons had been adjusted to cater for the location of the subject property. Mr. Ogbebor agreed that his first and second comparators were beside each other. He also confirmed when asked by the Appellant that his fourth Comparison was

over four floors, beside the M50, had a totally different visibility, better location and was more visible to any individual driving on the M50. However, he stated that the level at which the showroom in Comparison 4 was valued at €260 compared to the Appellant's level at €210 had taken the differences into account.

9. SUBMISSIONS

9.1 There were no legal submissions in this case.

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 Dublin City Council..

10.2 The Appellant described his business and the motor business in some detail. He relied on two comparisons one in Coolmine and one in Finglas. Both were available to rent; however, no rental evidence was established and the Finglas one could not be taken into account as it was outside the area within which the Subject Property is situated, namely it was in a different local authority area.

10.3 The matter before the Tribunal is a revision not revaluation. The unchallenged rates per square metre for the old subject property and the adjoining one strongly support the Commissioner's opinion of value as the revision has adopted the same levels but referred to the newer and larger areas. The Commissioner also included a discount to allow for the superior locations of the showrooms in the third and fourth comparisons when compared to the subject property. There was no evidence adduced to show that a discount should apply due to the specific requirements of a particular car brand/marque for either showroom or workshop. The fact that the yard was partly used by staff cars does not impact negatively on its value. The business of the sale of cars or its margins do not impact on the NAV as the levels had been previously established and not challenged. The size and limited use of the stores and office areas does not affect the value.

10.4 The Commissioner's second comparison which was next door to the subject property had been subject to representations and it was valued at the same level as the subject property

except for part of the yard area which had a lower rate. It had also not been appealed at the time of its revaluation notwithstanding that it is also owned by the Appellant.

10.5 Therefore having taken all these matters into account the Tribunal while it noted the business arguments made by the Appellant and the challenges to the motor trade currently being experienced by the Appellant, finds that as this is a revision case the tone of the valuation has been established. The Appellant did not present a case to support a departure from that tone of list on the basis of the comparable assessments before us.

11. DETERMINATION:

Accordingly, for the above reasons, the Tribunal dis-allows the appeal and confirms the decision of the Respondent as the valuation of the Property as stated in the Valuation Certificate as €284,000 and the Tribunal so determines.

And the Tribunal so determines.