

Appeal No: VA17/5/1155

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

VENTSIDE LIMITED

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 2150928, Retail (Warehouse) at Unit 2, Liffey Valley Motor Mall, County Dublin.

B E F O R E

Carol O'Farrell - BL

Chairperson

Liam Daly – MSCSI, MRICS

Member

Allen Morgan – FSCSI, FRICS

Member

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 8TH DAY OF JULY 2020**

1. THE APPEAL

1.1 By Notice of Appeal received on the 12th day of October 2017 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 €393,000.

1.2 As set out in the Notice of Appeal the ground 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 19 (5) of the Act by reason that

- i. *“Rates imply a yield of 16%, yard space valuation high, scaling of model inappropriate to larger dealerships*

- ii. *yard space should be split into display, customer, storage employee areas*
- iii. *the relative valuations of adjacent properties.*

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €200,000.

2. REVALUATION HISTORY

2.1 On the 13th day of April 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 €393,000.

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. A Final Valuation Certificate issued on the 7th day of September 2017 stating a valuation of €393,000.

2.3 The date by reference to which the value of the property, the subject of this appeal, was determined is the 30th day of October 2015.

3. DISPUTED ISSUES

3.1 The issues in this appeal concern

- i. the appropriate circulation factor to apply to the yard space in order to determine the net area of yard space to be valued
- ii. the appropriate rate to apply to office space, workshop space and yard space, and
- iii whether a quantum discount should be applied based on the size of the Property.

4. THE HEARING

4.1 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 27th day of August 2019. At the hearing, the Appellant was represented by Mr. Philip Cunningham for and on behalf

of the Appellant and the Respondent was represented by Ms. Olwen Jones of the Valuation Office.

- 4.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective 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.

5. RELEVANT STATUTORY PROVISIONS

- 5.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Valuation Act, 2001 ('the Act') which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

- 5.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be considered in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably expected to let from year to year, on the assumption that the probable average annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

- 5.3 Section 19(5) (inserted by section 7 of the of the Valuation (Amendment) Act 2015 provides:

“The valuation list as referred to in this section shall be drawn up and compiled by reference to relevant market data and other relevant data available on or before the date of issue of the valuation certificates

concerned, and shall achieve both (insofar as is reasonably practicable)

—

(a) correctness of value, and

(b) equity and uniformity of value between properties on that valuation list,

and so that (as regards the matters referred to in paragraph (b)) the value of each property on that valuation list is relative to the value of other properties comparable to that property on that valuation list in the rating authority area concerned or, if no such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area.

6. APPELLANT'S CASE

- 6.1 Mr. Philip Cunningham, Investment Director of Frank Keane Holdings Limited, demonstrated an encyclopaedic knowledge of the Irish motor business and was clearly well informed on the financial aspects of the Appellant and the whole motor market. He adopted his Précis of Evidence which was prepared with commendable thoroughness and included an Appendix containing 20 tabulated documents as follows:
- a) Notice of Appeal to Commissioner of Valuation
 - b) Commissioner's Decision
 - c) Notice of Appeal to Valuation Tribunal
 - d) Lease between Glencullen Retail Limited and Barkhill Limited
 - e) EMD Architects Layout Map
 - f) Circulation Factor Calculation – Motor Dealerships – South Dublin County Council.
 - g) Purchase Contract for the Subject Property
 - h) Valuation Report for Subject Property as of 31 December 2016
 - i) Comparable Evidence Toyota Liffey Valley
 - j) Comparable Evidence Kia Liffey Valley
 - k) Comparable Evidence Hyundai Mooney Long Mile Road
 - l) Comparable Evidence Windsor Car Outlet Long Mile Road
 - m) Rates Certificate Harris Commercial Vehicles
 - n) Rates Certificate Murphy Van Centre and Fuso Trucks
 - o) Comparable Evidence – Former Renault Dealership – Newlands Cross

p) Comparable Evidence – McCoy Motors – Newlands Cross

6.2 At the outset Mr. Cunningham stated that the appeal was based on the Appellant's understanding that the NAV of the Property is assessed in line with market rents, that NAV is determined in accordance with the provisions of section 48 of the Valuation Act 2001 and that appropriate evidence had to be given to satisfy the dual requirements of correctness of value and equity and uniformity of value between properties on the valuation list as required by section 19 (5) of the Act. Mr. Cunningham also stated that until his attendance at the Tribunal hearing, he was unaware of the Respondent's decision, in advance of the appeal hearing, to propose a revised NAV of €309,000.

6.3 Mr. Cunningham described and outlined the background to the Property. It is located within the Liffey Valley Motor Mall adjacent to the Fonthill Road which is the main vehicular entry to the Liffey Valley Shopping Centre, located approximately 400 metres to the east of the Motor Mall. Within the Motor Mall the Property enjoys a prominent position from the Fonthill Road although it is not visible from the N4 motorway which lies approximately 300 metres to the north. The Property was built in 1999 on a 1.8-acre site and was previously occupied by Bill Cullen Renault as the headquarters for seven dealerships across Ireland as well as a Renault dealership. The Appellant, trading as Frank Keane Volkswagen, acquired the Property in October 2013 and it is held under a 999-year Lease from the 16th July 1999 at a peppercorn rent. The Lease restricts the use of the Property to that of a high-quality motor dealership and restricts the Property from being deployed for any alternative use for the first 25 years of the Lease term to prevent disruption to the adjacent Liffey Valley shopping centre. Mr. Cunningham stated that four dealerships premises were originally constructed at the Liffey Valley location but that the Property was designed on a much larger scale to reflect the headquarters role envisaged for the building. He outlined the reasons why the Renault franchise was lost at the location. Mr. Cunningham stated that in 2015 Volkswagen was the largest brand in the Irish motor market. Following the acquisition of the Property, a planning permission was obtained for works of alteration to meet Volkswagen brand standards which essentially involved the reorganisation and re-segmentation of the site. He stated that because the layout of the showroom was not in keeping with the Volkswagen brand standard, it was necessary to reduce floor heights and replace

glazing and tiles and to make other interior layout changes The valet area was relocated and a canopy display area was erected for Volkswagen commercial vehicles.

6.4 Mr. Cunningham confirmed in his Précis and oral evidence that the physical details of the site and buildings had been agreed between the parties. He confirmed that the measurement of the various floor areas of the Property were agreed as follows:

Block	Use	Level	M²
1	Showroom	0	739.94
2	Office	0	182.75
3	Workshop	0	691.77
4A	Store	0	77.22
4B	Office	0	77.22
5A	Store	0	19.80
5B	Office	0	31.20
6	Office	1	180.60
7	Office	1	121.00
8	Store	Mezz (1)	68.64
9	Store	Mezz (2)	61.62
10	Car Valet	0	217.25
11	Yard (Gross)	0	4,800

6.5 The Property comprises a building measuring 2,468.02 m² and gross yard space measuring 4,800 m². The total area of the Property is 7,268.02m². The Property has 171 car parking spaces which Mr. Cunningham said meet the required standards for wheelchair and disability access. He stated that 2,280m² of the gross yard space is attributed to car parking spaces and he contended that the circulation space within the yard equates to 52% of the overall yard space. He understood the Respondent was adopting a circulation factor of 20%. Given this disparity, Mr. Cunningham examined

the circulation factor applied to other motor showrooms in the rating authority area, the details of which were tabulated in the Appendices. From a consideration of those 31 properties, he estimated, the average chargeable proportion of yard space to be 37%, which implied that 63% is attributable to circulation. He pointed out that a rate of €250 per car parking space had been applied in 3 motor showrooms and that there was a nil rate for yard space in respect of 8 properties. The circulation factor for the properties comprised in the Liffey Valley motor mall was calculated by Mr. Cunningham as follows:

Brand	Circulation
Opel	65%
Kia	71%
Nissan	56.7%
Toyota	36.7%

On the basis of his calculations, Mr. Cunningham believed that a circulation factor of 52.5% is appropriate for the Property and, in keeping with the tone of the list, that the yard space to be rated is 2,280m².

- 6.6 As regards areas within the Property, Mr. Cunningham said the needs and requirements of the Volkswagen franchise (stipulated by the distributors as a precondition for their approval of the premises) differed substantially from the previous occupier in that the Property's layout and facilities were not configured to suit the Appellant which in his view was a factor which needed to be reflected in the valuation. He described in detail how the various parts of the building, the workshops and the yard space are utilised. He disagreed with the methodology employed by the Respondent in calculating the usable car spaces based upon 12m² per space. He said the amount of space used for parking is a factor of the site's overall configuration as that space impacts the location of the building within the site, and the amount of yard space required to be kept free from parking to allow for internal circulation. Mr. Cunningham pointed out that both the offices and workshop areas of the adjoining modern purpose-built adjoining premises (Toyota) were valued at rates substantially lower than those applied to the Property.

6.7 Mr. Cunningham referred to an independent valuation report commissioned by the Appellant from a firm of property consultants in December 2015 (part of a portfolio valuation) which adduced a capital valuation of €2.75m for the Property. Mr. Cunningham extrapolated an implied rental value of €192,500 from this valuation by applying what he stated was a reasonable gross yield of 7%. The list valuation of €330,000 and the proposed revised NAV of €309,000 equate respectively to rental yields of 11.8% and 11.3% which he believed was not in line with market norms for car showrooms.

6.8 Mr. Cunningham analysed the rateable valuation of a motor showroom situated at Walkinstown Cross just outside the rating authority area which is of similar size to the Property. He suggested that if the appeal Property had been valued in a similar manner to that motor showroom, its valuation would be €162,038. He considered that the Respondent had not presented any market evidence to support its valuation approach to motor showrooms. He noted that the Respondent had rejected Unit 4 Liffey Valley (as a comparable property and suggested that if the appeal Property had been valued in line with Unit 4, it would have been valued at €216,772. He said the valuation evidence suggests a rental range of €162,038 (Walkinstown Cross) to €192,500 (7% market rent based on gross yield) to €216,772 (if the NAV of Unit 4 Liffey Valley had been estimated in line with the rental information contained in the Commercial Lease Register) and that these figures were broadly indicative of a NAV of €200,000. Of the four other dealerships in Liffey Valley Motor Mall, he considered the Toyota premises to be the only true comparable as it is the only one developed on a similar scale. He described that premises as a bespoke building constructed in 2015 and superior to the appeal Property for several reasons, namely:

- Its strong visibility from the N4
- Its best practice workshop layout which enables two lanes of ramps and a parts department located adjacent to the showroom
- Reduced heating costs due to higher level of insulation at roof and cladding level
- Lower maintenance costs due to modern construction.

He observed that despite the overall superior building quality, the showroom in the Toyota premises was valued at the same level as that in the appeal Property while the

workshop area were valued at the lower rate €30/m² and the office areas at the lower rate of €55/m². If the same rates had been applied to workshop areas and the offices area of the appeal Property, the Property's valuation would be reduced by €42,867.

6.9 Mr. Cunningham confirmed the limited availability of rental evidence in the market given the tradition of owner occupation. He adduced rental evidence of four similarly sized motor showrooms at Walkinstown Cross situated less than 100 metres outside of the South Dublin County Council administrative area. One of these showroom premises having a total area of 6.120m² was leased in 2015 and at the 31st October 2015 the annual rent was €175,000. He stressed that the lease was an arms-length lease transaction. At the request of the Tribunal, Mr. Cunningham furnished the particulars registered with the Property Services Regularity Authority in respect of property number 409381 which is a motor showroom at the junction of the Naas Road and the M50 motorway. The particulars registered indicated that a 2-year 7 months lease was made on the 1st December 2015 and that the average annual rent payable under that lease was €100,000.

6.10 Mr. Cunningham argued for a NAV of €210,000 on the basis that market evidence supported a valuation of €200,000 while the tone of the list indicated a value of €220,000. His tone of the list valuation calculated by valuing the yard on a car parking space basis at €42,750 (i.e. 171 spaces @ €250 per space), by valuing the offices at €55/m², the workshop areas at €30/m² in line with the Toyota premises and by adopting the same rates applied by the Respondent in respect of the remainder of the Property is set out below. He stated that it was not fair that the appellant is put to a competitive disadvantage in having to pay more rates than their competitors.

Use	Block	M ²	€ M ²	NAV
Showroom	1	738.94	150	110,841
Offices	2, 5B, 6, 7	593	55	32,602.35
Store- Workshop	3, 4A, 5A	788.79	30	23,663.70
Store- Carwash	10	217	30	6,517.50

Store-Parts- Mezz	8, 9	130.36	10	1,302.60
Yard (Gross)	11	4,800	250 per space	42,750
				217,677.15

In the alternative, if the Tribunal disagreed with his proposed valuation, Mr. Cunningham contended for an overall quantum discount on the basis that the appeal Property is an outlier in terms of size.

7. RESPONDENT'S EVIDENCE

- 7.1 Ms. Jones in her written Précis of evidence and in her oral evidence proposed a reduced NAV of €309,000. The proposed reduction is attributable to: -
- i. a 5% end allowance to reflect quantum.
 - ii. a 20% allowance in respect of the gross yard area, to allow for circulation.
 - iii. a reduction in the level applied to the mezzanine from €20 to €10/m² (20% of workshop level) and €5/m² in respect of the second-floor mezzanine (10% of the workshop level).
- 7.2 Ms. Jones described the Property as having extensive frontage and being highly visible from the Fonthill Road as it is the first motor showroom seen upon entry into the Liffey Valley Centre. She considered the Property to be 'fine' with a good profile and she could see no obvious basis for valuing it any differently from the scheme in place for dealerships. She considered the Liffey Valley motor mall area to be a car buyers' destination and commented that Liffey Valley Centre attracts over 12 million visitors. She reviewed all 32 dealership properties on the valuation list to see whether a percentage allowance had been made for circulation and identified Property No. 409391, which is on the Naas Road in Clondalkin, where a 20% allowance was applied in respect of a yard measuring 1,692.52m². She questioned the accuracy of Mr. Cunningham's measurement of the yard areas of 31 showrooms to calculate the circulation areas because they were based on Google map measurements. She considered a 20% allowance for circulation to be fair and reasonable. She agreed that the Property has 171 car parking spaces and that the parking spaces measured 2,280m².

She confirmed that she did not calculate the circulation spaces of the other dealerships and had accepted the yard areas as stated on the valuation list.

7.3 Ms. Jones stated that there was a lack of rental evidence. Though Unit 3 Liffey Valley is held under a long lease, the Respondent was not satisfied that it was an arms-length transaction. Though Unit 4 Liffey Valley is also held under a lease, the Respondent did not obtain sight of the lease and so was unable to confirm its commencement date. She relied upon the Tribunal's decision in *VA17/5/146 McCoy Motors Limited v Commissioner of Valuation* which concerned a motor showroom situated off the Lucan Bypass, which determined the NAV of that property at €91,702, the front yard space being valued at €20m², the rear yard at €15m². In her opinion the appeal Property has a superior location as McCoy Motors is accessed via a single lane behind a line of bollards separating it from the N4. She confirmed that 32 motor showrooms had been valued in the rating authority area, 5 of which had been appealed to the Tribunal. While 3 of these appeals have been heard, only one has been decided.

7.4 Ms. Jones relied upon the following NAV comparisons all of which are situated at the Liffey Valley Motor Mall

i. C1 – large unit located across the road from the appeal Property, measuring 7,182.89m², Offices valued at €55/m² workshop at €30/m² showroom at €150/m², carparking at €30/m² Overall NAV
€336,000

ii. C2 - Unit 3 - located immediately adjacent to the appeal Property, measuring 1,609.61m²; workshop at €35/m²; showroom at €150/m², yard at €30/m² Overall NAV
€117,600

iii. C3 - Unit 4 - located in close proximity to the appeal Property, measuring 1,425.19m², Offices valued at €90/m²; workshop at €35/m²; showroom at €150/m², yard at €30/m² Overall NAV
€85,700

- iv. C4 - Unit 5 - located in close proximity to the appeal Property, measuring 4,445.48m², Offices valued at €90/m²; workshop at €50/m²; showroom at €150/m², yard at €30/m² Overall NAV
€156,500

She stated that the showrooms of 7 other motor dealerships on the valuation list outside of Liffey Valley have been valued at the same rate of €150/m², that all dealership offices save for C1 had been valued at €90/m², that all yards had been valued at €30/m² and that workshop rates ranged between at €48 and €65/m².

- 7.5 Ms. Jones confirmed that the Respondent had taken account of the information supplied by the Appellant at the Valuation Tribunal appeal stage and a recent Tribunal judgement concerning the McCoy Motor Dealers fronting onto the Lucan by-pass.
- 7.6 Under cross examination Ms. Jones said that the range of rates for showrooms per m² was €150, €130, €110, and €90 and that other areas in the premises were adjusted from whichever showroom rate had been applied.

8. FINDINGS AND DETERMINATION

- 8.1 From the evidence adduced by the parties, the Tribunal finds the following facts.
- 8.2 The Property is located within the Liffey Valley Motor Mall adjacent to the Fonthill Road which is the main vehicular entry to the Liffey Valley Shopping Centre. Within the Motor Mall the Property enjoys a prominent position from the Fonthill Road. It is not visible from the N4 motorway.
- 8.3 The Property is a modern purpose-built motor showroom, with associated offices, a workshop, stores, and display/parking areas. The floor areas were agreed as stated in paragraph 6.4 above. The total area of the Property is 7,268.02m².
- 8.4 The Property was built in 1999 and originally occupied by Bill Cullen Renault as the headquarters for seven dealerships in Ireland including the Renault dealership.

- 8.5 The Property is one of five main dealer car showrooms in this location. At the valuation date, the Appellant operated one car dealership from the appeal Property, namely Volkswagen (VW).
- 8.5 The Appellant acquired the Property in October 2013 and occupies it under a 999-year lease at a small annual rent subject to review pursuant to the terms of the Lease. The Lease restricts the use of the Property to that of a high-quality motor dealership primarily for the retail sale of new motor vehicles and offices and parking ancillary thereto. The Lease restricts the Property from being deployed for alternative uses for the first 25 years of the Lease term.
- 8.6 Conversions works were carried out to the Property by the Appellant pursuant to a grant of planning permission to meet Volkswagen brand standards which essentially involved the reorganisation and re-segmentation of the site.
- 8.7 The Property has 171 car parking spaces the combined area of which is 2,280m². The external area of the Property measures 4,800 m².
- 8.8 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 South Dublin County Council.
- 8.9 The Tribunal has examined the particulars of the Property and considered the written and oral evidence adduced by Mr. Cunningham who contended for a revised valuation of €210,000 and that adduced by Ms. Jones who put forward an adjusted valuation of €309,000 as being fair and equitable.
- 8.10 The rent prescribed by section 48 is a hypothetical rent. It is a rent that a hypothetical tenant might be reasonably expected to pay a hypothetical landlord for a tenancy of the Property in the Liffey Motor Mall. In determining the rent at which it is estimated a relevant property might reasonably be expected to be let, the best evidence is evidence

of lettings of comparable premises in the open market. Mr. Cunningham adduced evidence of the annual rent payable in respect of Unit 4 Liffey Valley and 4 other properties in the Walkinstown Cross area. Ms. Jones disregarded the Unit 4 rent as she was not satisfied that the lease was an arms-length transaction as well as the rent of Unit 5 Liffey Valley because the lease commencement date was unknown. Ms. Jones did not adduce any rental evidence, despite the statement in her precis of evidence that “*analysis of a number of market rents assists in deriving the estimate of net annual value and mitigates the impacts of outlying rents that may not represent what a hypothetical tenant would bid*” which does beg the question as to why no rental evidence was adduced in evidence by the Respondent on this appeal. It is also of note that both parties relied on the Tribunal’s determination in VA17/5/146 McCoy’s Motors v Commissioner of Valuation which issued on the 16th November 2018. From a perusal of that determination the appellant rental evidence in respect of five properties and the respondent rental evidence in respect of one property. What is clear, in any event, is that the appeal Property’s 999-year lease does not conform to the rating hypothesis as the rent payable thereunder is not a market rent.

8.11 The Tribunal was not provided with full details of the lease in respect of Unit 4 or Unit 5 Liffey Valley. That leaves the rent of the showroom premises at Walkinstown Cross which was not challenged. The Tribunal considers that a hypothetical tenant would have regard to the rent passing on a similarly sized property on the southside of Dublin in an equally good location regardless of the fact that it lies within the boundary of another rating authority area. This rent which was agreed in 2015 provides a useful starting point for the valuation. However, the dearth of rental evidence requires the Tribunal to also consider the values of comparable properties on the valuation list in order to form a view as to what rent might reasonably be expected so as to ensure that the value of the Property is relative to the value of those other properties.

8.12 The Tribunal is sympathetic to view that the market for a large headquarter showrooms differs from the market for smaller boutique showroom units of the type represented by Units 3, 4, 5 Liffey Valley Motor Mall. Mr. Cunningham relied primarily on the valuation of the largest unit in the Liffey Valley Motor Mall as well as other large motor showrooms at Walkinstown Cross/Longmile Road to support his assessment of value. Ms. Jones relied on the valuations of the four units in Liffey Valley Motor Mall. Where

properties on the valuation list are available as comparables on the basis that they are all equally similar in all material physical respects to the property being valued, then those which are in the same locality as the property being valued normally provide better evidence as to rental value than those which are in some other locality. The disparity in size of Units 3, 4 and 5, though sharing the same locational advantages as the appeal Property, makes comparison difficult. The appeal Property is more than 4½ times larger than Unit 3, 5 times larger than Unit 4 and 2½ times larger than Unit 5. The Tribunal agrees with Mr. Cunningham that the motor showroom directly opposite the Property, which is the Respondent's Comparison 1, is in terms of location, size, and physical nature the only truly comparable property at Liffey Valley. If the appeal Property had been valued in line with the rateable value of that adjacent unit (taking the figures applied to the showroom, stores and car valet in the valuation of the appeal Property, which were not disputed) the NAV would have been assessed at €312,318 rather than €393,000 which points to the final certificate value being too high.

- 8.13 All motor showrooms require land to display vehicles for sale, to provide customer and staff car parking and for service carparking and vehicle storage. The land value is a significant facet in the valuation of a car showroom and there should be a consistent approach to the valuation of such areas. Clearly, external areas not normally used by the public should be dedicated as circulation space. The Property has a larger display area than would be normally required for a single dealership and Ms. Jones has reflected a circulation allowance of 20% in her valuation. The Appellant did not adduce any evidence of a property valued on the list where a higher circulation allowance had been given. The appeal Property is a motor showroom the essential function of which is to display vehicles for sale. It is an indispensable requirement for the operation of a dealership that it has adequate car spaces for the display of new and used vehicles, for staff and customer car parking and workshop parking. Without such spaces, the dealership would struggle to be successful. The fact that 2,520m² of the external area is not used for car parking does not in itself, in the Tribunal's view, justify an allowance of 52.5% for circulation. The Tribunal considers that for the appeal Property to operate as a dealership at all it is necessary that there is public access to it. Accordingly, The Tribunal cannot accept Mr. Cunningham's argument that 52.5% of the yard space should be deemed circulation space. In agreement with the Respondent the Tribunal therefore consider that 20% is the appropriate circulation allowance.

- 8.14 The Tribunal notes that the offices and workshop areas in the larger motor showroom opposite the appeal Property were valued respectively at the lower rate of €55 per m² and €30 per m². It is also noted that inconsistent approach was taken in the valuation of the workshop areas of Unit 3 and 4 which were valued at €35 per m² and that of the appeal property and Unit 5 which were valued at €50 per m². The construction of the car valet building is broadly similar to that of the main workshop. It is a good quality detached building, providing a service which is of considerable importance when selling and servicing quality cars. It is in effect a further valuable workshop area forming part of the overall operation on site. The car valet building was valued at €35 per m². There is in the Tribunal's judgment no justification for valuing the workshop any differently from the car valet building or the workshops in Unit 3 and Unit 4.
- 8.15 It is not necessary to go further afield than the large adjacent motor showroom to value the office space in the appeal Property. The Tribunal is satisfied that the offices in the appeal Property should be valued at the same level of €55 per m² as that applied in the large adjacent motor showroom as that would put the appeal Property on the same general tone as the only other large motor showroom in the Liffey Valley Motor Mall.
- 8.16 The principle of adjustment for size or quantity is long established and is based on the general assumption that as the size of a property increases the value per square metre decreases. Ms. Jones made a quantum of allowance of 5% in her valuation to reflect the size of the appeal Property. Mr. Cunningham considered that a quantum discount be warranted to reflect the difference in size of the appeal Property versus the showroom and yard space of a typical dealership but did not specify any percentage. As the Tribunal has adjusted the valuation of the office and warehouse areas and has approved the 20% circulation allowance, there is no longer a justification for making an quantum allowance, as relativity of value has been achieved as between the appeal Property and the other large showroom property at Liffey Motor Mall.
- 8.17 Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €294,000.

Use	Block	Level	M ²	€m ²	NAV (€)
Showroom	1	0	739.94	150	110,841
Office	2	0	182.75	55	10,051
Workshop	3	0	691.77	35	24,212
Store	4A	0	77.22	30	2,317
Office	4B	0	77.22	55	4,247
Store	5A	0	19.80	30	594
Office	5B	0	31.20	55	1,716
Office	6	1	180.60	55	9,933
Office	7	1	121.00	55	6,655
Store	8	Mezz (1)	68.64	10	686
Store	9	Mezz (2)	61.62	5	308
Car Valet	10	0	217.25	35	7,604
Yard (Less 20% circulation)	11	0	3840	30	115,200
					€294,364

SAY

€294,000

And the Tribunal so determines.