

Appeal No. VA08/3/021

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

**Al Hayes Motors Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Lot No. 2192053, Showroom at Lot No. 28/1, Portumna, County Galway

**B E F O R E**

**Michael P.M. Connellan - Solicitor**

**Deputy Chairperson**

**Brian Larkin - Barrister**

**Member**

**Frank O'Donnell - B.Agr.Sc. FIAVI.**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 27TH DAY OF JANUARY, 2009**

By Notice of Appeal dated the 30th day of July, 2008 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €145.00 on the above described relevant property.

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

"The RV as assessed is excessive & inequitable given the relative worth of this property on the outskirts of the small town of Portumna. The property is in a very moderate commercial location and is also very large in terms of this location and its potential. Both these factors must be fully reflected in the NAV."

The appeal proceeded by way of an oral hearing held at the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on 31<sup>st</sup> October, 2008. The appellant was represented by Mr. Eamonn Halpin, BSc Surveying, MRICS, MIAVI. Mr. David Molony, BSc, MRICS, District 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 préces 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 property comprises a new motor sales and repair facility. The property is constructed with Kingspan insulated horizontal wall panels and a toughened glass wall system. The car showroom is double height with floor to eaves glazing. The remainder of the building is constructed with part concrete block walls and part double skinned metal cladding. Externally there is a large tarmac/gravelled car park area which is used for the display of new and used cars.

### **Location**

The property is located on the outskirts of Portumna. Portumna is approximately 18 miles north of Nenagh and 20 miles south of Loughrea.

### **Accommodation**

The following areas have been agreed by both parties:

#### Ground Floor

Entrance/showroom	477.47 sq. metres
Offices	210 sq. metres
Handover Bay	67.65 sq. metres
Toilets	36.8 sq. metres
Workshop (High eaves)	1,304 sq. metres
Workshop (Low eaves)	250 sq. metres

First Floor

Offices 150 sq. metres

Mezzanine

Office/canteen 130 sq. metres

Stores 64 sq. metres

External

Tarmac/gravel car parking area approx. 4.2 acres

**Rating History and Relevant Dates**

1 <sup>st</sup> June 2007	Revision Officer appointed on foot of request from Galway County Council to value new garage – Al Hayes.
16 <sup>th</sup> Aug 2007	Property inspected by Revision Officer, Valuation Certificate (Proposed) issued indicating a valuation of RV €15.
7 <sup>th</sup> Dec 2007	Valuation Certificate issued confirming no change to the RV of €15.
7 <sup>th</sup> Jan 2008	Appellant appealed the valuation through Eamonn Halpin & Co. Ltd.
3 <sup>rd</sup> July 2008	The Commissioner of Valuation issued the results of the First Appeal with the valuation reduced to RV €45 (without agreement).
30 <sup>th</sup> July 2008	By notice dated 30 <sup>th</sup> July, 2008 the appellant appealed the Commissioner's decision to the Valuation Tribunal.

**Appellant's Case**

In his written précis Mr. Halpin made the following submissions:

1. The property is very large in relation to what one would expect for a garage on the outskirts of a small town such as Portumna.
2. The offices at first floor level are little used and of limited value due to the overall size and location of the premises.
3. The hypothetical tenant would only be prepared to bid a limited amount for the subject due to its actual location, size and potential for business. The size of the town would also limit its rental capacity.
4. The occupiers have built up significant goodwill over the years while operating elsewhere in the area and this led to the construction of the subject. However, the hypothetical tenant would not have access to this established goodwill and therefore would adopt a cautious approach to this property given its size and the limitation for business at this

location. We therefore believe he would adopt a conservative approach in tendering his rental bid.

5. The subject premises is in no way comparable in value terms with the main Nissan dealer, Egan's on the main Galway Road on the outskirts of Tuam. There is no comparison between Tuam and Portumna. There has been a large amount of development of commercial property around Tuam over the past 10 years whereas the subject is the only significant modern commercial building constructed in or around Portumna over the same period.
6. The sheer size of the subject is a limiting factor in the local market and the levels suggested by the Commissioner are excessive in view of the scale, location and relative value of the premises. Much greater allowance must be made for these factors to fairly reflect the relative historic value of the premises.

In his oral submission Mr. Halpin stated that the main disagreement between the two parties was location. He stressed that comparing Portumna with Tuam was unfair in view of the comparative population of both towns. Tuam has a population of 7,000 whereas Portumna has only 1,377. Al Hayes had traded at a different location outside the town of Portumna and this old building is now redundant. He built up his business, a very successful one, from the sale of secondhand cars and on his personal success.

Mr. Halpin also stated that there were very few comparisons in the rating area of Co. Galway and he submitted one comparison namely Egan's of Tuam, attached at Appendix 1 to this judgment. Mr. Halpin also stated that the subject property was the only modern building in the town. In his submission and in evidence Mr. Halpin sought a valuation of €35 which he calculated as follows:

**Estm. NAV 1988 Basis**

Entrance Porch	9.87 sq. metres	@ €41 per sq. metre	€ 404.67
Showroom	467.6 sq. metres	@ €41 per sq. metre	€19,171.60
Offices Gr. Floor	210 sq. metres	@ €34 per sq. metre	€ 7,140.00
WC's	36.86 sq. metres	@ €27.34 per sq. metre	€ 1,007.75
Handover Bay	67.65 sq. metres	@ €27.34 per sq. metre	€ 1,849.55
Workshop (6m eaves)	1,304 sq. metres	@ €20.50 per sq. metre	€26,732.00
Valet Area (3m eaves)	250 sq. metres	@ €13.67 per sq. metre	€ 3,417.50

**Rear Mezzanine Area**

Parts area	64 sq. metres @ €13.67 per sq. metre	€ 874.88
Training Room, Locker Room, WC's (No natural light)	130 sq. metres @ €20.50 per sq. metre	€ 2,665.00
Top Floor Offices	150 sq. metres @ €27.34 per sq. metre	<u>€ 4,101.00</u>
Total		<del>€</del> 67,364.95
@ 0.5%		€336.82
Say		€35

Under cross examination Mr. Halpin said he did not have the building costs of the subject property.

**Respondent's Case**

Mr. Molony having taken the oath adopted his précis as being his evidence-in-chief. He assessed the rateable valuation of the subject property as follows:

**Ground floor**

Entrance/showroom	477.47 sq. metres @ €47.82 per sq. metre	€2,832.61
Offices	210 sq. metres @ €47.82 per sq. metre	€10,042.20
Handover Bay	67.65 sq. metres @ €44.40 per sq. metre	€ 3003.66
Toilets	36.8 sq. metres @ €41.00 per sq. metre	€ 1508.80
Workshop (High eaves)	1304 sq. metres @ €27.32 per sq. metre	€35,625.28
Workshop (Low eaves)	250 sq. metres @ €20.49 per sq. metre	€ 5122.50

**First floor**

Offices	150 sq. metres @ €37.57 per sq. metre	€ 5635.50
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**Mezzanine**

Office/Canteen	130 sq. metres @ €20.49 per sq. metre	€ 2663.70
Mezzanine Store	64 sq. metres @ €13.66 per sq. metre	€ 874.24

Yard	NAV	€ 2000.00
Estimated NAV =	€89,308.49 @ 0.50%	€446.54
Rateable Valuation		€445.00

Mr. Molony agreed with Mr. Halpin that this is a new purpose built car showroom and ancillary buildings on the outskirts of Portumna town. Location maps and photos were supplied. It was built to a very high specification and is fully glazed, double height, with a number of offices upstairs and a very large yard. All the floor areas were agreed between the appellant and the respondent.

Mr. Molony introduced 2 comparisons in support of his opinion of net annual value; these were Alphonsus Hayes, Portumna, Co. Galway and C. Egan & Company, Tuam, Co. Galway. Details of these comparisons are attached at Appendix 2 to this judgment.

The second comparison, namely C. Egan & Company, is common to both Mr. Halpin and Mr. Molony. It was dealt with at 2002 First Appeal stage. The levels taken in the subject showroom are the same as the levels taken in Egan's, namely €47.82 per sq. metre. There is a different rate for the showroom to reflect the higher eaves height. Mr. Molony has also applied a NAV of €2,000 on the yard. Egan's, which is now demolished, was built in 2002 and at that stage the yard was not valued. Mr. Molony stated that the yard in the subject property comprises 4.2 acres (186,000 square feet) part of which is tarmac and part hardcore. It is used to store new and secondhand cars. Mr. Molony insisted that the yard should be valued. He said the showroom displays cars with the VW dealership and it is a well known garage in the area and people will travel to get their cars there.

### **Determination**

The Tribunal having carefully considered all the evidence, 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 is excessive taking into account the area of the building, location and relative value of the premises. The Tribunal agrees in general with the appellant's case. In the circumstances, the Tribunal determines that the valuation should be €380, having made a reduction overall of 15%. This reduction does not apply to the yard. The valuation of €380 is calculated as follows:

Entrance	477.47 sq. metres	@ €40.65 per sq. metre	€19,409.16
Offices	210 sq. metres	@ €40.65 per sq. metre	€ 8,536.50

Handover Bay	67.65 sq. metres	@ €37.40 per sq. metre	€ 2,530.11
Toilet	36.80 sq. metres	@ €34.85 per sq. metre	€ 1,282.48
Workshop (High)	1304 sq. metres	@ €23.20 per sq. metre	€30,252.80
Workshop (Low)	250 sq. metres	@ €17.40 per sq. metre	€ 4,350.00
Yard			€ 2,000.00
Offices	150 sq. metres	@ €32.00 per sq. metre	€4,800.00
	130 sq. metres	@ €17.40 per sq. metre	€2,262.00
	64 sq. metres	@ €11.60 per sq. metre	<u>€ 742.40</u>
Total			€76,165.40
Rateable Valuation @ 0.5%			€380.33
RV Say			€380

And the Tribunal so determines.