

Appeal No. VA08/3/028

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

**Noel McGinley**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2192515, Showroom, Office(s), Store at Lot No. 52.53/1, Letterkenny, Letterkenny Urban, Letterkenny UD, County Donegal

**B E F O R E**

**Fred Devlin - FSCS.FRICS**

**Deputy Chairperson**

**Brian Larkin - Barrister**

**Member**

**Michael F. Lyng - Valuer**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 5TH DAY OF JANUARY, 2009**

By Notice of Appeal dated the 21st day of July, 2008, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €135.00 on the above described relevant property.

The Grounds of Appeal are set out in the Notice of Appeal, a copy of which is attached at Appendix 1 to this judgment.

1. The appeal proceeded by way of an oral hearing held in the Radisson SAS Hotel, Paddy Harte Road, Letterkenny, Co. Donegal on the 6th day of November, 2008. Mr. Patrick McCarroll, MRICS, ASCS, MCI Arb, Chartered Valuation Surveyor, represented the appellant and Mr. Tomas Cassidy, B.Sc (Property Management & Valuation), MIAVI, a District Valuer in the Valuation Office, appeared on behalf of the respondent, the Commissioner of Valuation. At the oral hearing both parties, having taken the oath, adopted their précis as being their evidence-in-chief.

### **The Property Concerned**

2. The property concerned in this appeal is a car showroom facility with a file room/office and workshop to the rear. It is located on Pearse Road, Letterkenny circa 60 metres to the north from the junction of Pearse Road and Justice Walsh Road. It is a detached commercial premises from which a Peugeot dealership operates.

### **Accommodation**

3. The agreed accommodation is

Showroom	163.90 sq. metres
Stores	98.03 sq. metres
Workshop	<u>142.80</u> sq. metres
Total	404.73 sq. metres

### **Tenure**

4. The property is held freehold.

### **Appellant's Evidence**

5. Mr. McCarroll having taken the oath adopted his précis of evidence and valuation which had previously been received by the Tribunal and respondent as his evidence-in-chief.

6. In his evidence Mr. McCarroll contended for a rateable valuation of €1.00 calculated as follows:

Showroom	163.90 sq. metres @ €54.68 per sq. metre	= €8,962.05
Store	98.03 sq. metres @ €30.75 per sq. metre	= €3,014.42
Workshop	142.80 sq. metres @ €30.75 per sq. metre	= <u>€4,391.10</u>
NAV		€16,367.57

@ 0.5% = €1.83

Say €1.00

7. In support of his opinion of net annual value Mr. McCarroll introduced four comparisons, details of which are contained in Appendix 2 attached to this judgment.
8. In his evidence Mr. McCarroll said that in arriving at his opinion of net annual value he had regard to the following factors which placed the property at a disadvantage:
  - (1) The ground level is circa 1 metre above the road level of Pearse Road.
  - (2) The building is relatively old and compared to the modern showrooms the premises is outdated.
  - (3) Car parking at the front is not for the occupier's exclusive use. Thus as a consequence, there is no area to display new or secondhand cars in front of the showroom. Furthermore there was a risk that cars parked there 'For Sale' might be damaged by patrons, etc., of the adjoining premises.
  - (4) The premises is in multiple occupation.
9. Referring to his comparisons Mr. McCarroll provided the following evidence:

Comparison No.1 Graham Motors Ltd.

Comments:

- (1) This is a BMW dealership.
- (2) It was of similar age and design to the subject.
- (3) Car parking at the front is exclusively for the occupier and is a valuable display area.
- (4) Floor level of showroom is at road level.
- (5) Eaves height was similar.
- (6) It was strategically located at a busy junction.

This was the best comparator to the subject.

Comparison No. 2 J.J. Reid Motors (incl. for the purpose of superiority)

Comments:

- (1) This is a Volkswagon/Audi dealership.
- (2) It is a much superior building.
- (3) Eaves height is exceptional.

- (4) Valuation included 137 car spaces.
- (5) Valuation included undeveloped first floor offices.
- (6) There is exclusive car parking to the front.
- (7) Advantage of use of the adjoining car park.

#### Comparison No. 3 Letterkenny Tyres

Comments:

Modern purpose built garage.

#### Comparison No. 4 L. Harrigan

Comments:

- (1) Main Renault dealership.
- (2) Modern spacious design.
- (3) Better eaves height.
- (4) Accessible location.
- (5) Exclusive use of immediate parking area.
- (6) In newspaper advertisements described as state of the art premises.

#### **Respondent's Evidence**

10. Mr. Cassidy having taken the oath, adopted his précis of evidence and valuation which had previously been received by the Tribunal and appellant as his evidence-in-chief.
11. In his evidence Mr. Cassidy contended for a valuation of €35.00 calculated as follows:
 

Showroom 163.90 sq. metres @ €88.83 per sq. metre	= €14,559.23
File Store 98.03 sq. metres @ €60.00 per sq. metre	= € 5,881.80
Workshop 142.80 sq. metres @ €41.00 per sq. metre	= <u>€ 5,854.80</u>
NAV	€26,295.83
@ 0.5% =	€31.47
Say	€35.00
12. In support of his opinion of net annual value Mr. Cassidy introduced three comparisons (incl. the common comparator J.J. Reid Motors) details of which are contained in Appendix 3 attached to this judgment.

13. In his evidence Mr. Cassidy summarised briefly that the subject premises was finished to a good standard throughout with the showroom area having air conditioning, suspended ceiling and fluorescent lighting. He added that the subject premises was located close to his three comparisons in Letterkenny town and that factors such as location and standard had both been input into his valuation figure. In the process Mr. Cassidy referred to photographs of the various premises included in his précis and also commented on the appellant's comparison by way of contrast. Mr. Cassidy was cross-examined by Mr. McCarroll who disputed that sufficient allowance had been made in certain cases for the size, lack of profile, quality and specification of the buildings.

### **Findings**

The Tribunal has carefully considered all the evidence and arguments adduced at the hearing including all the comparison evidence and makes the following findings:

- (1) The subject property is located on the western side of Pearse Road, Letterkenny and is at a locational disadvantage with the respondent's comparisons.
- (2) The premises itself is a relatively old building in relation to comparable state of the art showrooms.
- (3) The premises suffers from car-parking limitations with the use thereof not confined exclusively to the occupier.
- (4) There is a restricted display area to the front of the showroom for new or secondhand cars.
- (5) Possibility of damage to cars "for sale" must be factored into the equation.
- (6) The building is in multiple occupation.
- (7) The ground level is circa 1 metre above the level of Pearse Road.
- (8) Having closely examined the details of all comparisons the Tribunal is satisfied that there is sufficient merit in Mr. McCarroll's arguments to justify a reduction on the respondent's valuation.

### **Determination**

Having regard to the foregoing the Tribunal determines the valuation of the property concerned to be €18.00 calculated as follows:

Showroom	163.90 sq. metres @ <del>€</del> 80.00 per sq. metre = €13,106.00
File Store	98.03 sq. metres @ <del>€</del> 50.00 per sq. metre = € 4,901.00
Workshop	142.80 sq. metres @ <del>€</del> 40.00 per sq. metre = <u>€ 5,712.00</u>
NAV	= €23,719.00
Say	€23,600
RV @ 0.5%	= €18.00

And the Tribunal so determines