

Appeal No. VA08/3/029

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

**McGinley Motors**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 1691476, Showroom, Workshop, Store at Lot No. 54, Pearse Road, 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 €190.00 on the above described relevant property.

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

1. This appeal proceeded by way of an oral hearing held in the Radisson Hotel, Letterkenny, Co. Donegal on the 6<sup>th</sup> day of November, 2008. At the hearing the appellant was represented by Mr. Patrick McCarroll, MRICS, ASCS, MCI.Arb., Chartered Valuation Surveyor. Mr. Tomas Cassidy, BSc (Property Management & Valuation Surveying), IAVI, a District Valuer in the Valuation Office, appeared on behalf of the respondent, the Commissioner of Valuation.

### **The Property Concerned**

2. The property concerned in this appeal is a car showroom facility with a parts store and workshop at ground floor level. A canteen and file store is located on the first floor with a detached store to the rear. The premises are located on Pearse Road, Letterkenny, circa 350 metres from Letterkenny Shopping Centre roundabout. It is a detached commercial premises from which a Volvo dealership operates.

### **Accommodation**

3. The agreed accommodation is as follows:

Showroom	206.72 sq. metres
Parts Store	100.02 sq. metres
Workshop	218.23 sq. metres
First Floor Canteen	60.88 sq. metres
Detached Store	<u>89.01</u> sq. metres
Total Floor Area	674.86 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 being his evidence-in-chief.
6. In his evidence Mr. McCarroll contended for a rateable valuation of €122 calculated as follows:

Showroom	206.72 sq. metres @ €55.00 per sq. metre	= €1,369.50
*Store	60.89 sq. metres @ €30.00 per sq. metre	= € 1,826.70
*Store (poor)	39.14 sq. metres @ €20.00 per sq. metre	= € 782.80
Workshop	218.23 sq. metres @ €30.75 per sq. metre	= € 6,710.57
First Floor Canteen	60.89 sq. metres @ €15.00 per sq. metre	= € 913.35
Detached Store	89.01 sq. metres @ €30.75 per sq. metre	= € 2,737.05
NAV		= €24,339.97

Say = €24,340.00

RV @ 0.5% Say = €122.00

\*Consolidated in respondent's précis.

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 modern showrooms the premises is outdated.
  - (3) Car-parking at the front is not exclusively for the use of the occupier. Thus, as a consequence, there is no area to display new or second-hand cars in front of the showrooms. Furthermore, there was a risk that cars parked there 'For Sale' might be damaged by patrons of adjoining premises.
  - (4) The building 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 (included for the purposes of superiority)

Comments:

- (1) This is a Volkswagon/Audi Dealership.
- (2) It is a much superior building.
- (3) Eaves height is exceptional.
- (4) Valuation includes 137 car spaces.
- (5) Valuation includes undeveloped first floor offices.
- (6) There is exclusive car-parking to the front.
- (7) Advantage of use of 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 being his evidence-in-chief.

11. In his evidence Mr. Cassidy contended for a valuation of €190 calculated as follows:

Showroom	206.72 sq. metres @ €88.83 per sq. metre	= €18,362.94
Parts Store	100.02 sq. metres @ €41.00 per sq. metre	= € 4,100.82
Workshop	218.23 sq. metres @ €41.00 per sq. metre	= € 8,947.43
Canteen & File	60.88 sq. metres @ €45.00 per sq. metre	= € 2,739.60
Detached Store	89.01 sq. metres @ €30.75 per sq. metre	= <u>€ 2,737.06</u>
NAV		= €36,887.85
RV @ 0.5%	= €184.44	
Say	€190	

12. In support of his opinion of net annual value Mr. Cassidy introduced three comparisons (including 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 suspended ceiling and fluorescent lighting. The workshop had eaves of approximately 3.7 metres. He added that the subject premises was well located on Pearse Road in the town of Letterkenny, approx. 350 metres from the Letterkenny Shopping Centre roundabout and had good exposure to the passing public. In the process Mr. Cassidy referred to photographs of the various premises included in his précis and also commented on the appellant's comparisons by way of contrast. Mr. Cassidy was cross-examined by Mr. McCarroll who disputed that sufficient allowance had been made for the quality, specification, profile and multiple occupancy of the building or for the car-parking limitations.

## 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, is dominated by the Letterkenny Town Centre and as such is at a locational disadvantage with the respondent's comparisons.
2. The premises itself is a relatively old building and is dated by comparison with modern showrooms.
3. The premises suffers from car-parking limitations. The car-park at the front is not exclusively for the use of the occupier.

4. There is restricted display space to the front of the showrooms for new or secondhand cars.
5. Possibility of damage to cars “for sale” is a real risk.
6. The building is in multiple occupation.
7. The ground level is circa 1 metre above Pearse Road level.
8. Having carefully examined all the comparison evidence, 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 €165 calculated as follows:

Showroom	206.72 sq. metres @ €80.00 per sq. metre	= €16,537.60
Store	60.89 sq. metres @ €40.00 per sq. metre	= € 2,435.60
Store (poor)	39.14 sq. metres @ €30.00 per sq. metre	= € 1,174.20
Workshop	218.23 sq. metres @ €40.00 per sq. metre	= € 8,729.20
First Floor Canteen	60.88 sq. metres @ €25.00 per sq. metre	= € 1,522.00
Detached Store	89.01 sq. metres @ €30.75 per sq. metre	= <u>€ 2,737.05</u>
		= €3,135.65
NAV say		= €3,000.00
RV @ 0.5% = €165		

And the Tribunal so determines.