

Appeal No. VA10/3/031

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

Greenshank Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 947347, Garage/Filling Station at Lot No. 11.29b, Glanmire Village, Poulacurry South, Rathcooney, Cork Lower, County Cork.

B E F O R E

Maurice Ahern - Valuer

Deputy Chairperson

Mairéad Hughes - Hotelier

Member

Michael Connellan Jr - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF FEBRUARY, 2011

By Notice of Appeal dated 19th day of August, 2010 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €350 on the above-described relevant property.

The Grounds of Appeal are on a separate sheet attached to the Notice of Appeal, a copy which is attached at the Appendix to this judgment.

This appeal proceeded by way of an oral hearing which took place in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 12th day of November, 2010. The appellant was represented by Mr. Robert Jeffrey of Frank V Murphy & Co. Ltd., Estate Agents, Surveyors and Valuers and Mr. Don Donovan, BSc (Property Management & Valuation Surveying), Dip FM, MIAVI, a District Valuer represented the Valuation Office.

In accordance with the rules of the Tribunal the parties had, in advance of the hearing exchanged written submissions and submitted same to the Tribunal. At the oral hearing both valuers adopted their written submissions as their evidence-in-chief given under oath. Prior to adopting his evidence, Mr. Jeffrey informed the meeting that Mr. Martin Grandon, owner of the property, was also present.

Location

The property is located at the junction of the R639 and Church Hill in Glanmire Village, Co. Cork.

Description

The property comprises a petrol forecourt, convenience food retail shop and car wash. The ground floor consists principally of retail area with a small strong room. On the first floor there is a number of rooms which are used as stores and offices.

Tenure

The property is held freehold.

Valuation History

The property was listed for revision by Cork County Council in 2009 following redevelopment. The property was initially revised by Mr. Terry Dineen, and a draft Valuation Certificate issued with an RV of €400. Representations were submitted by the occupier but no change was made to the valuation on the final Valuation Certificate, which issued on 14 December 2009. An appeal to the Commissioner of Valuation was subsequently lodged by the occupiers. As the Revision Officer Mr. Dineen had retired, Mr. Don Donovan was appointed by the Commissioner to inspect the subject property. Following consideration of First Appeal, the RV on the subject property was reduced to €350. This decision of the Commissioner of Valuation has been appealed to the Valuation Tribunal.

Area

At the hearing the retail floor area was agreed by the parties at 222 sq. metres.

The Appellant's Case

Mr. Jeffrey took the oath and adopted his précis as his evidence-in-chief and provided the Tribunal with a review of his submission. His grounds of appeal were as follows:

1. *"Rateable valuation as assessed by the valuation office is excessive.*
2. *Also no allowance has been made by the Valuation Office for continued decimation in the commercial / retail strength of Glanmire Village which has been witnessed in the closure of the long established Barry's Food Market over three years ago. Ever since the lodging of our appeal on 25th August 2010 the only remaining businesses involving Lynch's Off Licence and the O'Connell's licensed premises have since closed and ceased trading. The retail / commercial strength of the Village has entirely over the past ten year period progressively and finally transferred to the successful Hazelwood Retail Centre at Riverstown.*
3. *No allowance has been made by the Valuation Office for the excessive traffic congestion constantly affecting the entry and exit of the site as a result of being immediately adjacent to a significant road junction and traffic lights. This severely limits the potential of the site and with traffic growth levels in the future the site will be more severely compromised.*
4. *The Valuation Office has applied an increase of fifty per cent to the NAV applied to the retail area in making allowance for ancillary storage and office accommodation. This clearly and unfairly distorts the outcome of the assessment to the detriment of the appellant.*
5. *The new assessment placed on the property is entirely excessive when compared to the previous R.V. of €153 for the property prior to its redevelopment.*
6. *No allowance by the Valuation Office in their assessment for the relatively disappointing level of the turnover per square metre of the retail space given to this Mace outlet and the inherent difficulty of improving the performance due to the issues as already raised within items 2) and 3).*
7. *Trading levels have reduced and are now limited to a very significant extent to local trade only as the site in recent years has been by- passed by the new Cork – Dublin motorway."*

Mr. Jeffrey also referred to the following material factors outlined in his précis:

- *“It is important to state that no allowance whatsoever has been made by the Valuation Office for the rapid and continued decimation in the commercial retail strength of Glanmire Village which has resulted in the long established Barry’s Food Market (photo no 3) closing approximately three years ago in addition to the recent closing in 2010 of the O’Connell Licensed Premises within the centre of the village. [...] The Post Office closed a number of years ago and has moved to Hazelwood Shopping Centre in the adjoining village of Riverstown.”*
- *“The successful large scale retail development known as the ‘Hazelwood’ Shopping Centre approximately 1.5 km due north of Glanmire Village involving thirty-one retail/restaurant units, a very large Super Valu food market, banking facilities, post office, off licence, licensed premises and public library has literally completely and successfully eliminated the retail/commercial strength of Glanmire Village.”*
- *“The gross profit margin of petrol forecourt sales is currently running at 3% to 3.5%, a level which is non profit making and can only be viable if run as a loss leader in conjunction with a vibrant profitable convenience store.”*
- *“Prior to the redevelopment of the service station in 2007/2008 the throughput of the forecourt containing four pumps was as follows.*

2004 3,539,600 litres

2005 3,457,400 litres

2006 3,144,991 litres

Today the forecourt contains eight dispensing pumps and the level of throughput of 3,599,457 litres is only equivalent to the throughput of 2004. This clearly demonstrates the limited potential of the site and shows very little return for the investment expenditure incurred, even though the R.V. has increased from €153 to €350.”

Points of Correction referred to in Mr. Jeffery’s précis of evidence:

“In the case of Mr. Terry Dineen’s original report:

- 1) States presence of ‘Take Away’, this is incorrect and there is not planning permission in existence allowing such use.*

- 2) *'Increase in road frontage', this is not correct as the road frontage is similar to the original service station that existed prior to re-development.*
- 3) *States 'nearest competitor is some distance away'. We do not agree with this statement as Mr. Grandon's other service station is within a mile of the subject property and there is also an 'Amber' outlet one and a quarter miles distance in addition to both a Maxol and Statoil station within a two mile distance.'*

Mr. Jeffrey, on behalf of the appellant, contended for a rateable valuation on the subject property of €262, calculated as follows:

Retail	14.0 x 13.2			
	2.85 x 10.3			
Less	(0.9 x 2.4))	222 sq. metres	@ €109.34 per sq. metre =	€24,273
Less	(2.5 x 2.5))			
Cold Store	2.5 x 2.5	6.25 sq. metres	@ €54.67 per sq. metre =	€341
Stores	2.4 x 3.2	7.68 sq. metres	@ €54.67 per sq. metre =	€419
1 st Floor	2.4 x 2.9	6.96		
	3.0 x 3.5	10.5		
	5.0 x 5.2	26.0		
	3.0 x 4.8	<u>14.4</u>		
		57.86 sq. metres	@ €54.67 per sq. metre =	<u>€3,163</u>
				€28,196

€28,196 less 20% = €22,556 p.a.

Allowing 20% discount for inherent shortcomings peculiar to this site as referred to in *Grounds of Appeal and Material Factors*:

Fuel Sales	791,770 gallons x 3.5 cents	€27,711 p.a.
Car wash		<u>€ 2,000 p.a.</u>
	NAV	€2,267 p.a.
RV @ 0.5%	= €262	

In support of his opinion of rateable valuation Mr. Jeffery put forward the following comparisons:

- 1) Property No. 950686 – Grandon's Food Fair, Brooklodge €109.30 per sq. metre
- 2) Property No. 957804 - Cahalanes Service Station, Bandon €109.34 per sq. metre
- 3) Property No. 1006297- Service Station, N25, Mallow €109.40 per sq. metre
- 4) Property No. 2190257- Centra Service Station, Riverstick €82.00 per sq. metre

In sworn evidence, Mr. Martin Grandon, owner of the property, stated that when Mr. Dineen called to meet him at the subject property, it had just opened. He explained that the subject is located just across the road from a school, that the school was just closing for the day and that the subject property seemed to be very busy as a number of parents were parking in the forecourt. Mr. Grandon stated that he had purchased the premises in 1989 and had obtained planning permission for a 2,400 sq. foot development in the early 1990s. Mr. Grandon stated that the amount of petrol being sold at that time was equivalent to the amount being sold now. Mr. Grandon stated further that he leased out the premises for 5 years and intended to sell, it but was requested by Texaco not to sell but to build up the business. Mr. Grandon pointed out that the carwash is only allowed to open from 9 am to 9 pm. He asserted that the biggest problem faced by his business is the Glanmire by-pass. He also pointed out that parking at the subject property is very restricted, with double yellow lines on both sides of the road, a continuous white line on the road, and traffic lights circa 30 metres from his premises.

Cross-Examination

There was no cross-examination by Mr. Donovan.

Respondent's Case

Mr. Donovan, having taken the oath, adopted his written précis and valuation, which had previously been received by the Tribunal as his evidence-in-chief.

Mr. Donovan contended for a rateable valuation of €350 calculated as follows:

Retail	224.44 sq. metres @ €164 per sq. metre	€36,808.16
Throughput	791,770.7 @ 4 cents/gallon	€31,670.83
Carwash		<u>€2,000.00</u>
NAV		€70,478.99

RV

€352

RV was rounded to €350 at appeal.

Mr. Donovan noted that the first floor was not valued in the above calculation and that “the retail area has effectively been loaded to account for the first floor store/office.” As an alternative approach, Mr. Donovan proposed that if the first floor store were to be valued, the loading would be removed from the retail area, resulting in the same RV of €350, calculated as follows:

	Areas/Quantity	€psm/per gallon	NAV
Retail	224.44	136.675	30,675.34
Strong Room	7.78	68.3375	531.6658
Office	17.7	68.3375	1,209.574
Canteen	17.9	68.3375	1,223.241
Store	39	68.3375	2,665.163
Throughput	791770	0.04	31,670.8
Carwash			<u>2000</u>
NAV			6,9975.78
RV			349.8789

In support of his opinion of rateable valuation Mr. Donovan put forward the following comparisons:

1) Property No. 21962575 - Applegreen, Ballincollig	Retail €164 per sq. metre RV €360
2) Property No. 942531- Centra, Rochestown	Retail €136.67 per sq. metre RV €30
3) Property No. 925633 – Statoil, Bandon Rd	Retail €205 per sq. metre RV €320
4) Property No. 925633 - Statoil, Ballincollig	Retail €164 per sq. metre RV €241.30
5) Property No. 2110409 - Texaco, Middleton	Retail €136.65 per sq. metre RV €196.85

6) Property No. 1006297 - Limerick Rd, Mallow	Retail €109.4 per sq. metre RV €650
7) Property No. 957804 - Cahalanes Station, Bandon	Retail €109.34 per sq. metre RV €400
8) Property No. 953261 - Maxol, Blarney	Retail €163.83 per sq. metre RV €203.16
9) Property No. 953280 - Blarney Filling Station, Blarney	Retail €163.79 per sq. metre RV €322

In summary, Mr. Donovan stated that the levels applied to the subject property are fair and equitable in relation to the tone of the list and that the rate per sq. metre applied to the subject property is suitable given the excellent condition of the property. Mr. Donovan stated further that while it is accepted that access and egress from the site may prove less than ideal at peak times, it should be noted that there is a significant population base locally and that lunch-time trading is boosted by proximity to a secondary school opposite the subject. Mr. Donovan also stated that he accepted that Glanmire village is in decline, but contended that the same problem exists all over the country.

There was no cross-examination by Mr. Jeffrey.

Findings

The Tribunal, having carefully considered all the evidence, both in written submission and given orally at the hearing, including evidence in relation to the comparisons, makes the following findings:

1. Due to the general locality, it was accepted by both parties that access and egress from the site is not ideally suited for the type of business that is being conducted by the present occupier.
2. The subject property is disadvantaged due to the existence nearby of double yellow lines, continuous white lines, and traffic lights located within 30 metres of the subject property.

Determination

Taking account of the foregoing, the Tribunal considers a fair and equitable valuation on the subject property to be €290, calculated as follows:

					NAV
Retail	222 sq. metres	@	€109 per sq. metre	=	€24,198.00
Throughput	791770.7 sq. metres	@	€0.04 cents/gallon	=	€31,670.80
Carwash				=	<u>€2,000.00</u>
					€57,868.80
NAV = €57,868.80 @ 0.5%					
RV €289.34					
Say €290					

And the Tribunal so determines.