

Appeal No. VA11/1/002

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

Glenmore Linens Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2205098, Workshop at Lot No. 31B.34A/2, Cappry, Dooish, Stranorlar, County Donegal.

B E F O R E

John Kerr - Chartered Surveyor

Deputy Chairperson

Frank Walsh - Valuer

Member

Michael F. Lyng - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 10TH DAY OF JUNE, 2011

By Notice of Appeal dated the 6th day of January, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €70 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.

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 6th day of April, 2011. At the hearing, the appellant was represented by Mr. Henry Kee, BSc (Hons) Property Studies, MIAVI, and the respondent by Mr. Briain O’Floinn, Revision Officer for the Commissioner of Valuation. The parties, having taken the oath, adopted their respective précis and valuation, which had previously been received by the Tribunal and exchanged with the other party, as their evidence-in-chief.

Issue

Quantum.

Relevant Dates

15th March 2010:	Proposed certificate was issued to the occupier with an RV of €80.
11th April 2010:	Representations were received and considered.
6th May 2010:	Final certificate was issued with an RV of €73.
11th June 2010:	Valuation appealed to Commissioner of Valuation
14 th December 2010:	Appeal allowed by Commissioner and RV reduced to €70.
6th January 2010:	Decision of Commissioner of Valuation appealed to Valuation Tribunal under Section 34 of the Valuation Act, 2001.

Location

The subject property is located in a rural area, north of the N15, circa 3km west of Ballybofey, Co. Donegal. It is on a minor road, about 330m northwest of the road connecting the N15 with the R253, i.e. the Glenties to Ballybofey road.

Description

The subject property comprises an amalgamation of individual buildings which were added to one another as each was built. The initial building was built as a detached garage located immediately behind the family home. The group of buildings is divided into a small showroom, a number of offices, sewing rooms, two storage rooms, w.c. and canteen.

The buildings are basic with low eaves height, the offices are plain and functional and the location is tertiary. The complex is used to manufacture soft furnishings for supply principally to the hotel trade.

Tenure

It is understood that the property is held leasehold between related parties.

Condition

The property is in a good state of repair.

Accommodation

The accommodation was agreed by the parties, as follows:

Offices (1) 147.36 sq. metres
 Showroom (a) 30.80 sq. metres
 Workshop (2) 83.42 sq. metres
 Offices (3) 20.25 sq. metres
 Warehouse (4) 275.00 sq. metres
 Warehouse (5) 87.36 sq. metres

Services

Single phase electricity.

Water is from a 12mm line supply.

Private septic system serving both the subject property and the adjoining residence.

The Appellant's Evidence

Mr. Kee took the oath, adopted his précis as his evidence-in-chief, and provided the Tribunal with a review of his submission. In his evidence he stated that the Glenmore Linens property has a number of negative factors which very much limits its use for any other purposes. The commercial building is located directly behind a family home and access is provided by means of a narrow right-of-way. The building has very low ceilings, and has three different floor levels. Access from one section of the building to the next is facilitated by use of pedestrian doors only. Access to the subject property is provided by way of a narrow country road.

Having originally stated in the Notice of Appeal that he considered the rateable valuation ought to have been determined at €40, Mr. Kee now contended for a RV of €44 on behalf of his client calculated as follows:

	<u>Square Metres</u>	<u>@ € per sq. metre</u>	<u>NAV</u>
Offices (1)	147.36	20.50	€3,020.88
Showroom (a)	30.80	30.00	€ 924.00
Workshop (2)	83.42	10.00	€ 834.20
Offices (3)	20.25	20.50	€ 415.12
Warehouse (4)	275*	10.00	€2,750.00
Warehouse (5)	87.36	10.00	<u>€ 873.60</u>
Total:			€8,817.80

* Adjusted at hearing to 275 sq. metres

Mr Kee stated that his valuation was assessed by reference to the values of comparable properties appearing on the valuation list for the County Donegal Rating Authority area. In support of his opinion of valuation, Mr. Kee put forward 4 comparisons, details of which are attached at appendix 2 to this judgment. Mr Kee stated, however, that his comparisons were all much superior quality buildings, which could be adapted for a variety of modern uses.

Mr. Kee again stated that the Glenmore Linens property has a number of negative factors which would limit its commercial potential and, therefore, its achievable rental value. He reiterated that the complex is located behind a residential bungalow and is accessed by a right of way running from the public road along the western boundary of the property. Mr Kee advised that there is very little space available for parking and that access is very limited, both of which factors also impinge on the rental value of the subject property. He also noted the poor quality of the surface of the access road.

Mr Kee stated that the building consists of four different units constructed at different times over the years. He advised that there is only regular doorway access between the adjoining units and repeated that the units are all at different floor levels and have a variety of ramps and steps between them. Floor to ceiling height varies greatly between the different units and the ceiling height is very low in many areas of the building, thus limiting the commercial use

of the property. At present, much of the building is used only for storage and therefore, in Mr. Kee's opinion, should have a low rateable valuation.

Cross-Examination

Under cross-examination by Mr. O'Floinn, Mr. Kee stated that he agreed an RV of €70 provisionally, subject to his client's instructions, but that his client felt that such figure was still too high and inequitable.

Respondent's Evidence

In his evidence, Mr. O'Floinn contended for a RV of €13,980.65 on behalf of the Commissioner of Valuation, calculated as set out below:

	<u>Square Metres</u>	<u>@ € per sq. metre</u>	<u>NAV</u>
Offices (1)	147.36	25.00	€ 3,684.00
Showroom (a)	30.80	30.75	€ 947.10
Workshop (2)	83.42	20.51	€ 1,710.94
Offices (3)	20.25	25.00	€ 506.25
Warehouse (4)	275.00*	20.51	€ 5,640.25*
Warehouse (5)	<u>87.36</u>	17.08	<u>€ 1,492.11*</u>
Total	677.55		€13,980.65*

Total = *€13,980.65 @ 0.5% = €69.90, say *RV €70.

*Corrected by Mr. O'Floinn at the hearing.

In support of his opinion of rateable valuation, Mr. O'Floinn introduced 4 comparisons, details of which are attached at Appendix 3 to this judgment.

Mr. O'Floinn gave evidence that the appellant's Comparison No. 1 (McMenamin Engineering Ltd), had been substantially or totally rebuilt since the last revision, and he contended that, accordingly, this was not a suitable comparison.

In reply to a query from the Tribunal, Mr. O'Floinn agreed that the subject building was specific to its existing purpose. He stated that the subject property was not as good as usual office accommodation, but nevertheless more akin to office than storage, and added that it was a comfortable sewing environment. He also stated that he wanted to be fair to Mr. Kee's

client but also wanted to be fair to other ratepayers. Mr. O’Floinn also agreed with Mr. Kee that finding suitable comparisons was difficult. In response a further question from the Tribunal, Mr. O’Floinn clarified that the decision of the Commissioner to reduce the valuation to €70 was made prior to the adjusted and agreed reduced floor area of Warehouse (4).

Findings

The Tribunal, having carefully considered all the evidence and arguments adduced, including the comparison evidence and having specific regard to Section 49(1) of the Valuation Act, 2001 makes the following findings:

1. The evidence of both witnesses and showed an excellent knowledge of the location and this was very helpful to the Tribunal in arriving at its determination.
2. While both parties agreed that suitable comparisons were difficult to find, the comparison properties cited by both parties served as helpful guides to establish a tone of the list.
3. The subject property is in good condition and, although developed piecemeal, is suitable and fit for purpose.
4. Services to the subject property are poor, the location is remote and access to the property is by means of a narrow winding country road.
5. The subject property is located behind a residence and is accessed via a right-of-way from the public road.
6. The subject property is somewhat unique and the building is unsuitable for forklift use.

Determination

Having regard to the above findings, the Tribunal determines that a general discount of 10% be applied to the NAV of the subject property to reflect the disadvantages attaching to the property, and that the rateable valuation is €63, calculated as follows:

	<u>Square Metres</u>	<u>@ € per sq. metre</u>	<u>NAV</u>
Offices (1)	147.36	25.00	€ 3,684.00
Showroom (a)	30.80	30.75	€ 947.10
Workshop (2)	83.42	20.51	€ 1,710.94
Offices (3)	20.25	25.00	€ 506.25
Warehouse (4)	275.00	20.51	€ 5,640.25
Warehouse (5)	87.36	17.08	<u>€ 1,492.11</u>
		NAV =	€13,980.65
		Less 10% =	€12,582.59

€12,582.59 @ 0.5% = €62.91

RV say €63

And the Tribunal so determines.