

Appeal No. VA99/3/034

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 1988**  
**VALUATION ACT, 1988**

**Blarney Woollen Mills (Blarney Development Co. Ltd.,)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop, Store & Yard at Map Reference 7b Monacnapa, Blarney, Cork Upper, Co. Cork

**B E F O R E**

**Barry Smyth - FRICS.FSCS**

**Deputy Chairman**

**Michael Coghlan - Solicitor**

**Member**

**George McDonnell - F.C.A.**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 31ST DAY OF MARCH, 2000**

By Notice of Appeal dated the 4th day of August 1999, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £900 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; "the rateable valuation is excessive, inequitable".

The appeal proceeded by way of an oral hearing which took place in the Council Chamber, Cork County Council, Victoria Cross, Cork on the 28<sup>th</sup> day of January 2000. Mr. Edward Hanafin BSc (Surv) ARICS, ASCS, MIAVI, Lisney Chartered Surveyors appeared on behalf of the appellant. Mr. Terence Dineen, a District Valuer in the Valuation Office appeared on behalf of the Commissioner of Valuation. In accordance with the Rules of the Tribunal, the valuers had prior to the commencement of the hearing exchanged their précis of evidence and submitted the same to this Tribunal. Both parties having taken the oath, adopted their précis as being their evidence in chief. Submissions were also made. From the evidence so tendered the following emerged as being the facts relevant and material to and for the purposes of the appeal.

### **The Property**

The property comprises a Tourist Shop and Craft Centre contained in a three storey converted old mill premises with overhead knitwear factory and stores. These buildings were constructed in the 1820's and consist of masonry and brick and stone walls, pitched timber and slate roof with part flat asphalt roof on the ground floor extension, solid ground floor and timber screeded upper floors. There are timber windows throughout. The property overlooks a tarmacadamed car park shared in conjunction with the adjoining occupiers.

The subject property is situated on the eastern side of Blarney, west of the main Cork/Limerick N20 route and circa 9km. north west of Cork city. The property forms part of the larger Blarney Woollen Mills and Christy's Hotel complex with Blarney castle and estate located further south. While Blarney has a relatively small population (circa. 2000), it has developed in recent years as a satellite town of Cork city and has a very successful tourist centre renowned for the famous Blarney Stone at Blarney Castle.

The total area consists of 3,710sq.m., the details of which are as follows:

	<b><u>Sq.M.</u></b>
<b><i>Ground Floor</i></b> - Retail	1,640
- Offices	39
- Stockrooms	18

<b>First Floor</b>	- Retail	650
	- Offices	197
	- Stockroom	170
<b>Second Floor</b>	- Offices	97
	- Knitwear Factory and Stores	<u>899</u>
		3,710

### **Valuation History**

The unit was separately valued for the first time as a shop in 1979. In 1988 it was increased to an R.V. of £520 but this was reduced to £445 on appeal. In 1998 the R.V. was increased to £900 on revision and this was left unchanged on appeal.

The written submission prepared by Mr. Edward Hanafin was received by the Tribunal on the 19<sup>th</sup> day of January 2000.

This submission showed the area of the subject property as outlined with a suggested R.V. of £600.

The submission prepared by Mr. Terence Dineen, District Valuer with the Valuation Office was received by the Tribunal on the 14<sup>th</sup> day of January 2000.

### **Appellant's Case**

In his submission, Mr. Hanafin explained that while Blarney is a successful tourist centre, nevertheless it is a relatively small village serving a predominantly agricultural hinterland.

The subject is a converted mill building, which is approximately 170 years old. It is dated in design, construction and layout and is of a type that now requires constant maintenance. There are interrupting metal columns located throughout the floor space at all levels, which interferes with the use of the building. The original floors are uneven and would not be acceptable in modern buildings. A knitwear factory on the second floor provides basic accommodation and has limited headroom in places and inadequate loading facilities.

Mr. Hanafin explained the Blarney Woollen Mills complex is dependent almost exclusively on tourism, which is both seasonal and volatile. In cross examination, Mr. Dineen on behalf of the Commissioner, contended that the tourist trade in Blarney is more consistent throughout the year and both Blarney village and The Blarney Woollen Mills complex in particular has established a strong reputation in this context.

Mr. Hanafin explained that it was difficult to produce direct comparative evidence in this case. In his opinion, while the subject property has traded quite successfully, a significant contributory factor has been the involvement of the Kelleher family and in their absence, the trading position may not be as strong. Mr. Hanafin put forward a schedule of five comparisons. Comparison No. 1 related to the Stephen Pearce Emporium, Shanagarry South, Co. Cork, which has an area of 1,215 sq.m. with an R.V. determined by the Valuation Tribunal at £170. The value attributed to the upper ground floor (retail and coffee shop) was £35.43 p.s.m. while the lower ground floor (stores) was £21.52 p.s.m. Comparison No's 2 and 3 consisted respectively of Shaws, a retail outlet in Tralee Town Centre and Leisureplex at McCurtain St, Cork. In terms of usage, both comparisons were quite different from that of the subject. Comparison No. 4 related to the Tesco unit at Douglas Village Shopping Centre, Cork, and in Mr. Hanafin's opinion, this was a suitable comparison. He mentioned it had a suburban location and had broadly similar use although it was a much superior location to that of the subject. The valuation in connection with the Tesco unit consisted of £56.62 p.s.m. for the ground floor (retail) and £32.28 p.s.m. for the ground floor (stores and offices) with £21.52 p.s.m. attributed to the first floor (offices and canteen). Comparison No. 5 related to the Blarney Park Hotel and while Mr. Hanafin accepted it was an entirely different type of business, he selected same, as it was the only other large business premises in the Blarney area. It is situated in Blarney Village and has a large car park to the front.

### **Respondent's Case**

In his evidence, Mr. Dineen indicated this was a flagship retail outlet and was the largest in the chain of eight units within the Blarney Woollen Mills company. The portion of the property subject to this appeal consists of two old three-storey blocks and at the rear, between the two, is a new triangular single storey block. Most of the ground floor of the three blocks consists of

interlinked retail space and this was achieved by removing doorways and window openings to floor level between the old areas and the new so that there was virtually unrestricted pedestrian flow throughout. In Mr. Dineen's opinion, the character of the retail space is excellent and even though the new area is modernistic, there is an integrity of styles between the old and the new.

Mr. Dineen put forward a schedule of five comparisons. Comparison No. 1 related to Scally's Supermarket at The Square, Blarney. While this is very close to the subject property, it is not in a similar type business and only represents approximately 20% in area of the subject. The value attributed to the supermarket section was £68 p.s.m. Comparison No. 2 related to Down's Supermarket in Ballincollig, which was also substantially smaller than the subject (valuation on supermarket area of £70 p.s.m.). Comparison No. 3 related to Dunne's Supermarket, North Main St, Cork city. This is a high street location where the R.V. agreed on 1993 first appeal was just over £107 p.s.m. Comparison No. 4 was Avoco Handweavers, Moll's Gap, Ring of Kerry, which was approximately 10 times smaller than the subject and geographically far removed. Comparison No. 5 was The Bru Boru Heritage Centre in Cashel, which was not directly comparable.

In his summary Mr. Dineen indicated that comparison No's 1, 2 and 3 indicated values from £68-£107 p.s.m. (all supermarket space) while comparison No's 4 and 5 are more geared towards the tourist trade. Taking account of these and other factors, Mr. Dineen arrived at his valuation of £75 p.s.m. for the subject in connection with the shop area on the ground floor. He attributed a value of £43 p.s.m. to the shop area on the first floor which he felt was in reasonable proportion. On the other hand, on cross-examination of Mr. Hanafin by Mr. Dineen, he contended that as the appellant placed a value of just over £32 p.s.m. on first floor retail area, same should be approximately doubled for the retail area on the ground floor. In his evidence, Mr. Dineen also suggested that while a number of his comparisons in connection with the supermarket business were different in use from the subject, the quality of these premises were also higher.

### **Findings and Determination**

The Tribunal has considered the written submissions and the oral evidence submitted and matters raised at the oral hearing by both the appellant and respondent. Both parties have relied

substantially on comparative evidence as the basis for their valuations and the Tribunal has had regard to same.

As a general comment, the Tribunal accepts it was difficult for both the appellant and respondent to identify suitable comparisons in this case. With regard to the comparisons put forward by the appellant, the Tribunal considers that No. 2 (Shaw's), No. 3 (Leisureplex), No. 4 (Tesco) and No.5 (Blarney Park Hotel) are not directly relevant as they are involved in quite different businesses and their size and quality of premises are also substantially at variance with the subject. With regard to comparison No.1 (Stephen Pearce Emporium), the Tribunal's opinion is that this is more comparable. While the subject property is around three times larger in size and the Stephen Pearce Emporium is more remote than Blarney Woollen Mills, nevertheless it is also involved in a tourist- based activity, which is not too dissimilar from the subject.

The Tribunal does not consider the comparisons put forward by the respondent to be particularly relevant in this case. The first three comparisons relate to the supermarket business which is quite different to that of the subject and the areas are substantially at variance. Comparison No.4 in connection with Avoco Handweavers is around ten times smaller than that of the subject and geographically far removed. Comparison No.5 (Bru Boru), while based on the tourist trade, has a function quite different from that of the subject.

While the Tribunal accepts the subject property is in an area that is removed from the main centre of population, nevertheless it is of the view that Blarney has established a strong reputation both nationally and internationally in terms of tourism business transacted. In this case, the matter of placing some weight on locational goodwill has some significance. While in the Tribunal's opinion the most suitable comparison put forward was that in connection with the Stephen Pearce Emporium in Shanagarry, account must be taken that the subject property is in a significantly better and more established location in terms of the tourist and general trade.

In the circumstances and in light of the evidence provided, the Tribunal determines the rateable valuation of the subject property as follows:

<u>Floor</u>	<u>Description</u>	<u>Sq. M.</u>	<u>£ P.S.M.</u>	<u>Total</u> £
Ground	Retail	1,640	50.00	82,000.00
Ground	Offices	39	37.50	1,462.50
Ground	Stockrooms	18	25.00	450.00
First	Retail	650	37.50	24,375.00
First	Offices	197	32.00	6,304.00
First	Stockrooms	170	21.00	3,570.00
Second	Offices	97	32.00	3,104.00
Second	Knitwear factory & Stores	899	16.00	14,384.00
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			<u>N.A.V.</u>	135,649.50
			<u>R.V. @ 0.5% = £678.25</u>	-----
			<u>(Say) £678</u>	