

Appeal No. VA01/3/056

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

**Austin Daly Jnr. - Daly Bros. (Lifford)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Shop Garage/Filling Station at Map Reference 3G, Townland: Lifford, ED:  
Clonleigh South, RD: Stranorlar, County Donegal

**B E F O R E**

**Fred Devlin - FSCS.FRICS**

**Deputy Chairman**

**Frank O'Donnell - B.Agr.Sc. FIAVI.**

**Member**

**Patrick Riney - FSCS. MIAVI**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 11TH DAY OF APRIL, 2002**

By Notice of Appeal dated the 16th day of October 2001, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €14.21 on the above described hereditament. The Grounds of Appeal as set out in the said Notice of Appeal are that;

"1. The valuation is excessive and inequitable.

2. Not valued in accordance with Valuation Acts and related legislation"

The oral hearing took place in Letterkenny, Co. Donegal, on the 22<sup>nd</sup> of February 2002.

Mr. Patrick McCarroll, chartered valuation surveyor and rating consultant, appeared on behalf of the appellant and Mr. Damien Curran a district valuer in the Valuation Office appeared on behalf of the respondent. In accordance with the Rules of the Tribunal the valuers had prior to the hearing submitted to the Tribunal and exchanged with each other their written preces of evidence.

### **The Property**

The property is a petrol filling station with a detached shop and stores and covered vehicle wash area.

### **Valuation History**

The premises was revised in November 2000 at RV €14.21. No change was made at first appeal.

### **The Appellant's Case**

Mr. McCarroll adopted his précis of evidence as his evidence in chief given under oath. He said that the subject premises comprised a filling station located on the southern side of the Lifford to Letterkenny road. This is a purpose built fuel retail station incorporating petrol pumps, shop and car wash facilities.

He confirmed that the rateable valuation on the buildings had been agreed and the only point at issue before the Tribunal was the valuation of the fuel throughput. Throughput was given as 2,546,424 gallons for the year 1999. Mr. McCarroll contended that this figure should be reduced by 50% to make it relative to other petrol stations valued over the last ten years. He derived the figure of 50 % taking into account the following points:

1. Sales in Northern Ireland have fallen by 50%.
2. Volume of petrol shipped into the North has fallen by more than half; it could be argued that the reverse applies to sales in the South.
3. Rarely are actual figures of throughput produced in arriving at a valuation.
4. All stations along the border have experienced increased throughput over the past 10 years, this was not taken into account in arriving at the various rateable valuations.

Mr. McCarroll argued that throughput is totally artificial and that a correct throughput should be 1,273,200 gallons. Mr. McCarroll said that the two factors causing the phenomenon were:

- a. The strength of sterling against the euro.
- b. Higher taxes imposed by the U.K. government.

Mr McCarroll highlighted the additional overheads involved in managing a high throughput outlet in the border counties. These included increased staff and security requirements and dealing with a much higher incidence of fraud including drive offs and credit card scams. Mr McCarroll also argued that the location of the subject premises was not as good as Bridgend and Muff where a number of new petrol stations had been built to serve the Derry hinterland.

Mr. McCarroll's calculation of rateable valuation was as follows:

|                        |                                       |                            |
|------------------------|---------------------------------------|----------------------------|
| Valuation of Buildings | Agreed                                | €85.07                     |
| Fuel Throughput        | 500,000 gallons @ 4p per gallon is    | £20,000                    |
|                        | 500,000 gallons @ 3.75p per gallon is | £18,750                    |
|                        | 273,200 gallons @ 3.5p per gallon is  | <u>£9,562</u>              |
|                        |                                       | £48,312                    |
| £48,312                | @ .5% is                              | £241.56 say £240 = €304.74 |
| Buildings              |                                       | <u>€ 85.07</u>             |
|                        |                                       | €389.81 say €390           |

Mr. McCarroll attached five comparisons.

### **The Respondent's Case**

Mr. Curran adopted his précis of evidence as his evidence in chief given under oath. He agreed in general with the factual position regarding the property as set out by the appellant. He set out his calculation of the rateable valuation as follows:

|                                                     |                                     |                         |
|-----------------------------------------------------|-------------------------------------|-------------------------|
| Buildings (including covered and open vehicle wash) | Agreed                              | €85.07                  |
| Throughput                                          | 2,605,093 @ 4.75p per gallon giving | £123,741                |
| £123,741                                            | @ .5% gives                         | £618.7 = <u>€785.59</u> |
|                                                     |                                     | €870.66                 |

Mr. Curran attached a list of five comparisons throughout Donegal, all of which devalue at 4p per gallon for throughputs ranging from 399,252 gallons to 1,600,000 gallons.

Mr. Curran said that he valued the subject property at 4.75p per gallon throughput because in his view, the higher the throughput the more profitable the petrol station and the higher the rate per gallon should be.

### **Determination**

The Tribunal has considered the evidence and submissions both oral and written of both the appellant and respondent. Taking into account the comparisons, adduced the Tribunal is of the view that the rate of 4p per gallon throughput is an appropriate level for the subject property. In relation to the calculation of the throughput, the Tribunal must value the premises in the state and circumstance in which it finds it and that principle applies to the valuation of all other petrol stations at the date of valuation. It is of course open to the appellant to apply for a revision of valuation of the premises if the throughput falls considerably over the next number of years

The Tribunal therefore determines the rateable valuation as follows:

Throughput 2,500,000 gallons @ 4p per gallon = NAV £100,000

RV @ .5% = £500 ~~€35~~

Buildings agreed €85

RV = €720

The Tribunal therefore determines the Rateable Valuation to be €720.