

Appeal No. VA09/3/003

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

Doyle Garden Machinery Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop, Workshop at Lot No. 1Cb, Distillery Road, Wexford No2 Urban, Wexford
Borough, County Wexford

B E F O R E

Maurice Ahern - Valuer

Deputy Chairperson

Aidan McNulty - Solicitor

Member

Fiona Gallagher - BL

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 11TH DAY OF DECEMBER, 2009

By Notice of Appeal dated the 7th day of July, 2009 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €60.00 on the above described property.

The Grounds of Appeal as set out in the Notice of Appeal are:

"On the basis that the RV as assessed is excessive and inequitable. The Commissioner has failed to make sufficient allowance for the actual location which is secondary/tertiary in retail terms and has overstated the relative worth of the property in terms of the established tone."

This appeal proceeded by way of an oral hearing which took place in the Tribunal Offices, Ormond House, Ormond Quay Upper, Dublin 7 on the 6th day of October, 2009. The appellant was represented by Mr. Eamonn Halpin, BSc (Surveying), ASCS, MRICS, MIAVI, and the respondent by Mr. Patrick McMorrow, ASCS, IAVI, Revision Officer in the Valuation Office. Both valuers adopted their written submissions which had previously been exchanged between them and submitted to the Tribunal, as being their evidence-in-chief given under oath.

The Property

The subject property is a ground floor retail unit with a canteen, office and store at first floor with restricted headroom, a store/service area to the side and a display area to the front. The premises has been recently modernised and extended. There is now a hire store grass machinery display area and workshop attached. The retail area is well fitted out with suspended acoustic tile, recessed fluorescent lighting and ceramic tile flooring. There is a retail shop frontage and display window. There is limited customer parking to the front of the building.

Location

The subject property is located on the Distillery Road a short distance from Tesco 24 Hour Superstore and almost opposite the Chelsea House Office/Retail Development. The Gaelic Bar/Lounge and Molloy's Bookmakers are close to the subject property.

This area is a residential/commercial area of the town but removed from the main retail core. It has access to the N25 ring road, along the Distillery Road.

Valuation History

19 th May, 2008	Revision Officer appointed on foot of request from Wexford Borough Council. Change in character, alterations and change of use of garage to shop and store under lease.
25 th June, 2008	Property inspected by the Revision Officer, Mr. Patrick McMorrow
7 th October, 2008	Valuation Certificate issued proposing an RV of €60.
12 th November, 2008	Valuation issued at RV of €60.
11 th December, 2008	Appellant appealed this valuation through Eamonn Halpin & Co. Ltd.

10 th June, 2009	The Commissioner of Valuation issues the result of the First Appeal with the valuation unchanged at RV €60
7 th July, 2009	The appellant appealed the Commissioner's decision to the Valuation Tribunal through Eamonn Halpin & Co. Ltd.

The Appellant's Case

Prior to Mr. Halpin taking the oath and adopting his written précis, which had been previously been received by the Tribunal as being his evidence-in-chief, he made one amendment to his report. On Page 9 of his précis, the level applied in the third paragraph should have read €82 per square metre and not €125 per square metre.

Mr. Halpin then referred to Appendix 2 of his précis, which are photographs of the subject property and stated that the central block was previously an Auctioneers' office and the first floor was living accommodation. Extensions have been added to the right and left of the main block. The extensions were built and finished to a simple block finish. He also informed the Tribunal that on the right of the premises a river runs very close to the rear of the extension.

Comparisons

No. 1 - Property Record No. RV €9.69 (1997 1st App)

Showroom	118 sq. metres @ €54.68 per sq. metre
Workshop	122 sq. metres @ €34.17 per sq. metre
Forecourt display & large yard	574 sq. metres @ €1,270

Trinity Motors, a main Range Rover premises on a high profile site on Trinity Street. This is a much superior modern premises in a much higher profile location in the town.

No. 2 - Property Record No 2009634 RV €160 (2002/2 1st App) (RV 2007 €153)

Shop	116.16 sq. metres	@ €60.96 per sq. metre
Showroom	110 sq. metres	@ €41 per sq. metre
Office	12.09 sq. metres	@ €42 per sq. metre
Workshop	85.26 sq. metres	@ €34.17 per sq. metre
Stores	63 sq. metres	@ €27.34 per sq. metre
Petrol Sales	@ 5 cent per gallon	

Modern Car Showroom & Shop on the outskirts of Wexford, with a superior premises layout and secure car display yard/compound. Note: addition for per car-parking and display (268 sq. metres) €400.

No. 3 - Property Record No 2102621 RV €5 (2002 1st Appeal & VA02/6/019 RV agreed prior to Tribunal)

Shop 251 sq. metres @ €4.67 per sq. metre

1st & 2nd Floor stores @ €13.67 & €6.83 per sq. metre

Colman DoYLES Light Shop in secondary area just off the main south main street shopping area and is an old building.

No. 4 - Property Record No 2160230 (Local No. 1 William Street)

Shop @ €4.61 sq. metres RV €38.09 (2001)

Former furniture shop, now snap printing shop and offices. High profile location in William Street. NB. This was not used as a comparison by Mr. Halpin as he believed there was a difference between the Valuation Office and himself on how the property was valued.

Mr. Halpin stated that the subject property was inferior to his Comparisons No. 1 and 2 and also stated that Comparison No. 3 is an old building with a leaking roof and a ground floor premises. He also stated that it was excessive for the Commissioner to add €500 for parking spaces to the front of the building where it is used only for display purposes. He also stated the following:

1. The location of the subject property is moderate being inside the confines of the town but away from the retail core area.
2. The unit is a functional hire store & workshop but the buildings are of less value than the better purpose-built retail showrooms round the town.
3. The layout is moderate as you have to go outside to access the workshop & the grass cutting display area does not have a shop front but rather a roller shutter door.
4. The level applied by the Commissioner is excessive in the view of the established tone of the list of comparable and even superior properties.
5. It is accepted that with this type of property as with all others, there is a range of values. However, this unit is less valuable than the comparisons cited.

6. When the purpose built retail/showroom properties are considered (assessed at €54.68 per sq. metre) it shows that our client's unit is over rated. It also has a superior layout & configuration and was purpose built.
7. The original NAV basis relied upon by the Commissioner when formulating the RV here: i.e. €82 per sq. metre and €68.35 per sq. metre are not sustainable and represent an over estimate of the property's relative worth.
8. The loft store over the workshop has no commercial value due to poor ladder access and low headroom.
9. The appellant seeks a substantial reduction to more fairly reflect the unit's relative worth against the broader tone of the list in Wexford Town.

Mr. Halpin presented the following estimate of valuation:

Valuation

Estm. Nav of 1988 basis:

Hire Store (including office)	54.5 sq. metres @ €54.68 per sq. metre	€2,980.00
Grass Machinery display	41.7 sq. metres @ 41 per sq. metre	€1,710.00
Canteen 1 st Floor	26 sq. metres @ €20.50 per sq. metre	€ 533.00
(Pt with low headroom & no natural light)		
Workshop	109 sq. metres @ €20.50 per sq. metre	€2,235.00
Loft Store	39 sq. metres	<u>No Value</u>
Total NAV =		€7,457.00
RV @ 0.5% = €39.96		
Say RV €37.00		

Note: Levels to include small parking area

Cross-Examination of Mr. Halpin

In cross-examination by Mr. McMorro, Mr. Halpin stated that he fully accepted that Comparisons one and two are not comparable to the subject property as these are car sales showrooms. He also stated that he was the agent acting for his Comparisons No. 1 and 2 and that he was unaware of any other retail showrooms in Wexford Town other than the modern showrooms. With regard to Comparison No. 3, Mr. Halpin agreed with Mr. McMorro that

the comparison was in a bad state of repair with the roof leaking etc., and that the first and second floor were used for storage and the ground floor used for a shop.

Respondent's Evidence

Prior to Mr. McMorrow adopting his written précis and valuation, he made two changes to Page 9 of his précis as follows: the revision date should read 2001 and not 1996 and the Mezzanine/Showroom should read €54.65 per sq. metre and not €61.50 per sq. metre. He then dealt briefly with the subject property, as it had already been thoroughly debated and he stated that the low headroom was excluded in the agreed floor area. Mr. McMorrow then dealt with his basis of valuation and he stated the levels he adopted were much lower than those of any of his comparisons. The yard which is an advantage to the premises is valid [QUERY] and should be taken into account.

In his evidence, Mr. McMorrow contended for a rateable valuation of €60.00, calculated as set out below:

Shop (including small office)	54.5 sq. metres @ €32.00 per sq. metre	= €4,469
Shop (side)	41.7 sq. metres @ €68.35 per sq. metre	= €2,850
Stores/service area	109.0 sq. metres @ €27.34 per sq. metre	= €2,980
Loft	39.2 sq. metres @ €6.83 per sq. metre	= €268.00
Floor 1 Canteen/Store (with headroom > 1.4m)	26.0 sq. metres @ €34.17 per sq. metre	= €888.00
Yard	add	<u>€500.00</u>
		€11,955

RV @ 0.50% = €59.78

Say RV €60.00

Mr. McMorrow's comparisons, which are cited below, are all in the eastern suburban part of Wexford town and are only a short distance from the subject. They are as follows:

Comparison Number 1

Property Record No: 2104005 RV €50.79 (1996 Revision)

Michael Murphy, The Faythe, Wexford, Shop

Shop 101.0 sq. metres @ €32.00 per sq. metre

Office Rear	29.6 sq. metres	@	€68.35 per sq. metre
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Comparison Number 2

Property Record No: 2102874	RV €81.26 (2001 Revision)
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Lorcan Gaffney, Parnell Street, Wexford, Grocery Shop

Shop	113.0 sq. metres	@	€109.36 per sq. metre
Store	212.4 sq. metres	@	€41.00 per sq. metre
Floor 1 Store	124.0 sq. metres	@	€27.34 per sq. metre

Comparison Number 3

Property Record No: 2160230	RV €38.09 (2001 Revision)
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Edward Holden, 56a William Sreet, Wexford, Shop

Shop	46.3 sq. metres	@	€136.70 per sq. metre
Mezz. Showroom/ Sales (Upper level)	29.2 sq. metres	@	€54.65 per sq. metre

Comparison Number 4

Property Record No: 2103339	RV €33.01 (1997 Revision)
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Marion Roice, 17 William Street, Wexford, Shop

Shop (front)	22.4 sq. metres	@	€164.00 per sq. metre
Shop & Store (rear)	21.6 sq. metres	@	€136.70 per sq. metre

He also referred to the location map in his précis, which demonstrated that all of his comparisons are situated close to the subject property.

In conclusion, Mr. McMorroW made the following points in relation to the property:

1. The subject property is a recently refurbished, modernised and extended premises in good condition generally with the benefit of front parking and yard space unlike the comparisons cited.
2. The shop has a relatively good frontage to depth ratio & reasonably prominent with considerable frontage to Distillery Road which links directly to the N25 by pass.
3. Of the four comparisons cited, all but one are assessed at a significantly higher level per sq. metre than the subject. Comparison Number 1 which is at similar levels per sq. metre

4. The current RV €60 is reasonable and in line with tone of the list as demonstrated by the comparisons cited.

Cross-Examination of Mr. McMorrow

Mr. Halpin questioned Mr. McMorrow as to why he only used one comparison out of four that has had an appeal in the 20 years that NAV has been established. Mr. McMorrow responded that he only used comparable properties which are similar and located close to the subject property. This, in his belief, was the only way for fair comparisons. Under cross-examination Mr. Halpin questioned Mr. McMorrow on his comparisons and evidence in detail. During the debate, there was a disagreement regarding the relevance of comparisons to the subject property. This was stopped by the Chairman.

Summary

Mr. Halpin stated that the appellant seeks a reduction to a more fairly reduced figure to reflect their property's relative value when viewed against the broader established tone of the list. The subject property is a Showroom/Hire Shop/Display and is not as good a premises as Comparison No. 1 or Comparison No. 2. There are no other retail properties on Distillery Road as it is not a retail street and this should be considered when a decision is being taken.

Mr. McMorrow believed that Mr. Halpin's Comparisons No. 1 and No.2 were not comparable to the subject property. He believed Comparison No. 4 is the most reliable comparison and this should be the only one taken into account when making a decision.

Findings

The Tribunal has carefully considered all of the oral and written evidence produced by the parties and the arguments adduced at the hearing and make the following findings which are relevant to the subject property:

1. The access to the loft store over the workshop has poor ladder access and low headroom. We believe this has no commercial value.
2. The canteen/storage area which is servicing the premises has restricted headroom at the sides and velux windows.

3. The parking and display area to the front of the subject property is only suitable for display and there are few car-parking spaces.

Determination

Having regard to the foregoing the Tribunal determines the rateable valuation of the property concerned to be as follows:

Shop (including small office)	54.5 sq. metres	@ €82.00 per sq. metre	= €4,469
Shop (side)	41.7 sq. metres	@ €68.35 per sq. metre	= €2,850
Stores/service area	109.0 sq. metres	@ €27.34 per sq. metre	= €2,980
Floor 1 Canteen/Store	26.0 sq. metres	@ €20.50 per sq. metre	= <u>€533.00</u>
(with headroom > 1.4m)			
			€10,832

RV @ 0.5% = €54.17

Say RV €54.00

And the Tribunal so determines.