

Appeal No. VA11/3/016

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

Manson Developments Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2206892, Carpark at Lot No. 46 to 70/ 2 at rear, Walkin's St Lower, Kilkenny No. 1 Urban, Kilkenny Borough, County Borough of Kilkenny

B E F O R E

Niall O'Hanlon - BL

Deputy Chairperson

Frank O'Donnell - FRICS, B Agr Sc, MIREF

Member

Aidan McNulty - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 24TH DAY OF JANUARY, 2012

By Notice of Appeal received on the 25th day of July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €130 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal are:

"On the basis that the RV as assessed is excessive & inequitable given the property's actual location, relative worth & the established tone for the comparable properties already assessed. This is a moderate location away from the better parking areas in the city. The Commissioner has failed to make sufficient allowances for the subject when estimating its historic 1988 value."

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 10th day of November, 2011. At the hearing the appellant was represented by Mr Eamonn Halpin BSc (Surveying), ASCS, MRICS, MIAVI. The respondent was represented by Mr Briain Ó Floinn, district valuer, Valuation Office.

Both parties having taken the oath adopted their respective précis of evidence which had previously been received by the tribunal as their evidence in chief. From the evidence so tendered the following emerged as being the facts relevant and material to the appeal.

At Issue

Quantum

The Property

The property is located in Ormonde Street, Kilkenny. It comprises a surface car park with 82 spaces which are line marked and is located at the rear of an apartment building. It has a five year temporary planning permission as the occupiers intended to develop the site but this project is on hold due to the current economic climate. There is an adequate two-way entrance/exit.

Valuation History

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|---------------------------------|---|
| 5 th May, 2010 | Mr Briain Ó Floinn was appointed on foot of a request from Kilkenny County Council to value new surface car park on Ormonde Street, Kilkenny. |
| 8 th September, 2010 | Proposed valuation certificate issued at RV €130. |
| 4 th October, 2010 | Occupiers make representations through their agents Eamonn Halpin & Co. Ltd seeking a reduced assessment. |
| 19 th November, 2010 | The Commissioner of Valuation issues a final valuation certificate with RV unchanged at €130. |

28th December, 2010 Occupiers appeal through their agents Eamonn Halpin & Co. Ltd seeking a reduced assessment.

28th June, 2011 The Commissioner of Valuation issues the result of the First Appeal with RV unchanged at €130.

25th July, 2011 The occupiers appeal the Commissioner's decision to the Valuation Tribunal through their agents Eamonn Halpin & Co. Ltd.

Valuation

The following figures were advanced on behalf of the respondent:

Car Park 82 car spaces @ €320 per space is a net annual value (NAV) of €26,240

Total NAV = €26,240 @ 0.5% = €131.61

Say RV €130

Tenure

The property is held freehold.

Appellant's Case

1. The location of the subject property is moderate being slightly removed from High Street in Kilkenny. The prime space in Kilkenny is well served by large multi-storey car parks such as the large surface car park adjacent to Dunnes Stores and the Market Cross Shopping Centre multi-storey. Off-centre surface car parks such as the subject are not as popular and command substantially lower hourly charges and should have relative rateable values to reflect this.
2. The scale used by the Commissioner for surface car parks in Kilkenny has been long established through cases in the 1980s and 1990s. Throughout this period the price per space on a 1988 basis ranged from €126.95 to €177 (£100 to £140) even in the most successful car parks in Kilkenny.
3. Throughout the representations and appeal process the Commissioner has only sought to compare the subject with three substantially better and larger multi-storey units in the city of Kilkenny. These car parks are either directly connected to shopping

centres, such as Market Cross and MacDonagh Junction and/or are in locations such as Ormonde Street, where the primary use is to serve to large hotels and a leisure centre. Not only are these car parks substantially better than the subject in terms of construction, location and potential for trade, they were also incentivised by the Government through the granting of tax breaks.

4. In spite of this overwhelming evidence as to the relative worth of the subject, the Commissioner has sought to address these discrepancies by granting a 12.3% discount on the subject over Q-Park, Ormonde Street and a 10% discount on the subject over Market Cross and Q-Park, MacDonogh Junction at the time of first inspection by the Valuation Office in September 2010. Since then, the car park at MacDonagh Junction has been reduced from RV €1,700 to RV €1,265, a 25.6% reduction which appears to bring the effective level in that centre down from €355.53 per space to €264.55 per space. This means, in effect, that the subject appears to be currently assessed at 17.8% more than this multi-storey establishment.
5. If one were to take the rate charged per 24 hour period as a basis for the relative value of these properties one would quickly see that a much greater discount would be required. Taking the Q-Park, Ormonde Street as the median example, the maximum day charge, as stated by the Valuation Office in their comparison 1, is €16 per 24 hour period. By contrast, the maximum day rate in the subject is €5 per 24 hour period. This reflects a 320% difference in the relative value of a parking space over a single 24 hour period which is a much more proactive measure of the relative value of the properties. If one were to take the Market Cross multi-storey on the same basis, at €25 per 24 hour period, this would reflect a 500% premium.
6. In addition, the appellant must contend with many surface parking facilities provided by Kilkenny City Council. Off-street parking is provided by the Council in the city at St Canice's, Fair Green, Wolfe Tone Street and Dean Street, all at €2 per 24 hour period with the first hour free. Thus, the appellant is subject to very strong competition in the city both from the Council, which can charge less, and the multi-storey car parks, which are located in prime locations and provide the best service available in the city.

7. It is unsustainable at this time to suggest that the hypothetical tenant would pay more for this unit (€320 per space) than for the comparisons (see the surface car parking levels established by the Commissioner in Parliament Street, Kilkenny (comparison 1 at €177 per space; Vicar Street and environs at €126.95 per space).
8. It is accepted that with this type of property, as with all others, there is a range of values. However, this particular unit falls at the lower end of the spectrum.
9. The Commissioner's approach in this case is unfair when all the evidence is taken into account.
10. The appellant seeks to have its assessment reduced to more fairly reflect its unit's relative value taking into account its actual location, together with the level applied to other units in the area as shown by the comparisons.

Comparisons

Mr Halpin submitted three comparisons and emphasised that these comparisons were all surface car parks, as is the subject.

Comparison 1

Property No. 77878 – Liam Moore, Parliament Street, Kilkenny.

17 car spaces @ €177 per space.

Comparison 2

Property No. 80283 – deLoughry & O'Gorman Accountants, Vicar Street, Kilkenny.

5 car spaces @ €126.95 per space.

Comparison 3

Property No.80082 – E. Smithwicks & Sons.

40 car spaces @ €126.95 per space.

Valuation

Mr Halpin submitted that a fair rateable valuation for the subject property would be €1 which he calculates as follows:-

82 car spaces @ €125 per space = €10,250

€10,250 @ 0.5% = €51.25

RV Say €51

Mr Halpin submitted a map and photographs of the subject and of his comparisons.

The Respondent's Evidence

Having adopted his précis as his evidence-in-chief, Mr Ó Floinn described the property as a tarmac surface car park with 82 marked car spaces. There is an adequate two-way entry/exit with an automated charging system. Charges when valued in mid-2010 were €1 per hour and €5 for 24 hours. The property is in a good state of repair having been recently constructed. In May 2010 Kilkenny County Council requested the Valuation Office to value this new surface car park on Ormonde Street, Kilkenny.

Basis of Valuation

The valuation was determined by reference to the values of comparable properties stated in the valuation list in which the property occurs.

Valuation

The following figures were advanced on behalf of the respondent:

82 car spaces @ €320 per space = €26,240

€26,240 @ 0.5% = €131.61

RV Say €130

Respondent's Comparisons

Comparison 1

Property No. 2109078 – Southford Properties Ltd, Pudding Lane, Kilkenny.

787 car spaces @ €64.62 per space.

Comparison 2

Property No. 747008 – Market Cross Shopping Centre.

520 car spaces @ €55.52 per space.

Comparison 3

Property No. 2200207 – MacDonagh Junction Developments Ltd.

768 car spaces @ €330 per space.

The three comparisons given by the respondent are all multi-storey car parks.

Findings

The Tribunal having considered the evidence presented by Mr Halpin for the appellant and Mr Ó Floinn for the respondent has taken into account the following points:-

1. The three comparisons given by Mr Halpin are all surface car parks while the three comparisons given by Mr Ó Floinn are multi-storey car parks.
2. Multi-storey car parks are not comparable to surface car parks.
3. The subject must compete with many surface parking facilities provided by Kilkenny City Council.
4. The comparisons submitted by Mr Halpin in general are more relevant than the comparisons presented by Mr Ó Floinn.

Determination

Having regard to the foregoing, the Tribunal calculates the valuation on the subject property as follows:-

82 car spaces @ €250 per space = €20,500

NAV @ 0.5% = €102.5

RV Say €102

And the Tribunal so determines.