

Appeal No. VA12/1/021

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

**Glenn & Clare Mullett**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2210364, School (Pre-school) at Lot No. 1C/1, Ballinglanna, Caherlag, Cork Upper, County Cork.

**B E F O R E**

**John F Kerr - BBS, FSCSI, FRICS, ACI Arb**

**Deputy Chairperson**

**Michael Connellan Jr - Solicitor**

**Member**

**Patricia O'Connor - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 10TH DAY OF SEPTEMBER, 2012**

By Notice of Appeal received on the 13th day of March, 2012, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €149 on the above described relevant property.

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

*"Half of the premises is occupied by ECCE children whose fees have been reduced and costs increased." "The figures asked for are unaffordable."*

The appeal proceeded by way of an oral hearing at the office of the Valuation Tribunal, Holbrook House, Holles Street, Dublin 2 on the 23rd day of May, 2012. At the hearing, the

appellants were represented by Mr. Glenn Muliatt, and the respondent was represented by Mr. Neil Corkery, BSc Property Management & Valuation Surveying, a valuer at the Valuation Office. At the hearing, both parties, having taken the oath, adopted their respective précis as their evidence-in-chief.

**The Issue**

Quantum only.

**Tenure**

The subject property is held on a leasehold basis.

**Situation/Location**

The property is located between Glanmire and Riverstown in a new housing estate known as Fernwood, north east of Cork City. The subject property is a purpose-built crèche/pre-school with a full range of facilities in a building designed to cater to the needs of up to 75 children.

**Accommodation**

The accommodation area has been agreed by the parties and was measured on a Net Internal Area (NIA) basis at 436 sq. metres.

The building comprises four children's playrooms with associated WCs, two children's sleep rooms with nappy changing area, dining room, kitchen, office and staff toilets and associated stores.

**Valuation History**

The property was listed for revision by Cork County Council. It was assessed to have a valuation of €155 at proposed Valuation Certificate stage. This valuation of €155 was challenged at appeal stage. On foot of the appeal lodged, the valuation was revised down to €149. An appeal was subsequently lodged by the appellants with the Valuation Tribunal.

**Appellants' Evidence**

Mr. Glenn Muliatt for the appellants maintained that:

1. The Government, subject to certain criteria, pays crèche fees for children who qualify under the ECCE (Early Childhood Care Education) Scheme.
2. Approximately 50% of the enrolments at the subject crèche are ECCE Scheme qualifying children.
3. The design of the property has led to inefficiencies in the operation of the business.
4. The crèche was designed by an architect without a clear knowledge of the specific requirements of a modern crèche and built with tax relief measures in mind and not with the specific requirements of a crèche.
5. The appellants cannot make any structural changes as the interest held by the appellants is leasehold.
6. Only 55% of the floor area is dedicated to the direct needs of the children.
7. The kitchen cannot be used due to its proximity to the washing area.
8. As a consequence to the foregoing, the appellants are obliged to provide “ready made” meals at additional expense.
9. 30 sq. metres of the property comprises staff toilets and 30 sq. metres are under solid block walls.
10. Mindful of the foregoing, not more than 75% of the property floor area should be valued for rating purposes.
11. The property should be divided into two separate businesses as the portion devoted exclusively to the ECCE Scheme qualifying children would then be deemed to be exempt from rates.

In response to questions raised by Mr. Corkery, the appellant confirmed that the subject property does not currently qualify for the ECCE Scheme rates exemption as contemplated in Paragraph 10, Schedule 4 of the Valuation Act, 2001. He also confirmed that he was familiar with the first of the two comparison crèches referred to by the respondent in his précis of evidence.

Mr. Mullett did not provide any comparison properties in his evidence.

### **Respondent's Evidence**

Mr. Neil Corkery submitted additional evidence, with the consent of the appellant, with respect to the operation of rates exemption under ECCE Funded Scheme. He advised that the crèche was built in 2005 and was first valued for rating purposes in 2012 by a former – now retired – colleague, Mr. Conroy from the Valuation Office. On behalf of the Commissioner of Valuation, Mr. Corkery contended for a valuation of the subject property as set out below:

Crèche 436 sq. metres @ €68.33 per sq. metre

NAV = €29,791.88

RV @ 0.5% = €148.95

RV say €149

Mr. Corkery, in his evidence, provided valuation details on two comparison properties in support of his submission as follows:

### **Comparison 1**

Property No: 2186853

RV: €120

Occupier: Glanmire Childcare

Playschool: 361.12 sq. metres @ €68.33 per sq. metre

NAV: €24,675.60

RV: €120

The property comprises a purpose-built crèche with apartments overhead.

### **Comparison 2**

Property No: 2197617

RV: €33

Occupier: Times of Wonder Little Island

The valuation as per the 2006 revision is:

Pre-school: 97.92 sq. metres @ €68.34 per sq. metre

NAV: €6,691.82

RV: €33

The property comprises a newly built crèche/school on the edge of Eastgate Business Park and Euro Business Park, Little Island, Cork.

**Findings**

The Tribunal has reviewed and considered all the evidence and arguments adduced by the parties and makes the following findings:

1. Mr. Muliatt acknowledged that the subject property in its current form and operational structure does not qualify for rates exemption under the ECCE Scheme.
2. The Tribunal's considerations are limited to the provisions of the Valuation Act, 2001.
3. The Tribunal was not provided with empirical evidence or any comparison properties by the appellants which might support a variation, or consideration of an alternative, to the rate per sq. metre employed by the respondent to calculate the net annual value of the subject property.
4. The Tribunal is satisfied that the respondent discharged his duties as set out in the Valuation Act, 2001 fairly and fully in the instant case.

**Determination**

Having regard to all of the foregoing, the Tribunal does not consider that a change or adjustment to the RV is warranted and accordingly affirms the rateable valuation set by the Commissioner of Valuation in the amount of €149.

And the Tribunal so determines.