

**Appeal No. VA14/4/004**

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

**Kelly's Sales & Services (Donegal) Ltd.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2003654. Showroom, Workshop, Yard at Lot No. 29C, Drumbeagh, Tantallon, Donegal, Co. Donegal.

**Sasha Gayer - Senior Counsel.**

**Chairperson**

**Thomas Collins - PC, FIPAV, MCEI, C.V.**

**Member**

**Dolores Power - MRICS, MSCSI.**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 23<sup>rd</sup> DAY OF APRIL, 2015**

By Notice of Appeal received on the 21st day of October, 2014, the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €235.00 in respect of the property the subject of the appeal. The appeal arises in respect of a 2013 revision of the valuation of the said property on foot of a new development at same consisting of an extension of the existing car sales premises.

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

*“Valuation is excessive. Not valued in accordance with Valuation Acts. Valuation does not reflect tone of list. The valuation does not reflect values of comparable properties.*

*“No allowance for secondary location.”*

An oral hearing in respect of this appeal took place in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 16<sup>th</sup> of February, 2015. Mr Patrick McCarroll MSCSI, MRICS, appeared on behalf of the Appellant. Mr Viorel Gogu MRICS, MSCSI, appeared on behalf of the Respondent.

### **The Issue Arising**

At the hearing it was agreed that the issue between the parties in this appeal was the quantum of the valuation of the property concerned.

Section 49 (1) provides that the determination of the value of a relevant property, on foot of a revision, shall be made by reference to the values, as appearing on the valuation list relating to the same rating authority area as the subject property is situated in, of other properties comparable to that property.

### **The Property the Subject of the Appeal**

The property the subject of the appeal comprises a purpose built car showroom, workshop buildings and a mezzanine office with tarmacadam and hardcore yards located on the N56, between Donegal and Killybegs, 1.6 km from Mountcharles, Co. Donegal.

### **Accommodation**

The subject property was measured on a Gross External Area (GEA) basis. The overall gross external areas have been agreed between the parties.

Workshops.	800.00 sq. metres
Showroom.	507.00 sq. metres
Mezzanine Offices.	101.40 sq. metres
Hardcore Yard.	372.00 sq. metres
Tarmacadam Yard.	2,600.00 sq. metres

### **The Appellant's Evidence**

The Appellant's representative, Mr McCarroll, having taken the oath, adopted his written précis as his evidence-in-chief.

In his evidence Mr McCarroll outlined the grounds for appeal as noted above. He stated that the workshops in the subject property were not modern having been built in the 1970s and 1980s but that the car showroom is modern. He submitted that there was an error in his valuation of the workshop in the subject property in his précis. He argued that a rate of €20.50 per sq. metre applies to modern workshops and that the subject workshops should be valued at €13.67 per sq. metre giving a NAV of €166.00 instead of €193.00. Mr McCarroll stated that an old workshop measuring 609 sq. metres in his Comparison No. 2 (DMG Motors Ltd) is valued at €13.67 per sq. metre. This workshop was omitted from his written evidence.

Mr McCarroll argued that the subject property is located on the N56, a secondary national route. He stated that most of the comparisons used by the Respondent are on national primary routes. He quoted figures from the NRA which indicate approximately a 20% difference between traffic flow on the N15 and the N56. In addition, he stated that most of the yard in the subject property is to the rear of the property and not fronting to the road. Mr McCarroll stated that the subject property is below road level and the car showroom is not clearly visible from a westerly or eastern direction.

Mr McCarroll presented his comparison properties:

**Comparison No. 1 (Property No. 2005663), Murray Motors Ltd, Manorcunningham Co. Donegal.**

Mr McCarroll stated that this property fronts the N13, a national primary route and has a yard to the front and side to display cars. RV: €142.

**Comparison No. 2 (Property No. 2200227), DMG Motors Ltd, Clogher, Donegal Town.** The yard in this property fronts onto the N15, a national primary route which Mr McCarroll argued is a much better location. This property, he stated, is clearly visible from the road. RV: €260.

**Cross-Examination**

Mr McCarroll agreed that the eaves height in the subject workshop is 6.5 sq. metres compared with 4 sq. metres in his Comparison No. 1 property (Murray Motors Ltd). He also confirmed that the workshop in his Comparison No. 1 is valued at €27.33 per sq. metre

but argued that this is a new and modern purpose built workshop. In his Comparison No. 2 (DMG Motors Ltd), he stated the new workshop is valued at €20.50 per sq. metre while one old workshop which is used for agricultural machinery is valued at €10.25 per sq. metre and a slightly better old workshop is valued at €13.67 per sq. metre.

### **The Respondent's Evidence**

Mr Gogu, having taken the oath, adopted his written précis as his evidence-in-chief. In his evidence Mr Gogu contended that the subject property is located on a national road with good visibility from the road. He argued that there is a large area to the front and side of the property to display cars with a good entrance from the road. He stated that the subject property has a new and modern showroom alongside workshops.

In accordance with Section 49 (1) of the Valuation Act he referred to his comparison properties as follows:

#### **Comparison No. 1 (Property No. 2178039), Browne's Cars, Spierstown, Donegal, Co. Donegal.**

Mr Gogu advised that this property is in a rural area, 3.5 km from Donegal Town with a new purpose built showroom similar to the subject property. RV: €120.

#### **Comparison No. 2 (Property No. 2200227), DMG Motors Ltd, Clar Road, Donegal Town, County Donegal.**

Mr Gogu stated that this property has a new workshop valued at €20.51 per sq. metre, an old workshop measuring 609 sq. metres valued at €13.67 per sq. metre and that the lowest value of €10.25 per sq. metre is applied to old agricultural sheds. RV: €260.

#### **Comparison No. 3 (Property No. 2145108), Brown, Milford, Co. Donegal.**

The Respondent argued that this property is in a better location close to Milford Town and that therefore the showroom and workshop are valued at higher rates of €54.66 per sq. metre and €23.91 per sq. metre, respectively. RV: €95.23.

**Comparison No. 4 (Property No. 2006403), Brown's Auto, Porthall, Lifford, Co. Donegal.**

Mr Gogu stated that this property is in a rural location. The showroom in this property is valued at €46.47 per sq. metre and the workshop at €20.50 per sq. metre. RV: €68.

Mr Gogu concluded that the valuation of the subject property at RV €235 was fair and represented the tone of the list. He advised that the old valuation of the subject premises appealed in 1986 includes the valuation of workshops at €22.90 per sq. metre. He argued that the subject property is visible from both sides of the road which he described as busy and on a tourist route. In addition, he contended that the subject showroom was modern and in good condition with 6.5 metre eaves.

**Cross-Examination**

Mr Gogu stated that the subject property is well located on a busy route. With regard to his Comparison No. 2 (DMG Motors Ltd) he argued that the old workshops in this property have a lower value as they were sheds originally used for agricultural purposes. He did not accept that the higher eaves height in the workshop in DMG Motors Ltd was advantageous as he stated it is used for storage. He argued that the car showroom in this property has a lower value compared to the subject property because of increased competition in the area. Mr Gogu accepted that the yard area in his Comparisons 1, 3 and 4 was not listed in his written submission but was included in his calculations. He stated that while the workshops in the subject property are old, they have been refurbished.

**Findings**

Having heard and considered the evidence and submissions of the parties the Tribunal holds as follows:

1. The subject property is located on a secondary national route and does not have good visibility from the road from a westerly and easterly direction which impacts on the car showroom.
2. The workshops, while they are not new buildings, have been refurbished.
3. The Tribunal accepts that most of the yard in the subject property is to the rear of the property and is of limited use for sales and marketing.

## Determination

In view of its findings, and having regard to the comparator properties referred to by both parties and determined their relevance to the property, the subject of the appeal, where appropriate, the Tribunal holds that the valuation of the subject property is as follows:

Showroom.	507.00 sq. metres	@ €37.00 per sq. metre	= €18,759
Workshop.	800.00 sq. metres	@ €20.50 per sq. metre	= €16,400
Mezzanine.	101.40 sq. metres	@ €20.50 per sq. metre	= € 2,079
Tarmacadam Yard.	2,600.00 sq. metres	@ € 1.25 per sq. metre	= € 3,250
Hardcore Yard.	372.00 sq. metres	@ €0.90 per sq. metre	= <u>€ 335</u>
		Total	= <u>€40,823</u>
		x 0.5% =	€204.11
		RV =	€204.11
		Say	€204

And the Tribunal so determines.