

Appeal No. VA92/6/018

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

Finbarr Galvin Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Garage at Map Ref: 4Ba, Townland of Knocknagarrane, Ballymodan Ward, R.D. Bandon,
Co. Cork
Quantum

B E F O R E
Mary Devins

Solicitor (Acting Chairman)

Paul Butler

S.C.

Paddy Farry

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 27TH DAY OF OCTOBER, 1993

By Notice of Appeal dated the 23rd October, 1992 the appellant appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £150.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive due to location of premises (well out of town) and due to antiquity and condition (basic construction, unheated and uninsulated) of buildings".

The Property

The property is located approximately a mile to the west of Bandon town on the main Bandon/Clonakilty Road. The property comprises a single storey car and furniture showroom of 4,923 square feet and 1,847 square feet respectively. Behind the showrooms are workshops measuring 6,921 square feet. The accommodation consists of showrooms, workshops, stores and display yard. All main services are connected to the property.

Valuation History

Prior to the revision of 1977 the property was described as 'garage and land' and valued at £40.00. In 1977 the Valuation Office was asked to value 'new car showroom and office'. This building was erected on the site of the former car sales yard. This resulted in an increase to £70.00 in the valuation. The 1991 revision requested the 'valuation of the workshop and showroom extension and the relocation of the office'. The results of the 1991 revision was to increase the valuation to £150 and amend the description to 'garage'.

Written Submission

A written submission was received on the 21st October, 1993 from Mr. Peter Deller, F.R.I.C.S., F.I.A.V.I. of Hamilton Osborne King on behalf of the appellant. In the written submission Mr. Deller said that based on a ratio of .5% the N.A.V. being attributed to the subject premises by the Commissioner of Valuation represented £30,000 per annum. He said that this was totally excessive and unjustified and he set out details of comparative evidence to show that rental values on industrial premises in rural areas are in many cases nominal and that there could be substantial difficulty in obtaining tenants. Mr. Deller said that in his opinion the Tribunal in assessing N.A.V. on the subject premises should take into account its location, 1 and a half miles west of Bandon, the basic design and standard of finish of the premises and the fact that there was no petrol forecourt or pumps. He said that he could see no justification for the excessive increase from £70 to £150 as neither location nor buildings had been improved. He set out his calculation of the rental value as of November, 1988 as follows:-

		<u>IR£ per annum</u>
Showroom:	6,478 sq.ft. at £2.00 per sq.ft.	12,956
Workshop:	5,500 sq.ft. at £1.00 per sq.ft.	5,500
Spray Booth:	996 sq.ft. at --	-----
Open ended store:	378 sq.ft. at --	-----
Total:		IR£18,456

He said that applying a percentage of .5% to this Net Annual Value produced a rateable valuation of £92.00.

A written submission was received on the 19th October, 1993 from Mr. Colman Forkin a Chartered Valuation Surveyor with 12 years experience in the Valuation Office on behalf of the Respondent. In his written submission Mr. Forkin said that although located outside of Bandon there were three other car showrooms within 400 metres of the subject premises. He set out his calculation of the valuation on the subject premises as follows:-

Bls. 1,2	Car Showroom:	4923 sq.ft. @ }	
Bls. 1a,2a	Furniture Showroom:	1847 sq.ft. @ } £2.50 =	£16,925
Bl. 3	Workshop:	5554 sq.ft. @ }	
Bl. 4	Workshop:	990 sq.ft. @ } £1.80 =	£11,779
Bl. 5	Workshop:	377 sq.ft. @ £1.00 =	£ 377
	Display Yard:	3714 sq.ft. @ £0.15 =	<u>£ 557</u>
			£29,638

Say: £30,000 X 0.5% = **£150.00**

Mr. Forkin offered a number of comparisons to support his evidence.

Oral Hearing

At the oral hearing which took place in Cork on the 27th day of October, 1993 Mr. Peter Deller of Messrs. Hamilton Osborne King appeared on behalf of the appellant. Mr. Colman Forkin represented the respondent.

Mr. Deller explained that the subject premises lie about half a mile further out of Bandon than any other similar type of business. He stressed that rental values of industrial buildings in rural areas were very low and in this respect he pointed out that even in urban areas industrial rents achieved were on the low side.

He referred the Tribunal to the comparisons appended to his written submission and stated that in November, 1988 which is the relevant date for valuation the property situation in the south of Ireland was in a generally depressed condition.

Mr. Deller pointed out that while he and Mr. Forkin were generally in agreement in relation to the letting values for the showroom, he felt that a figure of £1.80 as suggested by Mr. Forkin for the workshop was excessive.

In his breakdown of valuation Mr. Deller had put no valuation on the spray booth or display yard as he felt that if a tenant were paying £1.00 per square foot for a workshop that tenant would normally expect to have a spray booth and a display yard included in the letting.

Mr. Forkin stressed that the comparisons put forward by Mr. Deller were not valid as they were not buildings of a similar function and as there was no indication of their rateable valuation. He pointed out that Bandon Motors Limited referred to as No. 1 Comparison in his written submission was fairly close to the subject premises and should be taken into account as a valid comparison.

Mr. Deller on the other hand stressed that Bandon Motors Limited had been completed only in August, 1988 that it was much closer to the town of Bandon than the subject premises, and that it had many other advantages over the subject. He said therefore that to compare it with the subject was not comparing like with like.

Determination

The Tribunal largely accepts the respondents figures in relation to the valuation of the showroom section of the subject property.

It does accept however, the appellants evidence in relation to the location of the property and its several disadvantages particularly in relation to the workshop.

While the Tribunal has noted the overall letting patterns as shown by the comparisons appended to Mr. Dellers submissions, nonetheless it must take into account the nearest comparable premises which have been recently revised namely Bandon Motors Limited.

The latter however is undeniably a superior building having been completed only in August, 1988 and it does possess certain advantages over the subject premises namely it has high petrol sales, a level tarmacadamed site and the construction cost were undeniably high.

In the circumstances and taking all the evidence into account the Tribunal is of the opinion that the correct rateable valuation on the subject premises is £130 and so determines.