

Appeal No. VA95/1/094

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

T. R. Motors

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Garage at Map Ref: 153.155, Townland: Harold's Cross Road, Ward: Rathmines West,
County Borough of Dublin
Quantum - Comparisons

B E F O R E
Henry Abbott

S.C. Chairman

Paddy Farry

Solicitor

Brid Mimmagh

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 5TH DAY OF DECEMBER, 1995

By Notice of Appeal dated the 25th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £300 on the above described hereditament.

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

"the valuation is bad in law because at the date of valuation the property was not fit for beneficial occupation and there was still considerable work to be undertaken as verified by the fact that the final Architects Certificates had not been issued. The RV of £300 is also excessive for the property."

The Property:

The property consists of a motor sales garage for Mercedes cars located at Harold's Cross Road beside the entrance to the Greyhound Stadium and in a prominent position on a busy inner city road.

The accommodation consists of showroom, office, workshop on the ground floor. On the first floor is an office and spare parts retail area.

The property was rebuilt after being destroyed by fire in 1991. The reconstruction cost was about £200,000. It is constructed of concrete block walls and steel deck roofing.

The size of the property is as follows:-

Ground floor

| | |
|--------------------|--------------|
| Showroom | 925 sq.ft. |
| Access to workshop | 441 sq.ft. |
| Office | 226 sq.ft. |
| Workshop | 6,155 sq.ft. |

First floor

| | |
|---------------------------------------|--------------|
| Office and spare parts retail area | 1,549 sq.ft. |
|---------------------------------------|--------------|

Written Submissions:

A written submission and précis of evidence was furnished by the respondent to the Tribunal on the 26th October 1995. The précis was prepared by Mr. Frank O'Connor, Valuer, ARICS B.Sc (Survey), with 15 years experience in the Valuation Office.

A précis of evidence was submitted by Messrs. Peter O'Flynn & Associates Limited, Property and Rating Consultants, which was prepared by Mr. Peter O'Flynn on behalf of the appellant.

In the respondent's submission the valuation was calculated as follows:-

Ground floor

| | | |
|----------|----------------------|---------|
| Showroom | 925 sq.ft. @ £8psf = | £ 7,400 |
|----------|----------------------|---------|

| | | | |
|--------------------|----------------------|---|---------|
| Office | 226 sq.ft. @ £8psf | = | £ 1,808 |
| Access to workshop | 441 sq.ft. @ £5psf | = | £ 2,205 |
| Workshop | 6,155 sq.ft. @ £5psf | = | £30,775 |

First floor

Offices and spare parts

| | | | |
|------------|----------------------|---|----------|
| sales area | 1,549 sq.ft. @ £4psf | = | £ 6,196 |
| | NAV | = | £48,384 |
| | @ 0.63% | | £304.92 |
| | Say RV | | £300.00. |

Mr. O'Connor adverted to the comparative evidence as follows:-

(1) Ballsbridge Motors, 162 Shelbourne Road
1994 First Appeal - Pembroke West

| | | | |
|-----------------------------|---------------------------|---|-----------------|
| Showroom | 7,044 sq.ft. @ £11psf= | | £ 77,484 |
| Reception/office/sales area | 1,491 sq.ft. @ £9psf = | | £ 13,419 |
| Gr.fl. parts store | 1,583 sq.ft. @ £3psf | = | £ 4,749 |
| 1st fl. parts store | 1,296 sq.ft. @ £2psf | = | £ 2,592 |
| 1st fl. offices | 1,259 sq.ft. @ £4psf | = | £ 5,036 |
| Workshop | 16,252 sq.ft. @ £3.25 psf | = | £ 52,819 |
| 66 car spaces | @ £300 each | = | <u>£ 19,800</u> |
| | | | <u>£175,899</u> |
| | @ 0.63% | = | £1,108.00 |
| | Agreed with Des Killen RV | = | £1,100.00 |

(2) Denis Mahony Limited, 54-56 Glasnevin Hill
1989 First Appeal.

| | | | |
|------------------|-------------------------|---|----------------|
| Showroom/offices | 4,809 sq.ft. @ £5psf | = | £24,045 |
| Workshop | 4,589 sq.ft. @ £2.50psf | = | £11,473 |
| Offices | 693 sq.ft. @ £3psf | = | £ 2,079 |
| Stores | 2,400 sq.ft. @ £2.50psf | = | <u>£ 6,000</u> |
| | | | <u>£43,597</u> |
| | @ 0.63% | = | £275.00 |
| | RV | = | £275.00 |

(3) Murphy Chambers Cars Limited, 10 Dundrum Road, Churchtown
1991 Revision

| | | | |
|---------------------|----------------------|---|----------------|
| Showroom & Offices | 1,991 sq.ft. @ £5psf | = | £ 9,955 |
| Workshop & Stores | 5,917 sq.ft. @ £3psf | = | £17,751 |
| Yard & petrol sales | | = | <u>£ 7,500</u> |

| | | | |
|--|---------|---|----------------|
| | | | <u>£35,200</u> |
| | @ 0.63% | = | £221.79 |
| | RV | = | £220.00 |

(4) Smiths, Rochestown Avenue, Dun Laoghaire
1991 First Appeal

| | | | |
|--------------------|--------------------------|---------|----------------|
| Showroom & Offices | 2,442 sq.ft. @ £4psf = | £ 9,768 | |
| Workshop & Stores | 7,379 sq.ft. @ £2.50psf | = | £18,448 |
| Yard | 22,000 sq.ft. @ £0.15psf | = | <u>£ 3,300</u> |
| | | | <u>£31,516</u> |
| | @ 0.63% | = | £198.55 |
| | RV | = | £197.00 |

(5) Esmonde Motors, Stillorgan

| | | | |
|--------------------|-------------------------|---|----------------|
| Showroom | 1,700 sq.ft. @ £9psf | = | £15,300 |
| Offices | 1,400 sq.ft. @ £4psf | = | £ 5,600 |
| Workshop | 1,700 sq.ft. @ £2.50psf | = | £ 4,250 |
| Stores (1st floor) | 1,700 sq.ft. @ £1.50psf | = | <u>£ 2,550</u> |
| | | | <u>£27,700</u> |
| | @ 0.63% | = | £174.51 |
| | RV | = | £175.00. |

(6) Ken Grace Motors, Glasthule

| | | | |
|--------------------|-------------------------|---|----------------|
| Showroom & Offices | 2,269 sq.ft. @ £7psf | = | £15,883 |
| Workshops | 3,946 sq.ft. @ £2.50psf | = | £ 9,865 |
| Stores (1st floor) | 698 sq.ft. @ £2psf | = | £ 1,396 |
| Yard | 1,458 sq.ft. @ £0.50psf | = | <u>£ 729</u> |
| | | | <u>£27,873</u> |
| | @ 0.63% | = | £175.59 |
| | RV | = | £175.00. |

Mr. O'Connor further made a point that the majority of comparables are located in the outer suburbs of Dublin where land values are cheaper relative to the subject property which is in the inner suburb, just one mile from St. Stephen's Green.

In his submission, Mr. O'Flynn agreed with the respondent's submission regarding the location of the property but emphasised that car parking in the area is very restricted and clearways are in operation on both sides of the road on a daily basis and that the appellant had no right to use the car park of either Flanagan's Lounge Bar or Harold's Cross Greyhound Stadium nearby. The appellant's description of the property is that of a good purpose built garage premises. While there are petrol pumps in front of the building same are used only for the benefit of company cars and not for general use. The appellant raised the issue as to

whether the premises at the relevant time of revision were in beneficial occupation of the appellant for the purpose of rating. Mr. O'Flynn summarised the disadvantages and difficulties of the subject property as follows:-

- (a) It has a very small showroom area as compared with the majority of other motor showrooms for the reasons already outlined herein.
- (b) There is a clearway in operation directly to the front of the premises on both sides of the Harold's Cross Road and, consequently no parking is allowed at certain times which greatly hinders the business.
- (c) Car parking and access are the major disadvantages associated with this property when compared with other motor showrooms and garages. It is bounded on all sides and there are no public car parks available in the area.
- (d) The Harold's Cross Greyhound Stadium is open three nights weekly and Flanagan's Lounge Bar is open on a daily basis, this causes high security problems for the subject property.
- (e) There is poor access to the property in general, firstly from the main road which is a busy main thoroughfare and secondly to the workshop area which only has one means of vehicular access and when blocked there is no other way in or out of the workshop area.
- (f) The property is directly opposite Harold's Cross park and playground which may be visually pleasing, however, from a retailing point of view it represents a dead frontage area of almost 500 yards which is a major disadvantage. Additionally, there are trees planted on the same side of the road as the subject property which greatly restricts its visibility from approaching traffic. This was emphasised by a photograph which was placed before the Tribunal.

The appellant used Denis Mahony Limited, 54/56 Glasnevin Hill, Glasnevin as a comparison to assess rateable valuation:-

Total adjusted building costs = £224,594

Using a yield of say 10% gives a rental value of £22,459

Net annual value @ 1988 is £22,459

Adopting the 0.63% formula 0.63%.

£141.49 Say RV = £142.

The appellant further submitted that a fair valuation for the subject property was as follows:-

Ground floor

| | | | |
|-------------|-------------------------|---|------------|
| Showroom | 925 sq.ft. @ £5psf | = | £ 4,625.00 |
| Workshop | 6,155 sq.ft. @ £2.25psf | = | £13,848.75 |
| Offices | 226 sq.ft. @ £4psf | = | £ 904.00 |
| Access area | 441 sq.ft. @ £1.50psf | = | £ 661.50 |

First floor

| | | | |
|-------------------|-------------------------|---|-------------------|
| Offices | 162 sq.ft. @ £4psf | = | £ 648.00 |
| Stores department | 1,212 sq.ft. @ £1.50psf | = | <u>£ 1,818.00</u> |
| | Total | = | <u>£22,505.25</u> |

Adopting the accepted 0.63% formula, the rateable valuation works out as follows:-

| | |
|----------|------------|
| NAV = | £22,505.25 |
| by 0.63% | £141.78 |
| say RV = | £142.00. |

Oral Hearing:

The oral hearing took place in Dublin on the 1st day of December 1995. Mr. O'Flynn appeared for the appellant with Mr. Ronald Moloney, Principal of T.R. Motors and Mr. Frank O'Connor appeared for the respondent. Mr. Des Feehan gave evidence in relation to his role as revising valuer and dealt with the issue of beneficial occupation. The appellant withdrew any objection to the fact that the appellant was in beneficial occupation at the relevant time for revision and the case proceeded in relation to quantum. It did emerge that the sites of many of the comparisons related to much more strategic and imposing locations. It was accepted all round that garages required parking space as a major input into their value and that this garage did not have the abundance of parking space that others had. The Denis Mahony comparison for instance scored well in relation to parking space although itself not in the very best location. Mr. O'Connor argued that the Harold's Cross location represented a gateway to many affluent areas in South Dublin which would represent a market for Mercedes motor cars. Mr. Moloney emphasised that the clearway was a great restriction on passing trade and said that most of the business carried on in the premises was that of

maintenance rather than sales. The business had been built up by the company arising from a redundancy situation in 1975 and Mr. Moloney expressed a view that if he had been starting off again he might not have chosen the particular location for the garage.

Mr. O'Flynn submitted an analysis of comparisons which are appended hereto supporting his valuation.

Findings:

The Tribunal has had regard to an analysis of the comparisons offered by the respondent and the Tribunal is inclined to have regard to the lower valuations therein to determine the NAV of the subject. The Tribunal also has had regard to the exercise carried out by the appellant involving the capital costs method and finds that both methods establish a polarity tending to reduce the valuation. A force tending to restrain the Tribunal from acceding completely to the appellant's submissions is the fact that the site is busy if not optimal in terms of the requirement for a Mercedes garage. Accordingly, having regard to all the evidence, comparisons and all the circumstances of the case and the submissions of both parties, the Tribunal determines the rateable valuation on the subject to be £200.