

Appeal No. VA98/1/012

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

**Maurice Nagle**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Garage/Filling Station at Map Reference 13Ac/2, Townland: Shronedarragh, Ward:  
Headford, Killarney, Co. Kerry  
Quantum

**B E F O R E**

**Con Guiney - Barrister at Law**

**Deputy Chairman**

**Rita Tynan - Solicitor**

**Member**

**Barry Smyth - FRICS.FSCS**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 14TH DAY OF JULY, 1999**

By notice of appeal dated the 8th January 1998, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £18 on the above described hereditament. The grounds of appeal as set out in the notice of appeal were that the "existing valuation included a garage which is now a shop - sales and margins on petrol have dropped - existing building was on road frontage - replaced by shed at rear of premises and is now mainly a store for tyres."

The appeal proceeded by way of an oral hearing that took place in the Council Chamber, Tralee Urban District Council, Tralee on the 2<sup>nd</sup> July 1999. The appellant, Mr. Nagle, appeared on this own behalf and the respondent was represented by Mr. Shay Aylward, District Valuer. In accordance with the Tribunal's Rules, the appellant and respondent had exchanged written submissions of their evidence and submitted same to the Tribunal in advance of the hearing.

### **The Property**

The Premises is a petrol filling station located on the main Killarney to Mallow Road, in the small village of Barraduff, 8 miles from Killarney.

The property comprises:

- Petrol/diesel sales forecourt covered by a canopy and having 4 supply points.  
Fuel storage capacity is 6,000 gallons petrol and 2,000 gallons diesel.
- Shop and office – used for the sale /display of car accessories and mobile phones.  
An office is located off the shop with its own entrance and does not interconnect with the adjoining dwelling and shop.
- Store – located to the rear of the adjoining grocery shop/dwelling. It is a new building of plain finish used to store new tyres and for puncture repairs.

### **Valuation History**

Prior to 1996 the parent hereditament, lot 13Ac, was described in the valuation list as “workshop, petrol tanks and yard” with a valuation of £20. On revision, following construction of a new store and the conversion of the original garage to a grocery shop, the rateable valuation of the “Shop and Filling Station” was fixed at £38.

At first appeal the valuation was divided as follows:

- |     |            |                 |        |
|-----|------------|-----------------|--------|
| (1) | Lot 13Ac/1 | Shop            | RV £20 |
| (2) | Lot 13Ac/2 | Filling Station | RV £18 |

The present appeal to the Tribunal is in respect of Lot 13Ac/2 only.

A written submission prepared by Mr. Shay Aylward B.Comm., A.C.C.A., a District Valuer with over twenty years experience in the Valuation Office was received by the Valuation Tribunal on the 23<sup>rd</sup> day of June 1999 on behalf of the respondent. Mr. Nagle, the appellant submitted two letters to the Tribunal, one dated the 8<sup>th</sup> day of June 1999 and other the 10<sup>th</sup> day of June 1999.

### **Appellant's Case**

Mr. Nagle said that sales of fuel from his petrol station have declined since 1996 due to the better mileage per gallon of modern cars and the increased numbers of diesel cars. In addition two additional petrol stations had opened in the town. He said that accepted the valuation applied to the shop, office and workshop and that the issue related to the valuation method applied by the respondent to fuel sales. In his opinion the criteria applied did not take account of the particular difficulties experienced by small stations with low fuel sales.

Under cross-examination by Mr. Aylward he agreed that his station was the first station a motorist would pass on the road from Killarney. It was also put to Mr. Nagle that his turnover was affected by the tied agreement with Burmah, his supplier, in that no sales price discounting was permitted.

In response to the Tribunal Mr. Nagle said that in his opinion a petrol station would not be self sufficient at less than 75,000 galls throughput and that he believed some allowance off the valuation of £0.04/gall should be given to stations with less throughput than that.

### **Respondent's case**

Mr. Aylward adopted his written submission and said that his valuation on the fuel sales was based on the average sales for the years 1992 to 1996 and that no potential for future years was built into his assessment.

His valuation was as follows:

Shop/office (blocks 3,4)	261sq.ft.	@	£5.00/sq.ft.	=	£1305
Workshop (block 6)	512sq.ft	@	£1.00/sq.ft.	=	£ 512
Fuel sales – say	58,000 galls.	@	£ 0.04/gall	=	£2,320
Total		=	£4,137 @ .5%	=	£20.68
			RV	Say	£18.

Mr. Aylward said that the figure of £0.04/gall represented the portion of the profit considered to be available to pay rent on the premises. He referred to his valuation and said that the rounded down figure used in relation to fuel sales, if analysed, actually produced a figure of £0.03/gall on fuel sales. Mr. Aylward said that taking all the evidence into account, including the valuations in relation to his comparisons, the valuation on the subject was low and had taken on board the concerns of Mr. Nagle.

### **Determination**

The Tribunal has considered the written submissions of both the appellant and respondent and has also considered the evidence given here today by Mr. Nagle and Mr. Aylward. The issue to be decided is the rateable valuation to be placed on the fuel sales at the filling station. The Tribunal notes that the rateable valuation for the shop/office and workshop is agreed between the parties and analyses at £9.08. The remaining RV of £18 after taking into account the RV being placed on the shop and workshop is £8.91 and this gives an NAV of £1,783. The Tribunal notes that the average sales for the years 1994, 1995 and 1996 were 56,657 gallons. Dividing the NAV of £1,783 by the figure of 56,657 gallons effectively puts a rate of £0.03 on the gallon.

The Tribunal considers that the respondent has, by placing this figure on the fuel sales, given a discount for the difficult trading which the appellant referred to. Accordingly, the Tribunal affirms the decision of the respondent and determines the rateable valuation of the subject to be £18.

