

Appeal No. VA99/3/002

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

Budget Rent a Car

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Workshop and car-park at Map Reference 25L/3, Townland: Corballis, ED: Airport, R.D.
Airport, Co. Dublin

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Fred Devlin - FRICS.ACI Arb.

Deputy Chairman

Ann Hargaden - FRICS.FSCS

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 29TH DAY OF MAY, 2000

By Notice of Appeal dated the 16th day of July 1999, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £260 on the above described hereditament.

The grounds of Appeal as set out in the said Notice of Appeal are that, "the valuation of £260 is excessive, inequitable, unwarranted and bad in law."

Oral Hearing

The hearing was held in the Valuation Tribunal Offices on the 24th day of January 2000. The Appellant was represented by Mr. Joe Bardon FSCS FRICS and the Commissioner was represented by Mr. Des Doyle, District Valuer with the Valuation Office. Both Valuers took the Oath and adopted their written submissions as their evidence in chief. The material facts, which emerged, were as follows:

1. Valuation History

The property was revised during the course of the 1998/4 Revision and rateable valuations of £60 on the buildings and £200 on the car park were assessed. A notice of first appeal was lodged with Fingal County Council by Bardon & Co, on the 1st of December 1998. No agreement was reached with the Appeal Valuer and an appeal was lodged to the Valuation Tribunal on the 16th July 1999.

2. Property Detail

The property is situated within the Dublin Airport complex, on part of the former Public Car Park Number 3, on the north side of Corballis Road south, which is the main access road leading to the arrivals and departures terminal building and is approximately 350 metres away from these areas.

3. Description

The property comprises a surfaced site, on which the Company has erected a workshop for valeting hire cars, together with a two storey reception and workshop building, kiosk, petrol pumps, fuel tank and canopy. There are approximately 120 car parking spaces and the site area, less buildings, totals approximately 31,000 sq.ft. Expenditure on the buildings was in the region of £200,000 and the RV on same has been agreed at £60. The valuation of £200, in relation to the car park and tanks, is the subject of this appeal. The property was held under a licence agreement with Aer Rianta whereby they supplied the site surfaced and fenced. Budget Rent A Car developed the buildings, canopy, petrol pumps etc, on the site, and installed the underground tanks, at their own expense, with the proviso that the

entire is handed back to Aer Rianta, after twenty years. The licence runs with effect from August 1996. There is no rent passing on this basis.

The Appellants' Case

Mr. Joe Bardon stated that this is not a commercial car park but is a facility held by car parking companies to facilitate their concession at the Airport. They received the site surfaced and fenced from Aer Rianta and developed the site further at their own cost of £200,000. In exchange they pay no rent or fee.

In the absence of a passing rent Mr. Bardon stated that he had taken the £200,000 expenditure and divided it over the twenty year term and devalued this amount by 10% and allowed for time elapsed via the Jones Lang La Salle ERV Index of June 1996, which was agreed between the parties, giving an RV of £100 (allowing for tanks at £5.50). This roughly devalued at 55p p.s.f. on the basis of 26,350 sq.ft. He stated that he had dealt with a similar facility at Shannon where this devalued at 9p, and other car hire facilities there, are valued at exactly 50% of Dublin rates, so therefore, a figure of 18p appeared appropriate for this facility.

Mr. Des Doyle then cross examined and stated that he believed the net area was 31,000 sq.ft., excluding buildings, and the net area of 26,350 sq.ft. did not reflect the correct position. Mr. Bardon stated that he would concede that the area, excluding buildings, is 31,000 sq.ft. Mr. Doyle asked then why Mr. Bardon had used car parking comparisons and not commercial valeting yard comparisons. Mr. Bardon stated he had based his valuation on the expenditure and had used the comparisons of car spaces as a back-up but that these were an information back-up rather than pure comparisons. Mr. Doyle asked whether the NAV taken at 10% of the expenditure, only reflected the buildings constructed. Mr. Bardon stated that the only guide he had to a possible rent was the expenditure incurred, as there was no licence fee or rent. He also stated that the market outside the Airport complex was a different market. The Airport is a monopoly market. When Mr. Doyle asked whether he had taken into account National Cars next door, which was valued at a higher rate, Mr. Bardon said that an appeal had not been lodged and, in his view, therefore, it did not indicate that this is a fair NAV.

The Respondents' Case

Mr. Doyle stated that this is a commercial car valeting yard, generally valued on a square footage basis and not on a per space basis. He had valued 31,000 sq.ft. at £1 p.s.f. His comparisons reflected £1 and £1.20 p.s.f. and 76p p.s.f. for undeveloped land. In cross-examination, Mr. Doyle accepted that there should be an adjustment for circulation, but, if there were to be a 15% reduction, he would claim that the rate p.s.f. should be higher. He stated that although this is on the site of a former car park, it is to be valued on a compound basis and that the property must be taken as it is found. Mr. Bardon then queried him on his comparisons and stated that it would be unfair to use comparisons which are under appeal and that his comparison at 76p p.s.f. was a 1999 rent and did not reflect 1988 rates. He also stated that his comparison outside the Airport, was less valuable as a comparison and Mr. Doyle agreed. Mr. Doyle accepted that he had to assess the rent on the basis of Section 11 of the 1852 Act and regard must be had to rents agreed between Aer Rianta and operators and most probably, rents would be higher in the Airport.

Submissions

Mr. Doyle then made his submission and stated that the property should be valued as a valeting yard and not on a car space basis. He stated that Mr. Bardon had no comparisons to support the yard basis other than a simplistic line through expenditure incurred. His comparisons take into account similar uses, which establish the tone of the list.

Mr. Bardon stated that there was great emphasis previously placed by the Tribunal on rents and there is no available rental evidence, so he has interpreted the arrangement in place, loosely, to arrive at the rent. He stated that he is not valuing it as a car park but valuing it as a yard.

Tribunal Determination

The Tribunal accepts that the property is to be valued as a valeting yard and not as a car park. It also accepts that some adjustment must be made for circulation to arrive at the net amount of available space and taking into account Mr. Doyle's comparisons, on this basis, the Tribunal determines the Rateable Valuation of this hereditament as follows:-

1) Rateable Valuation of buildings		= £60
2) Rateable Valuation of tanks	Say	= £5
3) Undeveloped Portion of site	- 31,000 sq.ft.	
Less 15% for circulation	- 26,350 sq.ft.	
NAV - 26,350 @ £1.00 per sq.ft.		= £26,350
Rateable Valuation @ 0.63%		<u>= £166</u>
Total Rateable Valuation		= £231.00