

Appeal No. VA14/4/026

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

Ravensdale Lodge

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In Relation to the Issue of Quantum of Valuation in Respect of:

Property No. 2214146, Equestrian Centre, At Lot No. 14B.15.6.12B/1 Anaverna,,
Ravensdale, Dundalk, Co. Louth.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH JUNE 2017

BEFORE

Niall O Hanlon – B.L.

Deputy Chairperson

Rory Hanniffy – B.L.

Member

Claire Hogan – B.L.

Member

By Notice of Appeal received on the 23rd day of December 2014 the Appellant appealed against the determination of the Respondent in fixing a net annual value of €175 on the above described property (hereafter “the Subject Property”) on the grounds as set out in the Notice of Appeal as follows:

“The valuation is incorrect. There are no properties comparable to the subject property, as an equestrian centre, valued within the rating area. We believe in order to value the property correctly it should be valued by reference to section 49 (2b), and not by reference to the list outside the rating area as the Commissioner suggests.

Estm NAV is excessive in view of the actual location and size of the subject property. The buildings are extensive and basic in type and located in a very rural area. This is an agri-farm type business with a very low value and the hypothetical tenant would take this into account in assessing his rental bid.”

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 17th of November, 2016. Mr. Eamonn Halpin B.Sc. (Surveying), M.R.I.C.S., M.S.C.S.I., of Eamonn Halpin & Co, appeared on behalf of the Appellant; Ms. Grainne O’Neill B.L., instructed by the Chief State Solicitor, appeared on behalf of the Respondent.

The Issues Arising

Two issues arise for decision in this appeal; *firstly*, the proper interpretation of the provisions of section 49 (2) (b) of the Valuation Act, 2001, (hereafter “the Act”), and; *secondly*, the net annual value of the Subject Property.

The Subject Property

The Subject Property is an equestrian centre in Ravensdale, Co. Louth. The total area of the Subject Property was agreed by the parties to be 2,583.59 square metres.

In the Notice of Appeal to the Tribunal, the Appellant sought a valuation of €73. The method by which this amount was arrived at was not set out in the said Notice; however, in the earlier Appeal Application to the Respondent the Appellant also argued for a valuation of €73, arrived at firstly by applying a rate of €6.83 per square metre to an area of 2,540 square metres, then applying a discount for quantum, of 15%, to the figure thus arrived at, and thereafter, multiplying the resultant figure by 0.5%. The answer thus obtained was rounded down to an amount of €73.

However, in his evidence before the Tribunal, Mr. Halpin advanced three alternative methods for valuing the Subject Property; *firstly*, what was described as the “1988 Capital Value” giving a figure of €71 (this method used a different rate per square metre to the rate set out in the Appeal Application); *secondly*, what was described as the “1988 Construction Cost” giving a figure of €106, and; *thirdly*, what was described as the “1988 Tone of the List (as adduced from comparisons outside the Rating area)” giving a figure of €105.

When asked by the Tribunal, Mr. Halpin indicated that the first method was being advanced in preference to the others and that, accordingly, he was seeking a valuation of €71. Under this method the agreed area of the Subject Property was multiplied by a rate of, in effect €5.50 per square metre, giving rise to a net annual value of €14,209. Thereafter the net annual value was multiplied by 0.5%. The resultant figure was rounded down to €71.

The Respondent argued for a figure of €175. This was arrived at by applying a rate of 13.67 per square metre to the main arena, which has an area of 2,300.69 square metres, a rate of €17.08 per square metre to the offices, which have an area of 86.24 square metres, and a rate of €10.25 per square metre to the remainder of the Subject Property, which comprises a store, stables and judge’s boxes. The sum of the amounts thus obtained gave rise to a net annual value of €34,939.18. A rate of 0.5% was applied to the net annual value and the resulting figure was rounded up to €175.

The Legal Issue

It was common case between the parties that there were no comparable properties within the rating area in which the Subject Property is located and that, accordingly, the Property fell to be valued in accordance with the provisions of section 49 (2) (b) of the Act. However, the parties differed on what constituted a permissible comparison property, the Appellant taking a contrary position to the Respondent and arguing that the provisions of section 49 (2) (b) prohibit the use of comparable properties outside the rating area in which the Subject Property is located.

The Relevant Statutory Provisions

Section 49 (2) (b) of the Act provides:

“For the purposes of subsection (1), if there are no properties comparable to the first-mentioned property situated in the same rating authority area as it is situated in then—

...

(b) in case an existing valuation list is in force in relation to that area, the determination referred to in subsection (1) in respect of the first-mentioned property shall be made by the means specified in section 48 (1) and by reference to the net annual values of properties (as determined under the repealed enactments) on 1 November 1988, but the amount estimated by those means to be the property’s net annual value shall, in so far as it is reasonably practicable, be adjusted so that the amount determined to be the property’s value is the amount that would have been determined to be its value if the determination had been made immediately before the commencement of this Act”

Subsection (1), of section 49, makes it clear that references, in subsection (2), to the “*first-mentioned property*”, are to be read as references to a “*relevant property*”.

The Submissions of the Parties

Mr. Halpin, on behalf of the Appellant, asserted that the provisions of section 49 (2) (b) prohibited the use of comparable properties outside the rating area in which the Subject Property is located; however, Mr. Halpin did not advance any analysis of the wording of subsection (b), nor did he advance any authorities, in support of this position.

Counsel for the Respondent, Ms. O’Neill, argued that section 49 (2) (b) did not have the effect contended for by the Appellant and she referred to two decisions, *Square Management Ltd. v. Commissioner of Valuation VA/10/3/020* and *East Coast Catering (Ireland) v. Commissioner of Valuation VA14/4/014*, where the Tribunal, in construing the provisions of section 49 (2) (a) of the Act, held, in effect, that it was permissible to consider properties in other rating authority areas. Ms. O’Neill drew the attention of the Tribunal to the similarity between the wording of section 49 (2) (a) and section 49 (2) (b).

The Tribunal is not persuaded by the Appellant’s assertion that the provisions of section 49 (2) (b) prohibit the use of comparable properties outside the rating area in which the Subject Property is located.

Having reached this conclusion, the Tribunal notes that, notwithstanding the Appellant's assertion, Mr. Halpin, in his written precis of evidence, referred to what he described as five comparison properties, which were outside the rating area in which the Subject Property was located, namely equestrian centres in counties Wexford, Mayo, Cork, Carlow and Roscommon.

The Issue of Quantum

The Tribunal is not persuaded by the evidence adduced on behalf of the Appellant that a rate of €5.50 per square metre is an appropriate one to apply in arriving at the net annual value of the Subject Property. In reaching this conclusion the Tribunal notes that in none of the comparison properties advanced on behalf of the Appellant was an overall rate of €5.50 apparent.

Further, the Tribunal is not satisfied that an overall rate is appropriate given that many of the comparison properties were, in common with the Subject Property, made up of different components valued at different rates. Any overall rate would vary depending upon the relative sizes of the different components and the Tribunal is not satisfied that such a rate is meaningful for valuation purposes.

Accordingly, the Tribunal upholds the net annual value advanced by the Respondent in respect of the Subject Property and, in consequence thereof, the rateable valuation of €175.

And the Tribunal so determines.