

Appeal No: VA19/4/0031

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**NA hACHTANNA LUACHÁLA, 2001 - 2020
VALUATION ACTS, 2001 - 2020**

North West Agri Supplies

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the valuation of

Property No. 5019384, Unit 9 GWI Business Park, Collooney, County Sligo.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 25 TH DAY OF JULY 2022**

BEFORE

Donal Madigan - MRICS, MSCSI

Deputy Chairperson

1. THE APPEAL

1.1 By Notice of Appeal received on the 6th day of November, 2019 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value ‘(the NAV’) of the above relevant Property was fixed in the sum of €29,600.

1.2 The sole ground of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 28 (4) of the Act because: *“The Nature of our business is providing the community with a service to the farming and surrounding area at a very low margin on animal feeds. As I stated to David Colhoun from the valuation office that we would not be in a position to pay or support such a demand. Our business is unique to the surrounding business that we are among, either side of us the premises are empty and have been for the last 15 years. We only took up occupancy due to a fortunate agreement with the landlord as it too was empty for many years. Any such fees would guarantee closure as the nature of our business is unique.”*

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €6,650 (but see also below under Section 7.1).

2.

2. RE-VALUATION HISTORY

2.1 On the 18th day of September, 2019 a copy of a valuation certificate proposed to be issued under section 28(6) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €29,600.

2.2 A Final Valuation Certificate issued on the 31st day of October, 2019 stating a valuation of €29,600.

2.3 The statutory valuation date (base date) for Sligo County Council is 30th October, 2015.

3. DOCUMENT BASED APPEAL

3.1 The Tribunal considered it appropriate that this appeal be determined on the basis of documents without the need for an oral hearing and, on the agreement of the parties, the Chairperson assigned the appeal to one member of the Tribunal for determination.

3.2 In accordance with the Tribunal's directions, the parties exchanged their respective summaries of evidence and submitted them to the Tribunal.

4. FACTS

From the information submitted by the parties the following are the basic facts:

4.1 The property is situated in the GWI Business Park just East of Collooney town and the N4;

4.2 The property comprises of a mid terrace unit in a terrace of modern industrial type units, believed to have been built in the early 2000s and which has a glass fronted display for a showroom to the front and roller shutter for access to rear warehouse, which is built on a steel frame with a pitched double skin roof;

4.3 The property is occupied as an agricultural supplies outlet with ancillary stores;

3.

4.4 The following is a summary of the accommodation, as valued:

Ground Floor	Showroom	240.00m ²
	Store	893.15m ²
Mezzanine	Office	<u>27.95m²</u>
	Total:	1,161.10m ²

The Appellant estimates the retail area at 235.5m² and remainder at 900.00m² (total 1,135.5m²) but does not show plans/calculations to indicate that the Respondent's areas are incorrect, albeit the overall difference is small.

5. ISSUES

The issue in dispute is the quantum of the valuation.

6. RELEVANT STATUTORY PROVISIONS:

6.1 All references hereinafter to a particular section of the Valuation Act 2001 ('the Act') refer to that section as amended, extended, modified or re-enacted by the Valuation (Amendment) Act, 2015.

6.2 As this is a Revision type appeal, the value of the property falls to be determined for the purpose of section 28(4) of the Valuation Act, 2001 (as substituted by section 13 of the Valuation (Amendment Act, 2015) in accordance with the provisions of section 49 (1) of the Act which provides:

“(1) If the value of a relevant property (in subsection (2) referred to as the “first-mentioned property”) falls to be determined for the purpose of section 28(4), (or of an appeal from a decision under that section) that determination shall be made by reference to the values, as appearing on the valuation list relating to the same rating authority area as that property is situate in, of other properties comparable to that property.

7. APPELLANT'S CASE

7.1 The Appellant, Mr. Gallagher, as outlined by him in a written submission dated 15th November 2021, contended for a reduced valuation (which, on the Notice of Appeal is given as € 6,650 and a further entry below that of € 1,500) because, as he submits, in summary, that the subject property is located in an industrial park with no other retail shop nearby. He goes on to say that it is the only Agri Retail Store within a 10km radius. He states that the business is located on the outskirts of Collooney, which is a small town 10kms East of Sligo town. He contends that Collooney is not a shopping town with just two supermarkets and is a hub for car sales garages and a pharma company.

7.2 He further submits that this unit is situated off the main road, (the N4), in at the back of an industrial park, that has no other retail unit. This industrial park, he says, is not on the main thoroughfare and so does not depend on passing trade. Therefore, he submits there are no other retail shops to attract footfall and thus the property solely depends on his products to attract customers. As the customers are mainly farmers, the business is seasonal and weather dependent. The products are low margin and, with the continuous rise in agri feed prices which has seen four increases in the last four months, and, furthermore, with fuel and energy prices constantly increasing, he considers that there could be at least another 2 or 3 increases on same to come. This is in addition to general price increases across all his product ranges and that the ongoing struggles of farmers continues to impact on his profit margin. It is a small commercial unit and the shop area is 235 sq. metres.

7.3 Mr. Gallagher does not provide a breakdown of any calculation for a revised valuation nor does he reference any comparable assessments from the Valuation List in support of such a lower valuation.

7.4 Mr. Gallagher referred in his submission to maps of the unit, a letter from Solicitors based in Sligo dated 30th January, 2019 referring in turn to a lease and copies of part of that undated and unstamped (but signed) lease in which is outlined a rent of € 20,000 per annum for the first twelve months and thereafter € 25,000 per annum but no commencement date. The information from the lease is unfortunately incomplete to be able to place reliance on it and, in any event, is not conclusive or determinative in a revision type appeal.

8. RESPONDENT'S CASE

8.1 Mr. David Colhoun, Valuer, for the Respondent contended for a Net Annual Value (NAV) valuation of € 29,600 which he computed as follows:

Ground Floor	Showroom	240.00m ² @ € 30.00 per m ²	7,200.00
	Store	893.15m ² @ € 25.00 per m ²	22,328.75
Mezzanine	Office	<u>27.95m² @ € 5.00 per m²</u>	<u>139.75</u>
		1,161.10m ²	29,668.50

rounded to NAV € 29,600.

8.2 In support of his valuation he relies on five comparable assessments of Net Annual Value (NAV) from the Valuation List, briefly summarised as follow

(a) PN 1993838 Unit 6 GWI Business Park, Collooney

This is a unit of 1,414m² comprising warehouse and offices in the same development as the subject property which is assessed at the NAV of € 35,300 which reflects unit value rates per square metre of € 25.00.

(b) PN 2112627 Unit 2 GWI Business Park, Collooney

This is a unit of 1,087.20m² comprising a warehouse in the same development as the subject property which is assessed at the NAV of € 27,180 which reflects a unit value rate per square metre of € 25.00. [Correction applied by Tribunal to NAV figure in Respondent's Precis but analysis remains valid at € 25.00 per m²]

(c) PN 2112629 Unit 3 GWI Business Park Collooney

This is a unit of 2,192.40m² comprising a store in the same development as the subject property which is assessed at the NAV of € 54,800 which reflects a unit value rate per square metre of € 25.00.

(d) PN 2192748 Unit 4 GWI Business Park Collooney

This is a unit of 310.38m² comprising a showroom and workshop in the same development as the subject property which is assessed at the NAV of € 9,480 which reflects unit value rates per square metre of € 30.00 (Workshop) and € 36.00 (Showroom).

6.

(e) PN 2214272 Unit 8 Collooney Business Park, Collooney

This is a unit of 1,032.20m² located in a nearby development approx.. 200 metres East of the subject property which is assessed at the NAV of € 40,200 which reflects unit value rates per square metre of € 25.00 (both warehouse and offices and € 90.00 (Clean Rooms-Pharma/Medical).

8.3 Mr. Colhoun confirmed, in regard to his comparable evidence set out above, that none were the subject of initial representations against the valuations assessed by the Valuation Office and neither were any subject to appeal.

9. SUBMISSIONS

There were no legal submissions in this case.

10. FINDINGS AND CONCLUSIONS

10.1 On this appeal the Tribunal has to determine the value of the subject property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Sligo County Council.

10.2 Mr. Gallagher has made several points concerning issues ranging from affordability of the rates to the isolated nature of the unit; lack of profile to attract passing trade; challenges for his customer base; lack of retail units to attract footfall; general price increases and the rent of the unit. Whilst sympathetic to any ratepayer incurring such challenges, the jurisdiction of the Tribunal is confined in this type of appeal to consider that the subject property has been fairly assessed in line with comparable properties in this location on the Valuation List. (Section 6.2 of this Determination above)

10.3 Mr. Gallagher has not offered any comparable assessments of Net Annual Value of other properties to show that the subject property is incorrectly assessed.

10.4 Mr. Colhoun, for the Respondent, has produced five comparable properties from the immediate area, four of which are in the same development and one is in the general vicinity of the subject property, which range in size from 310.38m² to 2,192.40m² of broadly similar units which clearly indicate levels of unit values applied in tandem with the valuation of the subject unit. The base value for warehouse/industrial space is uniformly adopted at € 25.00 per m² and consequent on that, the unit value rate of € 30.00 per m² for the retail/showroom space is in line with, though below, his comparator at 8.2.(d) or alternatively, reasonable in relativity at a premium of 20% to the base warehouse rate of € 25.00 per m². The mezzanine rate at € 5.00 per m² is a nominal figure and not material to the overall valuation, which in the absence of any contrary evidence of other assessments appears reasonable too.

10.5 In the absence of comparable properties being put forward by the Appellant, Mr. Gallagher, to show that the subject property has been incorrectly assessed, he has failed to prove his case in this appeal and, accordingly, as the onus in rating appeals rests with the Appellant to show that the Respondent's valuation is incorrect, the decision must be that he has not discharged the task set by sec. 35(a) (i) of the Valuation Act 2001, as amended, and the valuation must remain unaltered.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal disallows the appeal and confirms the valuation of the Respondent at € 29,600.