

**Appeal No: VA19/5/1268**

**AN BINSE LUACHÁLA  
VALUATION TRIBUNAL**

**NA hACHTANNA LUACHÁLA, 2001 - 2015  
VALUATION ACTS, 2001 - 2015**

**Crossvale Management**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

**In relation to the valuation of**

Property No. 1281350, Workshop at 25C Coes Road Industrial Estate, Dundalk, County Louth.

**B E F O R E**

**Majella Twomey - BL**

**Deputy Chairperson**

**Gerard O Callaghan - MRICS, MSCSI**

**Member**

**Peter Stapleton - FSCSI, FRICS, Dip Arb**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 12<sup>th</sup> DAY OF APRIL, 2023**

**1. THE APPEAL**

1.1 By Notice of Appeal received on the 14<sup>th</sup> day of October, 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 €37,800.

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 19 (5) of the Act because:

*“The valuation is excessive for the following reasons;*

- i. The Commissioner of Valuation does not have appeared to have taken into account the rental levels achieved for individual units in this old industrial complex.*
- ii. The area of the property is incorrect and,*
- iii. The valuation levels are excessive in comparison to the tone of the list.”*

1.3 The Appellant, in the Notice of Appeal considered that the valuation of the Property ought to have been determined in the sum of €6,000. However, at hearing, the Appellant’s representative said that an NAV of €30,500 would be fair for the stores.

## **2. REVALUATION HISTORY**

2.1 On the 15<sup>th</sup> day of March, 2019 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €37,800.

2.2 A Final Valuation Certificate issued on the 10<sup>th</sup> day of September, 2019 stating a valuation of €37,800.

2.3 An appeal was lodged with the Tribunal on the 28<sup>th</sup> of November 2019.

2.3 The date by reference to which the value of the property, the subject of this appeal, was determined is the 15<sup>th</sup> day of September, 2017.

## **3. THE HEARING**

3.1 The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 12<sup>th</sup> day of October, 2022. At the hearing the Appellant was represented by Mr. Martin O’Donnell FRICS, FSCSI of CBRE and the Respondent was represented by Ms. Tanya Vasileva of the Valuation Office.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

## **4. FACTS**

4.1 From the evidence adduced by the parties, the Tribunal finds the following facts.

4.2 The floor areas are agreed as follows : Workshop- 666.40 m.sq, portacabin office - 28.20 m.sq, and yard - 239.14 m.sq.

4.3 The unit is a detached workshop of steel frame construction with walls of approximately 1.6 metres and side cladding. There is a portacabin office.

4.4 The roof is single skin cladding.

4.5 There is a yard to the front of the building containing three steel containers. The subject property is fenced.

## **5. ISSUES**

5.1 The sole issue is quantum.

## **6. RELEVANT STATUTORY PROVISIONS:**

6.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably be expected to let from year to year, on the assumption that the probable annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

## **7. APPELLANT’S CASE**

7.1 Mr O Donnell adopted his precis of evidence and gave evidence on behalf of the Appellant. He said that the subject property is part of a purpose-built industrial complex. Up to 2005, United Beverages operated a bottling plant on the entirety of the property. Mr O Donnell said that the units in this estate cannot attract the same rates as any other industrial estate. It does not have a roadside profile and must be entered through a low-profile entrance. There was a vacancy rate of 50% for Coes Road Industrial Estate at the relevant valuation date.

7.2 The Appellant’s agent described the subject property as a dirty workshop for repairing trucks. He said that it was functional and has the advantage of a good yard space.

7.3 He said that there were containers in the yard, but these should not be included in the valuation.

7.4 Furthermore, Mr O Donnell said that the yard should not be included as it was circulation space and not a store yard.

7.5 Mr O Donnell said that cars are not stored in the yard. He said that employees parked their cars there. His evidence was that a truck repair business is run from the property.

7.6 He referred to the Valuation Tribunal decision in relation to– *VA19/5/1061- PN 2194610*). He said that the subject property is similarly located to this unit, which he referred to as Unit 5. He said that the Tribunal decided on a reduction in the rate per square metre in that Judgment from €50 to €45. It was stated that Unit 5 is a stand-alone unit with significant yard space and it has a floor area of 533.62. Mr O Donnell said that Unit 5 property had access to significant yard space.

7.7 It was Mr O Donnell’s case this industrial estate was different to any of the comparators put forward and most of the surrounding units are lying vacant. He referred to the fact that some of the other units were paying €20.73 to €29 per m.sq. Mr O Donnell referred to KRTs. However, Mr O Donnell did not put forward clear evidence of any KRT comparators in relation to these properties. While he did say, in oral evidence, that Unit 7 was being rented in 2017, at a rate of €32.84 per sqm, there was no documentary evidence of this. Mr O Donnell did not update the Tribunal with information in relation to any current market rents.

7.8 The Appellant put forward three NAV, one of the list, comparators. These are set out hereunder.

**NAV Comparison No.1:**

7.9 PN 2194610, is Unit 5, Coes Road East and is a workshop, offices and stores. The industrial workshop is rated at €45 euro per square metre, following a Valuation Tribunal determination. Mr O Donnell submitted that this property is a standalone property and does not form part of the main unit, yet the location is similar to the subject property.

**NAV Comparison No.2:**

7.10 PN218850 is a showroom and store in the North Link Business Park. This property has a NAV of €60 per sqm for showroom and €50 per sqm for the stores. Mr O Donnell said that the said property is significantly superior to the subject property and benefits from an excellent location at the entrance to the North Link Business Park with excellent profile onto the Coes Road. Mr O Donnell referred the Tribunal to a photograph of this building which showed a modern, high specification property.

**NAV Comparison No. 3:**

7.11 The third Nav comparator put forward by Mr O Donnell was a workshop in Blackthorn business park on the Coes Road East. The NAV for the workshop is €55 per sqm. Mr O Donnell said that this property was significantly superior to the subject property and benefits from a profile onto the Coes Road.

**8. RESPONDENT'S CASE**

8.1 Ms Vasileva gave evidence on behalf of the Respondent and adopted her precis of evidence.

8.2 In her evidence, she explained that the valuation of €50 per m.sq was applied to the workshop and portacabin office and €5 per m.sq was applied to the yard to arrive at an NAV of €37,800. However, she stated that after further consideration and inspection of the subject, she proposed a lower NAV of €35,400. The reason for this was due to suggested, amended floor areas.

8.3 She said that Unit 10 is a gated property and has a fence. She said the title is leasehold and the lease was €28,200 per annum plus and annual service charge for the common areas of €1,410. The lease commencement date was the 1<sup>st</sup> of August 2007, and it is on a month to month basis.

8.4 It was her evidence that the yard was, in fact, used for as a car park for the business. She said that the car parks are used for storage of vehicles.

8.5 Ms Vasileva also referred to the two containers which she said were used for storage. She said that Unit 5 is very old and that Unit 10 has a single clad roof.

8.6 A number of KRT comparators were put forward by Ms Vasileva. These are set out below and referred to more fully in the Appendix (n/a to public)

**KRT Comparators:**

8.7 **KRT 1** – This is a property in Drogheda Industrial Park, with a floor area of 238.34 m.sq. There is a 5 year lease, which commenced on the 1<sup>st</sup> of January 2017. The rent per annum is €15,000. The NER devalues at €57 per m.sq for the warehouse and €22.80 for the offices. This is located 37 km from the subject. It is a modern mid -terrace unit, with concrete block walls and cladding and double skin roof.

8.8 **KRT 2** – This is a property located in M1 Retail Park, Drogheda, Co. Louth. There is a floor area of 390.37 m.sq and it has a 10 year lease. The rent per annum is €33,500, giving an NER of €59.80 for the workshop, €6 for the yard and €12 for the store. The property is located in Drogheda town centre and is 34 km south of the subject. It is a modern workshop with double cladding skin.

8.9 **KRT 3** - A property with a floor area of 379.80 m.sq, situate in Dundalk , Co. Louth. It has a one year lease for €15,600. The NER devalues at €43.80 per m.sq for the showroom and €36.50 for the store. This property is situated in Dundalk town. It is an old industrial unit with a showroom and store.

#### **NAV Comparators:**

##### **NAV comparison No.1:**

8.10 The first NAV comparator was PN 1281325, situated in Coes Road Industrial Estate, Dundalk. This has a floor area of 332.91 and an NAV of €16,640. This devalues at €50 per m.sq for the workshop and €50 per m.sq for the store.

##### **NAV comparison No.2:**

8.11 The second NAV was a property in North Link Business Park, Dundalk, Co. Louth. This has a total floor area of 230.58 per m.sq. It has a NAV of €50 per m.sq for the store. It is categorised as an industrial unit.

##### **NAV comparison No.3:**

8.12 NAV comparator no.3 is a vacant property on the Coes Road Industrial Estate. It has a floor area of 709.99 per m.sq, with an NAV of €55 per m.sq for the warehouse and €55 per m.sq for the office. It is an industrial unit with use as a warehouse. It is a modern unit.

##### **NAV comparison No.4:**

8.13 NAV no. 4 is situated in Drogheda Industrial Estate and has a floor are of 444.69 per m.sq. It has an NAV of €50 per m.sq for the warehouse and €10 for the store. It is 38 km from the subject and is categorised as industrial with use as a warehouse.

##### **NAV comparison No.5:**

8.14 NAV no.5 is located in The Brewery Business Park, Dundalk. It has an total floor area of 271.4 per m.sq, with an NAV of €22 per m.sq for the portacabin and €5 for the yard.

##### **NAV comparison No.6:**

8.15 The final NAV is PN 1281351, located at Coes Road Industrial Estate. It has a floor are of almost 3000 m.sq. The NAV for the workshop is €45 per m.sq, with €9 for the steel container and €4.5 for the yard.

## **9. SUBMISSIONS**

9.1 No legal submissions were made.

## **10. FINDINGS AND CONCLUSIONS**

10.1 On this appeal the Tribunal has to determine the value of the 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 Co. Louth.

10.2 The Appellant and the Respondent put forward a number of comparators , both NAV and KRT.

10.3 The Tribunal has assessed the KRTS put forward by the Respondent and finds that the weight to be attached to them is minimal in circumstances where they are all located at a distance from the subject, either in Dundalk or Drogheda.

10.4 The Tribunal finds that the Appellant's second and third NAV comparators are significantly superior to the subject property. PN218850 is a showroom and store in the North Link Business Park. The Tribunal has seen photographs of this property and finds that it is superior in specification and benefits from a better location to the subject property, at the entrance to the North Link Business Park with a good profile onto the Coes Road. The photographs of this building show a modern, high spec property, in contrast to the subject property, which is a workshop. The third Nav comparator put forward by Mr O Donnell was a workshop in Blackthorn business park on the Coes Road East, where the NAV for the workshop is €55 per sqm. The Tribunal has also had the opportunity of seeing photographs of the said property and accepts that it is significantly superior to the subject property in terms of construction and specification and benefits from a profile onto the Coes Road.

10.5 Of the Respondent's NAV comparators, the Tribunal finds that the most useful are workshops situated in the Coes Road Industrial Estate. The first NAV comparator was PN 1281325, situated in Coes Road Industrial Estate, Dundalk, 750 metres from the subject property. This has a floor area of 332.91 and devalues at €50 per m.sq for the workshop and €50 per m.sq for the store. The Tribunal finds that this is slightly superior to the subject as it is not located within the restrictive area of Coes Business Park. The Respondent's NAV comparator no.3 is a vacant property on the Coes Road Industrial Estate, some 350 metres from the subject property. It has a floor area of 709.99 per m.sq, with an NAV of €55 per m.sq for the warehouse and €55 per m.sq for the office. It is an industrial unit with use as a warehouse. It is a modern unit. The Tribunal finds that it has the benefit of not being within Coes Business Park and the photographs of this property show it to be of higher specification than the subject property. It has double skin cladding with a double skin cladding roof.

10.6 The final useful NAV put forward by the Respondent is PN 1281351, located at Coes Road Industrial Estate. It has a floor area of almost 3000 m.sq. The NAV for the workshop is €45 per m.sq, with €9 for the steel container and €4.5 for the yard. The Tribunal finds that this is a useful comparator, in terms of location and use, albeit the floor area is much bigger than the subject property.

10.7 Having assessed all of the comparators, the Tribunal finds that the most useful comparator for its purposes is Unit 5, PN2194610. This is also a standalone workshop in the Coes Business Park. Furthermore, the Valuation Tribunal *VA19/5/1061*, has issued a decision in respect of

this property. The said decision refers to the fact that the property has no real profile and a single skin asbestos roof. In that case both surveyors described the subject property as an industrial workshop. The Tribunal found that the characteristics of the property placed it in the category of a basic workshop. Ultimately, the Tribunal found that a unit value rate of €45 per m.sq was appropriate to apply.

10.8 The Appellant himself said that the subject property was similar to PN2194610 as it is essentially a workshop in the same business park. The Appellant, however, sought a reduction on the basis of nearby KRTS. However, no clear evidence relating to the purported KRTS was produced. The Tribunal, having weighed and evaluated all of the evidence before it, finds that the subject property is similarly circumstanced to PN 2194610. It is a standalone unit in the same business park, surrounded by a yard and is also being used as a workshop. There is no evidence before the Tribunal to suggest that a reduction from €45 per m.sq should apply. Therefore, the Tribunal finds that an NAV of €45 per m.sq should also apply to the workshop.

10.9 The Tribunal notes that there is portacabin onsite which is used as an office and this should be valued at a rate of €20.00 per m.sq at 28.80 m.sq.

10.10 Finally, the Tribunal finds that a rate of €5 per m.sq should be applied to 50% of the yard as the Tribunal finds that while some vehicles might be stored here that it is mostly used as a circulation yard.

**DETERMINATION:**

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €31,150

<b>Area</b>	<b>M.SQ</b>	<b>NAV</b>	<b>Total</b>
Workshop	666.40	€45	€29,988
Portacabin	28.20	€20	€564
Yard @50%	119.57	€5	€597.85
<b>Total</b>			<b>€31,149.85 SAY €31,150</b>

**And so the Tribunal determines.**