

Appeal No: VA19/5/1541

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

Auldstone Crafts Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the valuation of
Property No. 5016182, Retail (Warehouse) at Coolnaleen, Camolin, County Wexford.

B E F O R E

Majella Twomey - BL

Deputy Chairperson

Raymond J. Finlay -FIPAV, MMII, ACI Arb, TRV, MCEPI, PC **Member**

Sarah Reid - BL

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 23RD DAY OF JUNE, 2023

1. THE APPEAL

- 1.1 By Notice of Appeal received on the 11th 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 €39,600.
- 1.2 The grounds 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 :

“1. The Valuation Office did not have sufficient regard to the use and the property is not classified correctly.

2. The Valuation Office did not have sufficient regard to NAV of similar properties/ elements of properties in the vicinity of the subject property area.

3. The Valuation Office did not have sufficient regard to Market dynamics in the Wexford Area for similar properties.

4. The Valuation Office did not have sufficient regard to the location of the subject property in a small rural village that caters for the local hinterland.

5. Camolin doesn't have a significant rental market for such properties and is in the shadow of two of the county's largest towns in Enniscorthy to the south and Gorey to the north.”

- 1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €26,500.

2. REVALUATION HISTORY

- 2.1 On the 15th 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 €39,600.
- 2.2 No representations were made and a Final Valuation Certificate issued on the 10th day of September 2019 stating a valuation of €39,600.
- 2.3 The date by reference to which the value of the property, the subject of this appeal, was determined is the 15th day of September 2017.

3. THE HEARING

- 3.1 The Appeal proceeded by way of an oral hearing held remotely on the 27th day of October, 2022. At the hearing the Appellant was represented by Mr. Andrew Carberry MSCSI, MRICS, RV of Power Property and the Respondent was represented by Mr. Martin O'Donnell 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.

3.3 Thereafter on 9th March 2023 the Tribunal conducted a site inspection of the Property and grounds.

4. FACTS

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

4.1 The Subject Property is located on the southern end of main street in Camolin approximately 12 kms from Gorey and 17 kms from Enniscorthy. The Subject Property is located immediately adjacent to another commercial retail premises and benefits from car parking space and side access for commercial vehicles and deliveries.

4.2 The Subject Property floor areas are agreed as follows:

Area	Use	Area sq.m
Front unit	Retail Warehouse/ Showroom	193.64
Rear unit	Workshop	804.46
	Yard	1,050.89
	Plant/ Other	64
	Total	2112.99

4.3 The Subject Property consists of a purpose-built, standalone showroom constructed in 2019, that faces onto the main road in Camolin. There is a separate building used as a workshop to the rear comprising storage, machine operations and WC services. Both the front and rear structures can be accessed independently of each other and there is a gate that can be closed, excluding access from the main road to the rear unit. There is a shared car park entrance.

- 4.4 The Subject Property is currently in use as a specialist stone merchant enterprise and the front unit comprises of high-quality showroom displays along with office accommodation and WC services. The rear unit / workshop comprises a steel frame building with double skin walls and roof with 6.5 metre eaves height. There are two roller shutter doors on the rear building, and it houses two 2-ton gantry cranes internally. The property has a concrete yard to the northern side of the property and a hardcore yard to the rear.
- 4.5 The property was granted planning permission in 2015 to build on the site of a listed domestic dwelling which was intended to be converted into office use, but same has not been undertaken. The showroom / front unit of the Property has an incomplete mezzanine floor and remains unfinished and unused. As a result of the condition and use of these two elements of the Subject Property, they were excluded from calculation and/or valuation of the Property.

5. ISSUES

- 5.1 The Appellant's grounds of Appeal are set out above. A core point of contention was that the Subject Property was unfairly valued and classified when compared to its immediately adjoining commercial neighbour which is valued at a lower showroom rate notwithstanding its similarity to the Subject. In addition, the Appellant maintained that insufficient regard was had to the poor location of the Subject Property with limited passing trade given the M11 extension which by-passes Camolin town. For reasons outlined below, the Appellant contended for a valuation as follows:

Floor	Use	Area m2	NAV €/sqm	Total NAV
0	Workshop	804.46	€27	€21,720.42
0	Showroom (Industrial)	193.64	€32.40	€6,273.94
0	Yard (Concrete/ tarmac)	1050.89	€2.70	€2,837.40
	Plant/ Other	65	€3.04	€197.60
			Total NAV: (Rounded)	€31,029.36 €31,000

- 5.2 The Respondent maintained that the NAV calculation, applied to the Property, should stand as per the Certificate of Valuation being:

Floor	Use	Areq sq.m	NAV per sq.m	NAV
0	Workshop	804.46	€40.00	€7,745.60
0	Showroom (Industrial)	193.64	€35.20	€28,316.99
0	Yard (Concrete/ tarmac)	1050.89	€3.20	€3,362.85
				€197.60
			Total NAV (Rounded)	€39,623.04 €39,600

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 The Appellant was represented by Mr. Carberry who adopted his précis and described the property and location in Camolin, Wexford.
- 7.2 In furtherance of his first ground of Appeal, Mr. Carberry contended that the Subject Property was incorrectly classified in that the front/ showroom element of the Property

was classified as ‘retail warehousing’ when there was no retail transactions conducted therein. In addition, he argued that the Respondent’s classification of the rear unit /workshop as ‘warehouse’ was also incorrect as its dominant use was manufacturing raw materials, as demonstrated in the photos before the Tribunal. As a consequence of these classifications, the Appellant argued that the rate applied to the showroom and yard space were based on the rate applied to the dominant use of the Property and so its significance and relevance fell to be considered in that context.

7.2 As regards the second ground of Appeal that insufficient regard was had to the NAV of similar circumstanced properties, proximate to the Subject, Mr. Carberry relied on two comparisons in particular. PN 2069163 which stands immediately adjacent to the Subject and PN 2199301 which is located further up in Camolin village. For the adjacent property, which is a bathroom and tiling shop and classified as ‘Showroom (Industrial’), the Respondent applied a NAV of €32.40 per m². In respect of the second property, which is a car dealership classified as ‘Retail (Warehouse)’ with Motor Showroom Use, the Respondent applied a NAV of €45 per m². It was Mr. Carberry’s case that these two properties demonstrate the inequitable application of valuation in the circumstances of the present case and insofar as the Subject property is very similarly circumstanced to its adjacent neighbour, the same NAV was contended for.

7.3 The Appellant outlined ten NAV comparisons categorised as Industrial from the Wexford Rating Authority area in support of their valuation. These were as follows:

Comp	PN	Use	Area	NAV	Appellant’s Comment
1	20691163	Showroom (Industrial)	341.50	€32.40	Immediately adjacent to subject. Similar use.
		Workshop	987.70	€27	
2	2173876	Showroom (Industrial)	968.60	€32.40	Similar rural village location.
		Warehouse	928.72	€27	
3	2079935	Showroom (Industrial)	257.84	€32.40	Better location close to Wexford town
		Warehouse	1051.65	€27	
4	2007888	Showroom (Industrial)	294.71	€26.40	Similar village location to the Subject.
		Warehouse	329.60	€22	

5	2185047	Showroom (Industrial)	217.32	€24	Superior location adjacent Enniscorthy but older building.
		Store	375.00	€20	
6	2007960	Showroom (Industrial)	167.32	€26.40	Superior location adjacent Enniscorthy
		Store	355.20	€22	
7	2007755	Showroom (Industrial)	1058.00	€18	Superior location adjacent Enniscorthy larger than Subject but older building.
		Store	702.00	€15	
8	5024234	Workshop	442.04	€17	Superior location adjacent Enniscorthy
		Store	95.00	€17	
9	5019433	Workshop	1308.59	€32	State of the Art car dealership in superior urban location
10	5016182	Showroom (Industrial)	76.50	€24	Car dealership in superior urban location
		Workshop	111.60	€20	

7.4 Insofar as rental evidence applied, the Appellant contended that the industrial market was still in recovery and was improving at the Valuation Date (ie. 15th September 2017). However, Mr. Carberry could only find one Industrial commercial letting registered in Camolin between 2010 and 2022 according to the Commercial Lease Register. In addition, and in the context of the Wexford rating authority area, four properties were highlighted by the Appellant from the commercial lease register as follows:

Property	Area	Lease commenced	Rent	Appellants comments
Coolegreaney, Scarragh Lower, Gorey, Co. Wexford	7,203.1 sq. m.	17/04/2018	€31,200 (€4.33)	A significantly larger industrial unit let on a 10- year lease 7 months after the Valuation Date. 3 months' rent free and 5 yearly rent reviews and no break option.
Rochestown, Drinagh,	15,117 sq. m. large industrial facility located	16/03/2018	€75,000 (€4.96)	A substantially larger premises let on a 10- year lease 6 months

Wexford, Y35 Y20F	just south of Wexford Town.			after the Valuation Date. Rent review after 6 years and a break option after 5 years.
Unit 2 Fahy's Cross Business Park, Ballycreane, Castlebridge, Wexford, Y35 HE43	A mid terrace commercial unit in a modern block comprising 584.64 sq. m. This property is just 3.6 km north of Wexford Town.	15/03/2018	€10,000 (€17.40)	A smaller commercial unit let on a 5-year lease 6 months after the Valuation Date. Rent review after 2 years and a rolling break option if use is not permitted due to a lack of planning permission subject to 1 months' notice. Eaves height 9.144m.
Unit 4A Moyne Park, Old Dubbin Road, Enniscorthy, Co. Wexford	1,396 sq. m. including 200 sq. m. of office space. Modern semi-detached building	01/11/2016	€31,000 (€22.21)	A substantially larger unit let on a short 3-year lease 11 months prior to the Valuation Date. 1

Based on the above, the Appellant contended that the above data, while not definitive, nonetheless highlights that rental transactions in Camolin are rare and there is no significant market locally on which to base an opinion of market rent or NAV.

- 7.5 Under their fourth ground of Appeal, the Appellant relied on the fact that the town of Camolin was not a location one would have any cause to visit and in fact since the opening of the M11 extension and Enniscorthy Bypass in July 2019 (construction for same being advanced at the Valuation date), it was reasonably foreseeable that the impact of the new motorway would be detrimental to a small village such as Camolin. In addition, Mr. Carberry argued that the town's location between Gorey and Enniscorthy meant the business community in the town comprises local services and destination stores. Against that backdrop, Mr. Carberry contended the Respondent's application of a NAV comparable to properties in larger urban centres was unfair and inequitable.
- 7.6 In summing up his case, Mr. Carberry contended that PN 2069163 which stands immediately adjacent to the Subject, and was a mutual comparison between the parties, was the most relevant piece of evidence before the Tribunal He said its valuation was

consistent with the Tone of various NAV comparables highlighted in his précis and insofar as market rental evidence was scarce, he said his evidence showed a range of between €4.33 and €22.21 per sq.m around the Valuation date and on that basis the Respondent's valuation of the Subject was simply too high.

8. RESPONDENT'S CASE

8.1 The Appellant was represented by Mr. O'Donnell who adopted his précis and went through same. In his expert view the Property was correctly valued as a new modern showroom with a modern, purpose-built workshop in a good location on a main road in county Wexford.

8.2 The Respondent relied on three Key Rental Transactions to support the valuation applied. These are included in an Appendix to this decision (n/a to public) and it was the Respondent's case that the transactions supported level of €32 in the workshop element in the subject property.

8.3 In supporting an unchanged valuation for the Subject, Mr. O'Donnell offered five 'Tone of the List' Comparisons as follows:

Comp	PN	Use	Area	NAV	Comments
1	2199301	Showroom	737.18	€45.00	Smaller than Subject & inferior building.
2	2007855	Retail (Warehouse)	120.00	€40.00	Similar rural location but inferior building.
3	2009474	Retail (Warehouse)	485.92	€40.00	20-year-old property.
4	5008231	Workshop	260.63	€32.00	Workshop in Camolin
5	2185998	Warehouse	556.85	€32.00	Warehouse in Camolin

8.4 Addressing the Appellant's point as to incorrect classification, Mr. O'Donnell stated in his précis that notwithstanding the classification of the Property as a retail warehouse, it is actually a showroom that is retail in nature and the Respondent endeavoured to value the subject correctly no matter how it is categorised. Similarly, as regards the rear

unit being a workshop or warehouse, Mr. O'Donnell did not see that the distinction (if there was one) mattered for the purposes of valuing the unit and he stated that he had valued all elements of the subject property correctly.

8.5 The Respondent considered the Subject as comprising two separate and distinct buildings, noting in particular that there is a separate entrance to the workshop to the rear which could be very easily let out as a separate unit. The Appellant took issue with this, saying the two units were separate but could not be let separately as there were no services in the rear unit, meaning the staff in the rear unit used the front unit for services including WC. This conflicting evidence became a point of contention in the Appeal, resulting in a decision of the Tribunal to conduct a site inspection, the details of which are set out below.

8.6 In summing up his case, Mr. O'Donnell confirmed that the Respondent had valued this property as required under the Valuation Acts and did so in an equitable and uniform way. He asked that the Valuation be let stand as the workshop and showroom levels were appropriate and in line with the evidence he had shown in his précis.

9. SITE INSPECTION

9.1 The Tribunal travelled to the subject property on 9th March 2023 to inspect the subject property and the two units under consideration. Access was granted to both units and WC services were seen in the front unit ('the showroom') and an operator of the current tenant confirmed that WC services were present in the rear unit ('the warehouse').

9.2 The Tribunal observed a shared lane access that ran alongside both units confirming that in order to access the rear unit, one has to pass alongside the front unit. There is no separate access from the road directly to the rear unit.

9.3 Both units were observed as being of high-quality construction and finish.

10. SUBMISSIONS

10.1 There were no submissions of a legal nature.

11. FINDINGS AND CONCLUSIONS

- 11.1 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 Wexford County Council.
- 11.2 Having conducted a site inspection of the Property, the Tribunal rejects the Appellant's statement that the front and rear units in the Subject Property are inextricably linked and could not be let separately because staff in the rear unit require use of the front unit for WC services. This was not found to be the case on inspection. The Tribunal therefore concludes that the rear unit could be let separately as a workshop, to the hypothetical tenant but notes that a shared lane is the only means of access to the rear unit and same may be reduces its value to the hypothetical tenant.
- 11.3 The Tribunal notes that there was little rental evidence available in this Appeal concerning Wexford, specifically Camolin village. The Tribunal, therefore, regards the evidence that was provided, namely the Commercial Lease Register, as imperfect in proving the exact state of a rental market.
- 11.4 The Tribunal rejects the Appellant's assertion that the Subject property suffers, or should be regarded as suffering, lower footfall by virtue of its rural location as the property is designed as, and is capable of operating as, a destination location. Given the size, industrial infrastructure and accommodation present in the Property (including 2 gantries and separate commercial vehicle access to the rear workshop), the Tribunal finds that the Subject Property is not prejudiced by virtue of its location.
- 11.5 As regards the showroom element (the front unit) of the Property, the Tribunal finds that PN 2069163, immediately adjacent to the Property, is the most comparable to the Subject. It is completed to a similar high-quality finish and has similar accommodation and specification with concrete yard parking and road frontage onto the main street in Camolin.

- 11.6 As regards the workshop or warehouse element (the front unit) of the Property, the Tribunal does not find the Respondent's rate of €40 m² has been satisfactorily proved. The Respondent's NAV comparisons which support this level are (PN 2007855), which is in a different location and of a much smaller scale and type to the Subject and (PN 2009474) which is in a different location and of lesser relevance to the Subject than the two properties provided in evidence that were located in Camolin. The Tribunal finds that PN 5008231, and PN 2069163 both being located in Camolin village, represent the range of workshop NAV for this location between €27 m² and €32 m² and are of greater evidential value in this Appeal, given their specification and similar geographical location.
- 11.7 Having regard to the tone of the List and range of values applied for industrial properties in Wexford, the Tribunal finds that the Respondent's valuation of NAV at €35.20 /m² for the showroom element of the Subject Property is excessive having regard to comparable properties, specifically PN 2069163, and the Tribunal finds that a rate of €27/m² is appropriate in the circumstances. The Tribunal also finds that the Respondent's valuation of NAV at €40/m² for the rear/workshop element of the Subject Property is excessive having regard to comparable properties, specifically PN 5008231, and PN 2069163 both being warehouses located in Camolin village. The Tribunal finds that a NAV of €30/m² is appropriate in respect of the warehouse element of the Property and that same reflects the size of the unit (being 804 m²), the high-quality specification of same, the fact it has its own services, and is accessible separate to the front unit notwithstanding the shared lane access, noted above.

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 **€32,000**

Floor	Use	Area m ²	NAV €/2	Total NAV
0	Workshop	804.46	€30	€24,133.8
0	Showroom (Industrial)	193.64	€27	€5,228.28
0	Yard (Concrete/ tarmac)	1050.89	€2.70	€2,837.40
	Plant/ Other	65	€3.04	€197.60
			Total NAV: (Rounded)	€ 32,337.08 € 32,000.00