

Appeal No: VA19/5/0181

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

M + A Moran (Navan) Ltd

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the valuation of

Property No. 1553722, Industrial Uses at 1M Balreask Old, Navan, County Meath.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 15TH DAY OF NOVEMBER, 2023**

BEFORE

Allen Morgan - FSCSI, FRICS

Member

1. THE APPEAL

- 1.1 By Notice of Appeal received on the 3rd 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 €195,100.00.
- 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 *"Valuation is incorrect. Excessive, inequitable and bad-in-law."*
- 1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €108,401.24.

2. RE-VALUATION 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 €216,000.00.
- 2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was reduced to €195,100.00.

2.3 A Final Valuation Certificate issued on the 10th day of September, 2019 stating a valuation of €195,100.00.

2.4 The date by reference to which the value of the Property, the subject of this appeal, was determined is 15th day of September, 2019.

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 Appellant has submitted his summary of evidence to the Tribunal. The Valuation Office did not comply with the Tribunal's directions and failed to submit the Summary of Evidence to the Tribunal.

4. FACTS

2.1 The Appellant, in his precis, has stated the following items to be the facts. The Respondents have not provided a precis of evidence on this Appeal. Nevertheless, the details of the subject property PN 1553722, which are set out in the Appellant's precis of evidence, accord and agree with the Respondents details of the subject as regards 'Category', 'Uses' and 'Address', as set out on the Valuation List and in the Full Certificate issued 10th September 2019, with the exception of the disagreed Valuation total for the subject property of €195,100 – i.e. the subject of this appeal.

2.2 The Property

The property is noted by Mr. Donnelly as comprising a very well-established furniture business at Unit 1M Balreask Old Navan. The condition of the subject building is reported as being of significant age but in otherwise good condition and complies with health and safety standards. Title of the subject property is stated by Mr. Donnelly to be freehold.

2.2.1 Description

The subject consists of one main building which is subdivided internally as follows:

1. Two Offices
2. 3 stores
3. A warehouse
4. A Workshop

4.2.2 Location

The subject property is an industrial unit located in Beechmount Home Park estate on the outskirts of Navan, described as an established industrial estate. Beyond this short description, it is noted that no location map or photographic plates of the subject property, notably a description of its environs and locational context to the town, to assist the Valuation Tribunal, were included in the Appellant's precis.

4.2.3 Property details – Accommodation, Size and Use.

<u>Floor Level</u>	<u>Floor</u>	<u>Use</u>	<u>Floor Area M²</u>
0		Office(s)	329.58
0		Store	354.24
0		Warehouse	4016.97
0		Workshop	89.75
1		Office(s)	328.56
1		Store	151.76
Mezz		Store	746.01

[Note: the above details of the subject property in Mr. Donnelly's evidence accord with those contained in the Valuation Office record of the property and are deemed 'agreed' by the parties for the purpose of determining this Appeal.]

5. DATE OF VALUATION: Stated by Mr. Donnelly in his precis to be 15th September 2017.

6. ISSUES

The issue under Appeal is one of quantum.

7. RELEVANT STATUTORY PROVISIONS:

7.1 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.”

7.2 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.”

8. APPELLANT'S CASE

8.1 Mr. Donnelly, valuer for the Appellant, makes a case that the Valuation Office's assessed figure of €195,100.00, as contained in the Full Valuation Certificate dated 10th September 2019, is excessive, and contends for a figure of €108,401.24.

Mr. Donnelly's assessment of Value

<u>Floor</u>	<u>Use</u>	<u>Area m²</u>	<u>NAV € per m²</u>	<u>Total NAV €</u>
0	Office(s)	329.58	20.00	6591.00
0	Workshop	89.75	20.00	1795.00
0	Warehouse	4016.97	20.00	80339.40
0	Store	354.24	20.00	7084.80
1	Office(s)	328.56	20.00	6571.20
1	Store	151.76	20.00	3035.20
MEZZ	Store	746.01	4.00	2984.04

Opinion of Value

€108,401.24

(One Hundred and Eight Thousand, Four Hundred and One Euro and Twenty-Four Cent)

8.2 Issues raised by Mr. Donnelly in his precis to support his appeal for a reduction in NAV to the above figure:

8.2.1. **‘Tone of the List’ not established:** Mr. Donnelly contends that the Valuation Office is attempting to establish a tone of the list on the subject estate. He asserts that the Tone has not been established and that Donnelly and Associates are involved in representing a significant number of property owners on the estate who are appealing on the same grounds as the subject.

8.2.2. **Estate’s disadvantages:** Mr. Donnelly contends that there are significant disadvantages in this estate with record to accessibility, type of building, age of buildings, haphazard development and proximity to residential areas which detract significantly from properties rental value within the estate overall. He states that the subject property is an industrial unit on an established industrial estate on the outskirts of Navan, but that the estate is very dated and is haphazardly developed.

8.2.3. **Level of vacancy in Estate:** He states that there are a significant number of vacant industrial units in the estate and it is difficult to find a tenant to occupy these units. He contends that some of the units that are vacant have fallen into disrepair and that this does not help the values. Mr. Donnelly states that the further back one goes into the estate the more obvious the situation already described becomes.

8.2.4. **Vehicular access to and within Estate:** He states that access to the estate is restricted, and the initial development took place when trucks were of a smaller size so as such it is not suitable for traffic such as exists today.

8.2.5. **Situational advantages of other Industrial Estates on Navan periphery:** He states that there are other industrial developments located on the periphery of Navan which have easy access to the newly developed M3 Motorway, and these are far more attractive for business to establish themselves in the area.

8.2.6. **Mixed-use collocated developments – disadvantages of:** He contends that there are a large number of residential developments close by and as such the mix of uses (residential & industrial) is far from ideal.

8.2.7. **Restricted vehicular parking serving subject property:** He states that parking is limited for vehicle unloading and that loading is also very restricted.

8.3 **Comparisons:** Mr. Donnelly puts forward two comparisons in his precis -

- a) a Unit for Rent on Derry Road in Slane. He comments that this is (located in) a rural community and that the property is in slight disrepair, that it is valued at €25 per sqm metre, that it is located 1.2km from the Local Village and that the Rent/asking rent is €35,000 per year.
- b) He states that there is a Vacant Site available to rent in a rural village in Co Meath. He states that he valued this property at €36,000 per annum for rent.

8.4 Having regard to the various issues raised by Mr. Donnelly in his evidence adduced on behalf of the Appellant, I comment as follows:

- 8.4.1 **NAV of the subject property:** It is noted that the Valuation Office has already agreed to a reduction in the NAV from €40 per sqm to €36 per sqm metre, and which has been acknowledged by Mr. Donnelly in his precis. It is also noted that Mr. Donnelly is instructed by the Appellant to further appeal the figure of €36 per sqm, seeking a further reduction in the NAV to €20 per sqm.
- 8.4.2 **‘Tone of the List’ issue:** Mr. Donnelly contends in his evidence that the Tone of the List in this estate has not been established. He states that his company, Donnelly and Associates are involved in representing a significant number of property owners on the estate. However, Mr. Donnelly does not identify the other properties in the same estate which he states in his precis are also under appeal nor, more broadly, any NAV comparisons within the same estate in terms of the Tone.
- 8.4.3 **Estate’s disadvantages:** In his precis, Mr. Donnelly raises a number of physical characteristics which he asserts disadvantage the subject estate. Whilst noted, their impact, if any, on values within the estate are not adequately supported. No location map of Beechmount Home Park estate and the exact location of the subject property within it was included in Mr. Donnelly’s precis, which information would have been of considerable assistance in terms of situational context.
- 8.4.4 **Level of vacancy in Estate:** No detail was provided in Mr. Donnelly’s precis to clarify and support this assertion.
- 8.4.5 **Vehicular access to and within Estate:** No detail was provided in Mr. Donnelly’s precis to clarify and support this assertion.
- 8.4.6 **Situational advantages of other Industrial Estates on Navan periphery:** No detail was provided in Mr. Donnelly’s precis to clarify and support this assertion.
- 8.4.7 **Mixed-use collocated developments – disadvantages of:** No detail was provided in Mr. Donnelly’s precis to clarify and support this assertion.
- 8.4.8 **Restricted vehicular parking serving subject property:** No detail was provided in Mr. Donnelly’s precis to clarify and support this assertion.

8.5 **Comparisons:** As mentioned at 8.4.2 above, no identified ‘Tone of the List’ NAV comparisons were adduced in Mr. Donnelly’s precis.

8.6 Two comparator properties on the rental market were adduced in Mr. Donnelly’s precis but were of little assistance as the information provided for same was limited, confined to citing asking rents of the properties with commentary that both were in poor condition. In terms of location relative to the subject, both properties are relatively remote. It is also noted that the precis does not clarify whether either of these comparator properties were actually rented, either at the valuation date or at all, as the precis notes only that they were on the market for rental. The photograph in the precis showing the second comparator property includes a stores-type building, but this is not referenced in the short description of this property.

9. RESPONDENT’S CASE

9.1 On the 10th of September 2019, a Final Valuation Certificate for the property issued in the sum of €195,100, comprised as follows:

<u>Floor</u>	<u>Use</u>	<u>Area M²</u>	<u>NAV € per m²</u>	<u>Total NAV €</u>
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0	Office(s)	329.58	36.00	€11,864.88
0	Store	354.24	36.00	€15,752.64
0	Warehouse	4016.97	36.00	€144,610.92
0	Workshop	89.75	36.00	€3,231.00
1	Office(s)	328.56	36.00	€11,828.16
1	Store	151.76	36.00	€5,463.36
<u>Mezz</u>	<u>Store</u>	<u>746.01</u>	<u>4.00</u>	<u>€5,371.27</u>
Total NAV (Rounded)				€195,100.00

9.2 It is noted that the Valuation Office did not comply with the Tribunal's directions in respect of this Appeal and failed to submit their Summary of Evidence to the Tribunal. In the circumstances this appeal will be determined, having had regard, inter alia, to the NAV of the subject property in the sum of €195,100, as set out in the Final Valuation Certificate, which was issued by the Valuation Office on 10th. September 2019.

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 Meath County Council.

10.2 The Tribunal notes from the evidence that the Valuation Office has already reduced the initially assessed NAV of the subject property from €40 per sqm to €36 per sqm following representations.

10.3 The onus of proof lies with the Appellant. The Tribunal has determined that this onus has not been discharged in that the evidence adduced by Mr. Donnelly does not meet this test. Thus, the Appellant's evidence in chief fails to demonstrate to that the valuation of the subject property as recorded in the Respondents Final Valuation Certificate, issued on 10th. September 2019 in the sum of €195,100, is incorrect.

DETERMINATION:

The Tribunal disallows the appeal and confirms the decision of the Respondent.