

Appeal No: VA19/5/1918

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

CHARLES CAVANAGH

APPELLANT

and

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 1337993, Single Storey Warehouse at 17B18 (Inc 40A40B Kenyon ST) Abbey Street, Nenagh, County Tipperary.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 2ND DAY OF MAY 2025**

BEFORE

Raymond J Finlay - FIPAV, MMIL, ACI Arb, TRV, MCEPI, PC

Member

1. THE APPEAL

1.1 By Notice of Appeal received on the 14th 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 €15,670.

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 total NAV is noted as €15,670. This is significantly overstated. Due to the condition of the property it is an overstatement to classify it as a warehouse and at best it is only suitable for the storage of non-perishable items. The property requires significant upgrade in terms of a new roof, electrics, insulation and internal remedial works and would not comply with any regulations required for workers to be situated here.

At present the property is rented to an opportunistic lessee at a rent of €700 p/m, however this rent is due to the lessee renting other facilities nearby and a rent of €500 p/m would be a more realistic figure should this tenant vacate. Therefore, the NAV per m2 should be approximately €10.40. Once the current tenant vacates any future rentals would require significant investment in the property."

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €10.40 per m².

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 €16,800.

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 €15,670.

2.3 A Final Valuation Certificate issued on the 10th day of September, 2019 stating a valuation of €15,670.

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, 2017.

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

4.1 The Area is 580.5m².

4.2 The property is a commercial detached warehouse building constructed in the 1970's.

It is of hollow concrete block construction onto a 3.9 metre eave with an asbestos roof.

Access to the property is via a double door to the front of the property and the property lacks yard area/circulation for vehicles.

The property is located close to Nenagh town centre (pop c 9,800) at Martyr's Road. The area is a mix of commercial/retail and residential properties.

5. ISSUES

The Issue is one of 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 The appellant’s case was made through four written precis correspondences; 23/4/19 and 25/4/19 from the owner Charles Cavanagh directly and then via his agent 26/6/14 and comments and observations 11/7/24.

John Agar MSCSI MRICS of Avison Young represents the appellant,

The substance of the appellant’s case is that the property is now outdated, requires significant works and is subsequently not fit for purpose. The appellant particularly cites the condition of the roof and guttering is being extremely poor.

7.2 The appellant also offers as support the fact that there was a short term letting agreement on the unit from 25/1/19 for two years at an annual rent of E8,400 (E10.40 m2) and presents this as proof of NAV at the time of valuation.

7.3 The appellant offered three NAV comparisons to support their view that the Commissioner’s rate of E27m2 to be excessive;

PN 1338119

A purpose built warehouse superior to the subject property at E22m2.

PN 2169243

A good quality showroom/warehouse close to the subject property at E27m2 due to the showroom.

PN 1338107

Large warehouse/workshop adjacent to subject at E22m2.

This ended their evidence.

8. RESPONDENT'S CASE

8.1 Mr Jonathan Sharkey Assoc SCSI,B.Sc Valuer, represented the Commissioner in this matter. The Respondent's case was essentially two pronged;

The Floor area issue had now been resolved. The area had been estimated at 577m², 622m² and agreed at 580.5m² amending the initial NAV of E16,800 to current E15,670.

8.2 The 'Established level for and old industrial building of this size and type, in this location and outside of an industrial estate, as is the subject, is E27 per square metre'. As the Tome of valuation has been set.

To assist his case, Mr Sharkey offered three Key Rental Transactions as evidence;

KRT 1 PN 2192716

A large modern, purpose built warehouse at E35m²

KRT2 PN 2107976

A Large again modern facility poorly photographed office building for inspection at E35m²

KRT 3 PN 2205132

A significantly smaller semi retail outlet in a modern building in Clonmel Town.at E54m².

The Respondent then produced five NAVs to be considered for comparison;

NAV 1 PN 1138720

A mid-sized furniture store at E27m²(Poor Photo evidence)

NAV 2 PN 1338144

A small unit that I was unable to grasp the use of through either description or photo at E27m².

NAV 3 PN 1339509

Again a small nondescript unit photographed from the side of what is a semi retail unit at E27m².

NAV 4 PN 1331107

A warehouse unit in the alternative town of Thurles at E27m²

NAV 5 PN 1331820

A property that appears to be a rural galvanised shed again in Thurles.

That concluded Mr Sharkey's evidence.

9. SUBMISSIONS

9.1 There were no submissions in this case.

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 Nenagh UDC.

To arrive at a fair and equitable NAV on this property I have considered both parties prepared precis and determine the following.

I am satisfied that the subject property requires some level of modernisation to successfully offer it to the market at reasonable market rent. I would agree that the tenant was indeed an 'Opportunist' tenant as regards paying well below market rent for the duration of the short term letting.

Both photographic evidence by Appellant and Respondent alike confirm the condition of the property.

I am not satisfied that the achieved rate of E10.62 m² is the fairest achievable rent however.

I feel that the comparables offered as evidence by the respondent carry little weight as they were either of an irrelevant size, unproven usage or indistinguishable via photographic evidence. Some were even located in a different town in the county.

After due consideration, I feel to comply as closely as possible with Section 48(3)/Section 50 of the Act, the lowest of the appellant's NAV comparison is fair and evidenced in this locale at E22m².

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the amount to E12,700.

E22m² X 580.5M = E12,771 Say E12,700.

RIGHT OF APPEAL:

In accordance with section 39 of the Valuation Act 2001 any party who is dissatisfied with the Tribunal's determination as being erroneous in point of law may declare such dissatisfaction and require the Tribunal to state and sign a case for the opinion of the High Court

This right of appeal may be exercised only if a party makes a declaration of dissatisfaction in writing to the Tribunal so that it is received within 21 days from the date of the Tribunal's Determination and having declared dissatisfaction, by notice in writing addressed to the Chairperson of the Tribunal within 28 days from the date of the said Determination, requires the Tribunal to state and sign a case for the opinion of the High Court thereon within 3 months from the date of receipt of such notice.