

Appeal No: VA23/5/0605

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

**MBCC Foods (Ireland) Ltd. T/A
COSTA COFFEE**

APPELLANT

and

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 5020945, Coffee Shop at Castlebar Retail Park, Breaffy Road, Castlebar, County Mayo. ('the Property').

B E F O R E

Dairine Mac Fadden - Solicitor

Deputy Chairperson

Fergus Keogh - MSCSI MRICS

Member

Avril Sheridan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 25TH DAY OF JULY, 2025

1. THE APPEAL

- 1.1 By Notice of Appeal received on the 17th day of October 2023 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 €69,300.

- 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 incorrect - The valuation is excessive as the property has been incorrectly valued as a restaurant. (Drive Thru). This category of property is assessed at a higher valuation level than a stand alone property. The subject property provides a sit-in and counter service only.”

- 1.3 In the Notice of Appeal the Appellant considered that the valuation of the Property ought to have been determined in the sum of €45,000.

2. REVALUATION HISTORY

- 2.1 This is a Revaluation appeal arising from the Mayo County Council revaluation which was undertaken as a result of the Mayo County Council Valuation Order 2022, that was signed by the Commissioner of Valuation on 6th September 2022 and is for the Valuation List published on 22nd September 2023.
- 2.2 The functions of the Commissioner of Valuation are now performed under the authority of Tailte Éireann with effect from 1st March 2023 (S.I. No.58/2023 - Tailte Act 2022 (Commencement) Order 2023).
- 2.3 On the 23rd day of September 2022 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 €65,400.
- 2.4 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 increased to €69,300.

- 2.5 A Final Valuation Certificate issued on the 15th day of September 2023 stating a valuation of €69,300.
- 2.6 The date by reference to which the value of the property, the subject of this appeal, was determined is the 1st day of February 2022.

3. THE HEARING

- 3.1 The Appeal proceeded by way of a remote hearing held via Zoom, on the 11th of March 2025. At the hearing the Appellant was represented by Mr. David Molony BSc MA of Hennigan + Company and the Respondent was represented by Ms. Ciara Marron MSCSI MRICS of Tailte Éireann, ('the Parties').
- 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 made an affirmation, adopted their précis as their evidence-in-chief in addition to giving oral evidence.
- 3.3 Each valuer provided a Standard Declaration and Statement of Truth to the Tribunal in compliance with Rule 41 of the Valuation Tribunal (Appeals) Rules 2019.

4. FACTS

- 4.1 From the evidence adduced by the Parties, the Tribunal finds that the following are the agreed or undisputed facts:
- 4.2 The Property is situated within the Castlebar Retail Park on the Breaffy Road less than 1.5 kms east from Castlebar town centre. The Park is occupied by a number of national and international traders with a number of other large businesses located nearby.
- 4.3 The Property comprises a modern detached purpose built steel framed building with glass elevations on three sides and an insulated grey gable wall which fronts to the Breaffy Road.

- 4.4 The Property extends to an area of 198.08 m² measured on a Gross Internal Area basis to include public and staff toilets. It is occupied by an international branded trader, Costa Coffee. Mr. Molony advised that the Property is effectively owner occupied with a related party lease in place. The details provided of this lease are set-out in Appendix 1 (N/A to public).

5. ISSUE

- 5.1 The issue arising in this appeal is one of the quantum of the valuation only.

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 and other statutes.
- 6.2 In Revaluation type appeals, as in this appeal, sec. 37 of the Act provides that the Valuation Tribunal must reach a determination having regard to the provisions of section 19(5) inserted by section 7 of the of the Valuation (Amendment) Act 2015 as follows:

"The valuation list as referred to in this section shall be drawn up and compiled by reference to relevant market data and other relevant data available on or before the date of issue of the valuation certificates concerned, and shall achieve both (insofar as is reasonably practicable)

(a) correctness of value, and

(b) equity and uniformity of value between properties on that valuation list,

and so that (as regards the matters referred to in paragraph (b) the value of each property on that valuation list is relative to the value of other properties comparable to that property

on that valuation list in the rating authority area concerned or, if no such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area.”

- 6.3 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.”

- 6.4 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 At the hearing Mr. Molony contended for a rounded valuation of €23,700 by applying a rate of €120 per m² to the agreed area of the Property. In his précis he described the location, the size and the construction detail of the Property which he supported with photographs, plans and a location map.
- 7.2 Mr. Molony described the Property as a stand-alone purpose built coffee shop set in a retail park occupied mainly by bulky-goods traders. He said that by its nature the Property was at a disadvantage compared to town centre locations in that it lacked casual passing pedestrian

footfall, spontaneous trade and synergy with complimentary near-by food retailers as it relied upon vehicular traffic for its trade resulting in it being vehicular dependent.

- 7.3 Mr. Molony said that there were no directly comparable coffee shops within the environs of retail warehouse developments in the Mayo County Council's local authority area. As such, the valuation of the Property relied on comparisons with other retail and commercial properties in Castlebar town centre, Ballina and in the retail park itself. He said that the Property was valued at the rate of €350 per m² overall, a similar rate as applied to town centre shops in Castlebar on Market Street and Bridge Street. He said that these locations were vibrant town centre locations with retail properties assessed at €350 per m² Zone A.

Mr. Molony provided the NAV analysis of the following town centre properties in Castlebar;

Comparison No. 1 - PN2205143. Market Street, Castlebar.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Zone A	25.01	€350.00	€8,753.50
0	Retail Zone B	25.01	€175.00	€4,376.75
0	Retail Zone C	36.08	€87.50	€3,157.00
0	Store	4.00	€40.00	€160.00
-1	Shop	58.94	€65.00	€3,831.10
			NAV say,	€20,200

Comparison No. 2 - PN1341357. Market Street / Main Street, Castlebar.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Zone A	29.77	€350.00	€10,419.50
0	Retail Zone B	22.57	€175.00	€3,949.75
0	Retail Zone C	10.84	€87.50	€948.50
0	Store	14.09	€35.00	€493.15
			NAV say,	€15,810

Comparison No. 3 - PN1341022. Bridge Street, Castlebar.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Zone A	26.23	€350.00	€9,180.50
0	Retail Zone B	31.62	€175.00	€5,533.50
0	Retail Zone C	9.18	€87.50	€803.25
0	Store	64.00	€35.00	€2,240.00
			NAV say,	€17,750

Mr. Molony provided the NAV analysis of the following town centre property in Ballina which he said was occupied by the Appellant and trading under the same brand name.

Comparison No. 4 - PN1347818. Pearse Street, Ballina.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Zone A	60.20	€350.00	€24,080.00
0	Retail Zone B	61.80	€175.00	€12,376.00
0	Retail Zone C	75.99	€87.50	€7,599.00
0	Remainder	48.03	€40.00	€2,401.50
0	Store	11.84	€65.00	€473.60
0	Allowance			-€4,645.65
1	Offices	25.35	€65.00	€1,467.75
			NAV say,	€43,900

Referring to other occupiers with the Retail Park, Mr. Molony provided the NAV analysis of the following properties retail warehouse properties;

Comparison No. 5 - PN2192777. Unit H, Castlebar Retail Park.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Warehouse	574.55	€80.00	€45,964
			NAV say,	€45,900

Comparison No. 6 - PN2192777. Unit G, Castlebar Retail Park.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Warehouse	338.48	€80.00	€27,078.40
0	Store	75.35	€80.00	€6,028.00
			NAV say,	€33,100

Comparison No. 7 - PN2198049. Units D, E & F, Castlebar Retail Park.

Level	Location	Area m²	€ per m²	€ NAV
0	Retail Warehouse	977.19	€70.00	€68,403.30
0	Store	325.35	€70.00	€22,774.50
0	Offices	91.27	€70.00	€6,388.90
			NAV say,	€97,500

Mr. Molony said that the Property has been erroneously classified and valued by the Respondent as a 'Restaurant (Drive-Thru)', despite operating exclusively as a walk-in coffee shop with no drive-through infrastructure in place at the date of issue of the Valuation Certificate. While construction on a drive-through had commenced on 4th November 2024, this had occurred after the statutory valuation date of 15th September 2023. He said that the valuation assessed on the Property of €350per m² was the same as the valuation assessed on Property No. 2118786, a McDonald's Restaurant at Westport Road, Castlebar, with a drive-thru facility. He provided the following NAV analysis of this property;

Comparison No. 8 - PN2118786. McDonalds, Westport Road, Castlebar.

Level	Location	Area m²	€ per m²	€ NAV
0	Restaurant (Drive- Thru)	282.86	€350.00	€99,001
			NAV say,	€99,000

- 7.4 In his written précis, Mr. Moloney said that the weighted average of the three valuation zones of Zone A @ €350 per m², Zone B @ €175 per m² and Zone C @ €87.50 per m² amounted to an average of €204.16 per m² which reflected the overall valuation for prime urban space in Castlebar. He considered that the subject Property did not benefit from the same commercial vibrancy, viability or foot traffic as Castlebar's urban properties which warranted a valuation below the €204.16 per m² urban average.

Subject to the foregoing Mr. Molony contended for a valuation of €120 per m² to be applied to the Property.

- 7.5 Under cross examination by Ms. Marron, Mr. Molony said that he did not consider the proximity of a near-by large facility employing 1,200 people was a benefit to the Property as it would likely have an in-house coffee / restaurant facility. He did not agree with Ms. Marron's assertion that the Property was more akin to a restaurant though he did acknowledge that it served hot and cold sandwiches and soups in addition to coffee and sweet cakes.
- 7.6 Mr. Molony agreed with Ms. Marron that the Property had access to free parking and that the location was less congested than Castlebar town centre which he said contributed to a lesser footfall, noting that Castlebar town centre had paid on-street parking.
- 7.7 In relation to his comparisons numbers 1-3 he acknowledges that these were not prime properties and the analysis of the valuations was on a Net Internal Areas, basis however he said that he considered that the difference in area compared to Gross Internal Area

measurement to be nominal. He also acknowledged that they were each smaller than the subject Property and not directly comparable and said that he considered that they did provide a guide to values.

- 7.8 In relation to his comparison number 4, Mr. Molony acknowledged that this property was in a prime location though in an older building. He said that it had a modern interior and fit-out. He agreed that it was not directly comparable and said that he considered that it did provide a guide to values.
- 7.9 Mr. Molony did not agree with Ms. Marron's assertion that his comparison number 8 (Macdonald's) was the best and most suitable comparison to the Property as it had an integrated drive-thru facility and considered that it was a different type of property.
- 7.10 Ms. Marron asked Mr. Molony as to the origin of his valuation of €120 per m². He said that it was a judgement of his based on the value's other properties in Castlebar.
- 7.11 In response to the Tribunal regarding the planning status of the Property on the valuation date, Mr. Molony said that it was a coffee-pod. Mr. Molony acknowledged that his town centre comparisons numbers 1- 5 were each analysed on an ITZA Zone A basis and that he did not provide an analysis of an overall rate per m² that applied to the retail elements though he was valuing the Property on an overall rate.

8. RESPONDENT'S CASE

- 8.1 At the hearing Ms. Marron contended for a round valuation of €69,300 by applying a rate of €350 per m² to the agreed area of the Property. In her précis, she described the location, the size and the construction detail of the Property which she supported with photographs, plans and a location map. Her comments were generally similar to those of the Appellant's agent. In her oral evidence Ms. Marron highlighted a number of large facilities in the immediate environs which she said were large scale employers and which provided a large, employed population in the area to the benefit of the subject Property.

- 8.2 Ms. Marron advised that planning permission was granted by Mayo County Council on the 14th February 2019 for the addition of a drive-thru facility to the Property and included a number photographs of the Property taken during her inspection in November 2024 which she said indicated ongoing works at the Property including construction of this facility.
- 8.3 In support of her opinion of value Ms. Marron included details and rental analysis of one Key Rental Transaction, PN 2118786, a drive-thru restaurant facility AT Westport Road, Castlebar and occupied by McDonalds. The Net Effective Rent of this transaction provided part of the basis of the formation of a scheme of valuation used in the valuation of the Property. She said that this KRT letting is close to the Valuation date and clearly indicates that the valuation level is fair and equitable. Details provided of this KRT are set out in Appendix 1 attached (N/A to public).
- 8.4 Ms. Marron provided one NAV comparison which was the same property above as her NAV Comparison. She said that this property was located at the edge of Castlebar town close to Hopkins Road, adjacent to a Circle K Filling Station and opposite Shaw's Clothing and the Ellison Hotel. She noted that it is also close to Tesco's, Next, Boots and on a one-way street. She considered it to be in a good commercial location like the subject Property which was approximately 3.2km from this comparison. This property is one of two restaurants in Mayo categorised with drive-thru facilities, the other being the subject Property.

Analysis of NAV Comparison PN 2118786 .

Level	Use	Size m ²	NAV per m ²
0	Restaurant	282.86	€350

8.5 In appendix three to her précis Ms. Marron included extracts from the Mayo County Council Planning Register indicating the planning history of the Property. She said that there had been a number of planning applications to develop the Property including the initial planning application in December 2018, Register Reference Number 18368 to ‘construct a stand alone café / restaurant with outdoor seating’. A further application in May 2018, Register Reference Number 18388 to ‘construct a drive thru restaurant’ and an application in May 2024 for ‘the provision of a drive-thru lane for the Costa Coffee unit’. She said that in her opinion that it was always the intention of the Appellant that the Property would be a drive-thru restaurant.

8.6 Subject to the foregoing Ms. Marron valued the property as follows;

Level	Description	Area m²	NAV € m²	€ NAV
0	Restaurant	198.08	€350	€69,328
			NAV say,	€69,300

8.7 Under cross examination by Mr. Molony, Ms. Marron was asked to justify her opinion that the Property was in a good location considering it was in a retail bulky goods park with no passing trade. She said she considered it to be a destination location close to large facilities with a large number of employees. She agreed that visits to retail parks are purpose driven with a high volume of weekend trade.

8.8 Ms. Marron was asked to compare the location of her comparison property, McDonalds, and said it was in a high profile location similar to the subject Property. She that it was closer to the urban area of Castlebar. Mr. Molony noted that the McDonalds property had a purpose built drive-thru facility from the out-set and the subject Property did not nor was the drive-thru facility in existence on the valuation date. He asked Ms. Marron if Tailte Éireann applied a premium when valuing drive-thru restaurants. Ms. Marron said on occasion premium values were applied but not always and that she was aware of examples of properties adjacent to drive-thru facilities where similar values were applied.

- 8.9 Ms. Marron agreed that the description of the Property as at the valuation was incorrect being described as a drive-thru restaurant and should have been described as a retail - restaurant without reference to a drive-thru facility. She said that she considered that the valuation level applied of €350 per m² was correct. She said that she was valuing the use of the Property and that it was her opinion that it was always the intention of the Appellant that the Property would have a drive-thru facility installed.
- 8.10 In reply to a question from the Tribunal as to the planning status of the Property as at the Valuation Date, Ms. Marron referred to the May 2018 planning application Register Reference Number 18388 granting planning permission in January 2019 to construct a drive-thru restaurant. She agreed that the drive-thru facility was not present on the valuation date and that on the valuation date, the Property was a café/restaurant.
- 8.11 Ms. Marron acknowledged that she had valued the Property on the basis of it having the potential to be a drive-thru restaurant and agreed that a premium value applies to a drive-thru facility. When asked how she would value the Property if the drive-thru facility was never built she said that she would apply the same valuation rate. When asked to provide rationale behind the analysis of her KRT Comparison where the NER was €694 per m² and the NAV was €350 per m² she referred to properties she had considered in Galway however was unable to provide information on these properties.

9. SUBMISSIONS

- 9.1 There were no legal submission made by the Parties.

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 Mayo County Council.

10.2 The Property is to be valued in accordance with Sections 48 and 19 (5) of the Valuation Act 2001, as amended. The requirement in accordance with section 19(5) is to arrive at a Net Annual Value (NAV) and achieve both, insofar as is reasonably practicable,

(a) correctness of value and

(b) equity and uniformity of value between properties on that valuation list.

10.3 The Tribunal relies upon and decides on appeals based on the evidence placed before it. It is a well-established principle that the onus rests with the Appellant to prove his / her case and provide evidence to the Tribunal that the Respondent's valuation of the property in question is incorrect and should be amended. It follows that the Tribunal must consider the nature of the evidence submitted to determine whether it supports the argument advanced on behalf of the Appellant.

The précis, appendices, commentaries and oral evidence adduced by Mr. Molony and by Ms. Marron have all been considered by the Tribunal in arriving at this Determination, which can only set out a summary of the evidence placed before the Tribunal. The fact that the Tribunal does not make specific reference to any particular document, argument, submission or piece of evidence does not indicate that it has not been taken into account.

10.4 The Tribunal considers that the evidence adduced by both witnesses in their written submissions, arguments and commentaries delivered orally was at best mixed. Neither of the witnesses supported their opinions of value of the Property with a coherent argument or suitably supported rationale.

Mr. Molony in the Notice of Appeal contended for a valuation rate of €45,000 (€227.18 per m²). In his précis he contended for a valuation of €23,700 (€120 per m²) and in his oral evidence a valuation of €27,000 (€138.30 per m²) and subsequently reverting to his précis valuation of €23,700.

In his evidence Mr. Molony provided details and analysis of a number of retail comparison properties in Castlebar and Ballina valued at €350 per m² Zone A and measured on a Net Internal Area basis. He contended that the location of the subject Property was inferior to those in Castlebar town centre and therefore should be valued at a lesser rate. Though the subject is measured on Gross Internal Area Basis and is to be valued on an overall rate per m², he made no adjustments in his analysis of the values in his comparisons in order that their valuations may be compared to and or applied to the Property on a like-for-like basis. He said that the weighted average of the three valuation zones used by the Commissioner in the valuation of urban retail properties in Castlebar was €204.16 per m².

- 10.5 Ms. Marron said that she had valued the Property at €350 per m² on the basis that it was similar to her single KRT and NAV comparison, the McDonalds restaurant and drive-thru facility at Westport Road, Castlebar. Ms. Marron said that she considered that the subject Property was incorrectly described as being a ‘Drive-Thru Restaurant’ when first valued. She acknowledged that whilst the drive-thru facility was not in place in the subject Property at the Valuation Date she said that she valued the Property on the basis that it had both the potential and planning permission for this facility and that it was her opinion that the Appellant had always intended that the Property would have a drive-thru facility. She considered that the valuation level applied of €350 per m² was correct.

Ms. Marron said that a premium value could apply and is often applied by the Commissioner in the valuation of a restaurant with a drive-thru facility. She was unable to advise the Tribunal of the level of such a premium over a non-drive-thru facility. She said that she was aware of restaurants without drive-thru facilities adjacent to other restaurants with drive-thru facilities which were valued at the same rate but did not provide details of these examples.

10.6 The Tribunal has considered the basket of NAV comparisons submitted by the Parties which ranged from Ms. Marron's one comparison of €350 per m² adduced from the McDonalds comparison to Mr. Molony's various comparisons which included the €350 per m² Zone A NAV's as applied in the valuation of retail properties in Castlebar and Ballina and his stated weighted average rate of €204.16 per m² adduced from these comparisons.

The Tribunal considers that the rate of €350 per m² as applied by Ms. Marron in the valuation of the Property to be excessive. This rate is the same rate as applied in the valuation of the McDonalds property at Westport Road, Castlebar which had the benefit of an operating drive-thru facility on the Valuation Date. The Tribunal considers that the Property should be valued in its actual state as at the Valuation Date.

The Tribunal does not accept that Mr. Molony's valuation of €120 per m² which was adduced from his analysis the Zone A €350 per m² and his opinion of the weighted average of €204.16 per m² to be a fair reflection of the value of the Property having regard to the requirement to achieve correctness of value and equity and uniformity of value between comparable properties on that valuation list.

Having considered the evidence of the Parties, the Tribunal considers that a rate of €280 per m² should be applied in the valuation of the Property

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 €55,460, calculated as follows;

Level	Description	Area m ²	NAV € m ²	€ NAV
0	Restaurant	198.08	€280	€55,462.40
			NAV say,	€55,460

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.