

Appeal No: VA19/5/0182

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

Proudfoot Motors

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the valuation of

Property No. 1553725, Warehouse/Warerooms at Beechmount Industrial Estate, Navan,
County Meath.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13th DAY OF OCTOBER 2022**

BEFORE

Barry Smyth - FRICS, FSCSI, MCI Arb

Deputy Chairperson

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 €110,600.

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: *“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 €55,260.

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 €110,600.

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 manager did not consider it appropriate to provide for a lower valuation.

2.3 A Final Valuation Certificate issued on the 10th day of September 2019 stating a valuation of €100,600.

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 The Appellant is represented by Mr Tadhg Donnelly, Chartered Valuation Surveyor, and the Respondent by Mr Mark Gibbons of the Valuation Office.

3.3 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 parties are agreed as to the following facts:

4.2 The property is in Beechmount Industrial Estate in the town of Navan, Co. Meath.

It comprises a warehouse building with ancillary offices constructed with a steel portal frame, pitched roof, with concrete block walls to 2m and cladding above.

The building is used for commercial vehicle testing.

4.3 The accommodation comprises

Ground Floor	Offices	333.89 sq. m.
	Workshop	2332.22 sq. m.
First Floor	Offices	84.32 sq. m.
Mezzanine	Store	83.8 sq. m.
Total		2834.23 sq.m.

5. ISSUES

5.1 The sole issue is the quantum of the net annual value of the property.

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. Donnelly noted that the buildings had been constructed in a piecemeal fashion since 1965 to the present and are of significant age but have been fitted out to a good standard internally to comply with Health & Safety standards.

He noted that the estate is an established business hub in the town of Navan but that there a number of vacant buildings in the estate that have failed to find a Tenant for some time and as a result have gone into disrepair. The estate was developed haphazardly and the further back one goes in the estate the more obvious the situation becomes, and this property is located to the rear of the estate. He noted that access to the estate is restricted, and that initial development took place when trucks were of a smaller size and that it is not suitable for traffic such as exists today. There are more attractive estates available to potential tenants today.

He noted that the property is freehold.

He provided two comparisons of properties to let in Co. Meath but with insufficient information to make any analysis

Mr Donnelly's opinion of Net Annual Value was calculated as follows:

Ground floor offices	333.89 sq.m. @	€20 psm	€6,677.80
Workshop	2332.22 sq.m. @	€20 psm	€46,644.40
First Floor Offices	84.32 sq.m. @	€20 psm	€1,686.40
Mezzanine Store	83.80 sq.m. @	€3 psm	€251.40
Total			€55,260.00

8. RESPONDENT'S CASE

8.1 Mr. Mark Gibbons, for the Respondent, noted the location description and agreed floor areas as noted above under 'Facts'. He provided a set of photographs both internal and external. Mr. Gibbons noted the Appellant's opinion of value at €55,260 but stated that the comparisons provided by the agent are unidentifiable as they have no property number or maps as per the Valuation Tribunal 2019 rules. He further stated that the comparisons are not relevant as they are not executed leases, do not provide floor areas and it cannot be established that the properties are actually on the valuation list. He stated that the onus of proof in appeals is on the Appellant and there is no supporting evidence to substantiate the Appellant's case and opinion of value.

He noted the title to the property to be leasehold for a term of 10 years from 1st June 2014 at €60,000pa from 2014 with 5-year rent reviews and on a FRI basis. There was a 6-month rent free period and no break option. He was unaware of any Landlord/Tenant relationship.

Mr. Gibbons provided 3 key rental transactions in support of his case and the details of this are in an appendix to this Judgement (N/A to public). In summary they are as follows:

1. Unit at Beechmount Home Park, Navan, Co. Meath, Showroom 1,180.72 sq. mtrs. Lease from August 2016 for 5 years at €60,000 p.a. Net Effective Rent €39.64 per sq. mtr.
2. Unit at Mullaghboy Industrial Estate. 4-year 9-month Lease from December 2016. 2,589.43 sq. mtrs at a Net Effective Rent of €77,395.28 p.a. or €28 per sq. mtr
3. Unit at Mullaghboy Industrial Estate, 293.27 sq. mtrs. 2-year Lease from September 2016. Net Effective Rent €14,550 p.a., €46.47 per sq. mtr.

He also provided 3 NAV comparisons and the details are in an appendix to this Judgement (N/A to public).

1. Beechmount Industrial Estate, PN 1553842 1,754 sq.m. NAV €73,200
Showrooms @ €48 psm Warehouse and Offices @ €40 psm
- 2 Unit at Beechmount Industrial Estate, PN 1553726 2515.37 sq.m. NAV €105,700
Showrooms @ €48 psm; Warehouse @ €40 psm ; Stores @ €8 psm.
- 3 Unit at Beechmount Industrial Estate, PN 1553718 3163.09 sq.m NAV €115,100
Offices, store, and warehouse @ €36 psm

Mr. Gibbons noted that the onus of proof in appeals, before the Valuation Tribunal, rests with the Appellant and stated this was confirmed in 3no cases, VA00/2/032, Proudlane Limited trading as Plaza Hotel; VA07/3/054 William Savage Construction and VA09/1/018, O'Sullivan's Marine Limited.

His opinion of Net Annual Value was €110,600 calculated as follows:

Ground floor offices, 333.89 sq. mtrs at €40 per sq. m.

Workshop, 2332.22 sq. mtrs at €40 per sq. m.

First floor offices, 84.32 sq. mtrs at €40 per sq. m.

Mezzanine store, 83.8 sq. mtrs at €8 per sq. m.

Total €110,687.6

say €110,600.

9. SUBMISSIONS

9.1 There were no legal submissions.

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 County Meath.

10.2 There was no dispute between the Parties in relation to the location, description, or accommodation of the Subject property.

10.3 The Appellant while providing an opinion on the appropriate NAV of the property provided no comparisons in support of this opinion.

10.4 The Respondent provided three Net effective rent comparisons and three NAV comparisons in support of his opinion of NAV of the Subject property.

10.5 The difference in the parties understanding as to the Appellant's title is not relevant to the determination in this case.

DETERMINATION:

The provisions of section 37(1) of the Act as amended require the Tribunal in considering an appeal to achieve a determination of the value that accords with the requirements of section 19(5) namely (a) correctness of value and (b) equity and uniformity of value between properties on that valuation list.

Having considered the evidence and the detail of the net effective rent and net annual value comparisons produced by the Respondent, in the Tribunal's opinion the Respondent's determination is excessive.

The Tribunal determines that the Net Annual Value of NAV comparison number 3 is of a building that is more comparable with the Subject Property than the other NAV comparisons produced and therefore confirms an NAV of €36 per sq. mtr. and allows the appeal and determines the NAV at €99,600 calculated as follows:

Ground Floor Offices	333.89 sq. m.	@€36/sq.m.	€12,020
Workshop	2332.22 sq..m.	@ €36/sq.m.	€83,960
First Floor Offices	84.32 sq.m.	@ €36/sq.m	€3036
Mezzanine Store	83.80 sq.m.	@ €7.20/sq.m.	€603.

Total €99,619

Net Annual Value say €99,600