

**Appeal No: VA23/5/0246**

**AN BINSE LUACHÁLA  
VALUATION TRIBUNAL**

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

**MC DERMOTTS HOUSE FURNISHERS LTD**

**APPELLANT**

**and**

**TAILTE ÉIREANN**

**RESPONDENT**

**In relation to the valuation of**

Property No. **1341092**, Retail warehouse at McDermotts House Furnishers Ltd, Spencer Street, Castlebar, County Mayo.

**B E F O R E**

**Mr. Donal Madigan - MRICS, MSCSI**

**Deputy Chairperson**

**Mr Allen Morgan – FSCSI, FRICS**

**Member**

**Ms Avril Sheridan – Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**

**ISSUED ON THE 7<sup>TH</sup> DAY OF MAY 2025**

**1. THE APPEAL**

1.1 By Notice of Appeal received on the 10<sup>th</sup> 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 **€74,800**.

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 excessive and inequitable. The valuation is not a determination of value that accords with that required to be achieved under the valuation acts. The valuation is excessive in comparison with the valuations of comparable properties on*

*the Valuation List. The valuation does not achieve correctness of value and equity and uniformity of value between comparable properties on the list as required under the valuation acts.”*

1.3 The Appellant considered, in the Notice of Appeal, that the valuation of the Property ought to have been determined in the sum of **€46,350**.

## **2. REVALUATION HISTORY**

2.1 This is a Revaluation appeal arising from 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 6<sup>th</sup> September, 2022 and is for the Valuation List published on 22<sup>nd</sup> September 2023.

2.2 The functions of the Commissioner of Valuation are now performed under the authority of Tailte Éireann with effect from 1<sup>st</sup> March, 2023 (S.I. No.58/2023 - Tailte Act 2022 (Commencement) Order 2023).

2.3 On the 25<sup>th</sup> day of March, 2023 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 **€ 103,800**.

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 reduced to **€ 74,800**.

2.5 The Final Valuation Certificate issued on 15<sup>th</sup> day of September, 2023 stating a valuation of **€ 74,800**.

2.6 The date by reference to which the value of the property, the subject of this appeal, was determined, is the **1<sup>st</sup> day of February, 2022**.

### **3. THE HEARING**

3.1 The Appeal proceeded by way of a remote hearing held via Zoom, on the 1<sup>st</sup> day of May, 2024. At the hearing the Appellant was represented by Mr Liam Cahill, MSCSI, MRICS, Chartered Surveyor & Rateable Valuation Consultant of O' Toole & Co., Westport and the Respondent was represented by Ms Ciara Marron MSCSI, MRICS, Chartered Surveyor, of Tailte Éireann.

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 their précis as the evidence-in-chief in addition to giving oral evidence.

3.3 Each Valuer provided a Declaration and Statement of Truth in their précis in accordance with Rule 41 of the Valuation Tribunal (Appeals) Rules 2019.

### **4. FACTS**

From the evidence adduced by the parties, the Tribunal finds the following as the agreed or undisputed facts:

4.1 The Property is situated on the north side of Spencer Street in Castlebar, a town in the centre of Mayo which has a population of 13,054 persons (Census 2022). It is a tertiary retail location.

4.2 The Property comprises a two storey building with further structures to the rear on a site which broadens outwards as one travels to the rear. It is used as a retail furniture shop. Frontage is 8.5 metres to Spencer Street. The front section had a new shopfront built in 2005 and the other structures on site were formerly stores which became amalgamated into the retail section over time. There is a small yard to the rear. There are no on-site car parking spaces for customers.

4.3 The agreed floor areas are as follows:

Ground Floor	896.26m <sup>2</sup>
First Floor	<u>701.77m<sup>2</sup></u>
	1,598.03m <sup>2</sup>

4.4 The Property is freehold.

## 5. ISSUES

The Valuers are agreed on the main factual matters; the only dispute being on the level of the valuation. Much of the difference arises because of the classification of the Property as either a shop or retail warehouse, or other possible designation, and in this regard the Appellant Valuer contends for a valuation of € **46,350** (unchanged from the figure stated in the Notice of appeal) whilst the Respondent Valuer contends for a valuation of € **74,800** as set out on the Final Valuation Certificate.

## 6. RELEVANT STATUTORY PROVISION

6.1 All references in this document 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 Acts.

6.2 In **Revaluation** type appeals, as in this appeal, section 37 of the Act provides that the Valuation Tribunal must reach a determination having regard to the provisions of sec. 19 (5) of the Valuation Act, 2001,

*that 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 (NAV) of the Property must 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 basis 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. Liam Cahill, Valuer for the Appellant, provided a detailed and comprehensive précis of evidence to the Tribunal. This set out his opinion of value on two bases, an overall and a zoning based approach but he opted to submit his overall approach as his adopted opinion at € 46,350 as the net annual value of the Property, as at 1<sup>st</sup> February, 2022 which he calculated as follows:

		€
Ground Floor	896.26m <sup>2</sup> @ € 40.00 per m <sup>2</sup>	35,850.40
First Floor	<u>701.77m<sup>2</sup></u> @ € 15.00 per m <sup>2</sup>	<u>10,526.55</u>
	1,598.03m <sup>2</sup>	46,376.95 say, NAV € 46,350.

7.2 In support of his valuation he provided the following seven comparable properties, of which summary details only are set out hereunder

**NAV 1.**

PN 1341082

Room for a Rug, Spencer Street

NAV € 17,840

This property adjoins the subject on its eastern side and comprises a two storey building with a total of 185.10m<sup>2</sup> with 95.41m<sup>2</sup> of retail at ground level and a further 89.69m<sup>2</sup> of retail at first floor. The NAV of € 17,840 is based on applying a Zone A unit value rate of € 160.00 per m<sup>2</sup> and halving back in the usual way, with a unit value rate of € 75.00 per m<sup>2</sup> being applied to the first floor.

This property was not subject to representations as confirmed by the Respondent.

**NAV 2.**

PN 1341030

Elverys, Bridge Street

NAV € 78,400

[ Full details redacted here as this valuation was under appeal at the time of the hearing of the subject appeal.]

**NAV 3**

PN 1341540

Dealz, Ellison Street

NAV € 83,800

This is located approximately 500 metres from the subject and comprises a property of 851.45m<sup>2</sup> in the ground floor and basement of a building in the main retail area of Castlebar with 403.68m<sup>2</sup> of retail and stores at basement level. The NAV of € 83,800 is based on applying a Zone A unit value rate of € 350.00 per m<sup>2</sup> and halving back in the usual way with a unit value rate of € 96.00

per m<sup>2</sup> being applied to the basement retail and € 65.00 per m<sup>2</sup> being applied to the basement stores.

This property was not subject to representations as confirmed by the Respondent.

The Appellant contends that this location, Ellison Street, is superior to Spencer Street

#### **NAV 4.**

PN 1341227

Rabettes Furniture, McHale Road, Castlebar

NAV € 13,990

This property is located approximately 600 metres south east of the subject and comprises a showroom on ground and mezzanine levels with a total of 686.63m<sup>2</sup> with 391.02m<sup>2</sup> at ground level and 295.61m<sup>2</sup> at the mezzanine. The NAV of € 13,990 is based on applying the unit value rates of € 32.00 per m<sup>2</sup> to the ground floor and € 5.00 per m<sup>2</sup> to the mezzanine.

This property was not subject to representations as confirmed by the Respondent.

The Appellant contends that the location of this property is somewhat similar to the subject in that there is a mix of both residential and commercial uses but that the property has the benefit of parking to the front with good profile too, better in his view, than that of the subject Property. He says there are as much, if not more, commercial users at this location than Spencer Street.

#### **NAV 5.**

PN 2208473

Castle Davitt Furniture, Castlebar Retail Business Park, Castlebar

NAV € 41,200.

This property is located on the extension to the Castlebar Retail Park, approximately 1.8 kms from the subject and further south west of the main park, and comprises a two storey unit of 1,376.64m<sup>2</sup>.

This property has suspended ceilings, air conditioning and a lift. The NAV of € 41,200 is based on the application of a unit value rate of € 30.00 per m<sup>2</sup> to each level overall.

This property was not subject to representations as confirmed by the Respondent.

The Appellant contends that this is a superior busy location to the subject but is inferior to the main retail park about 200 metres away..

**NAV 6.**

PN 1342050

Castlebar Tool & Hire, Moneen Road, Castlebar

NAV € 74,600.

This property is located to the east of the town, approximately 1.6 kms from the subject, and comprises a modern building with a total of 1,305.30m<sup>2</sup> (excluding a mezzanine). The NAV of € 74,600 is based on applying a unit value rate of € 70.00 per m<sup>2</sup> overall to the ground floor of 894.86m<sup>2</sup> ; € 21.00 per m<sup>2</sup> to the first floor retail of 293.21m<sup>2</sup> ; € 14.00 to the first floor store of 116.96m<sup>2</sup> and € 10.50 per m<sup>2</sup> to the mezzanine store of 398.02m<sup>2</sup>.

This property was not subject to representations as confirmed by the Respondent.

The Appellant contended that this purpose built retail warehouse on a very busy road and that the unit value rate applied to the retail at first floor is around 30% of the unit value rate applied to the ground floor retail.

**NAV 7.**

PN 2185115

Home Store and More, Castlebar Retail Park, Castlebar.

NAV € 93,100.

This property is located on Castlebar Retail Park approximately 1.9 kms from the subject and comprises a modern purpose built retail warehouse with a total floor area of 1,672.38m<sup>2</sup> plus a mezzanine of 17.34m<sup>2</sup> and a yard of 364.99m<sup>2</sup>. The NAV of € 93,100 is based on applying a unit value rate of € 70.00 to the ground floor retail area of 1,161.41m<sup>2</sup> ; € 21.00 per m<sup>2</sup> to the first floor retail and office of 273.61m<sup>2</sup> ; € 14.00 per m<sup>2</sup> to the first floor store of 237.36m<sup>2</sup> ; € 10.50 per m<sup>2</sup> to the mezzanine area and € 7.00 per m<sup>2</sup> to the yard of 364.99m<sup>2</sup>.

This property was not subject to representations as confirmed by the Respondent.

The Appellant contended that this unit was built around 2006/7 and that this is the best retail warehouse location in the town. He pointed out that the unit value rate applied to the first floor is around 30% of the unit value rate applied to the ground floor for a purpose built retail warehouse.

7.3 In his oral testimony he contended, inter alia and in summary, that:

- (a) the location is tertiary with a mix of residential and commercial uses on Spencer Street
- (b) the subject Property is one of only two major commercial properties and has listed all valuations to indicate this fact (23 in all) with some offices, a couple of pubs but all more modest than the subject Property
- (c) historically, he said, the prime retail area of the town was centred on the junction of Ellison Street and Market Street and running on to Bridge Street but it has now moved to the area around Hopkins Road with the influx of retailers such as Dunnes Stores, Tesco, Boots, TK Maxx, Next, Aldi, McDonalds and Shaws [metrics on Zone A levels redacted here as those details were not included in his submission] with plenty of car parking facilities
- (d) The subject building has 8.5 metres frontage and as the building is very large by contrast this is limited for the floorplate as well as being on an irregular shaped site
- (e) the building is not purpose built but has been developed since the 1960s with various structures amalgamated to form the present layout with a new two storey shopfront added in 2005
- (f) the building has deficiencies such as poor construction quality with seven roof sections, a problem with water penetration, rising floor level as one proceeds towards the rear of the building, poor insulation, and no lift to assist taking furniture between ground and first floor levels
- (g) there are no parking facilities with this building for customers in contrast to other more modern equivalents in the town
- (h) taking the zoning from the adjacent property (Room for a Rug) and applying it to the subject Property he calculates that if the subject is zoned this gives an NAV of € 40,000 (the entire) which equates to an overall equivalent unit value rate for the ground floor of € 32.85 per m<sup>2</sup> (€ 29,444/ 896.26m<sup>2</sup>) [the € 40,000 for the entire calculated by applying his unit value of € 15.00 per m<sup>2</sup> to the first floor in contrast to the unit value rate of € 75.00 applied to the first floor of the adjacent property]
- (i) he states that the preference is not for zoning but to adopt an overall unit value rate on each level to give the valuation of € 46,350 [as set out in section 7.1 above]

He also provided brief comments on each of his comparables and for clarity here, these comments have been inserted after each NAV comparable in section 7.2 above.

7.4 Under cross examination, Mr. Cahill confirmed, in summary, as follows:

- (a) that his Comparable Number 2 is under appeal
- (b) that although there is a lot of car parking in the town that it can be limited at busy periods in the town
- (c) that the access is limited to the small rear yard in the subject Property could be used
- (d) that the location of the subject Property is tertiary as agreed by the Respondent
- (e) that there are parking facilities adjacent to the County Council offices nearby
- (f) that the occupier has access to around 20 car parking spaces at the back of the property across the street from the subject [the other McDermotts Bedroom Store]
- (g) that the Property is within walking distance of several car parks in the town
- (h) that, with regard to his two separate approaches to his valuation, that the Property has been measured on the basis of gross internal area measurement as usual for retail warehouse type properties
- (i) with regard to Comparable Number 1 , adjacent, that the first floor of this other property is valued at € 75.00 per square metre but it is only 89 square metres compared to the first floor in the subject at over 700 square metres, that he has valued the subject at € 15.00 per square metre because, using zoning on the ground for the subject Property, gives, an equivalent overall unit value rate of € 32.85 per square metre and to reflect a first floor value relative to this, with no lift, he has taken € 15.00 as the appropriate unit value rate accordingly
- (j) that with regard to his Comparable Number 7, being a purpose built retail warehouse, the first floor retail area is taken at € 21.00 per m<sup>2</sup> which is only around 30% of the ground floor unit value rate of € 70.000 per m<sup>2</sup>
- (k) that, with regard to his Comparable Number 6, which is also a purpose built retail warehouse, that the ground floor retail of this is valued at € 70.00 per m<sup>2</sup> and that the first floor retail is valued at € 21.00 per m<sup>2</sup> or around 30% of the ground floor unit value rate
- (l) that, accordingly, if he applies 30% to the overall ground floor unit value rate of € 32.85 from using the zoning metrics applied in Comparable Number 1 [Zone A € 160.00 etc] that his suggested figure of € 15.00 for the overall unit value rate on the first floor of the subject Property is the

maximum value in the circumstances, because applying that relativity, directly, would only give a unit value rate of € 10.00 per m<sup>2</sup> [€ 32.85 X 30%]

(m) that taking the first floor of the subject at € 15.00 per m<sup>2</sup> that it might be superior to the store on the first floor in Comparable Number 6 [at € 14.00 per m<sup>2</sup>] but that it is not superior to the first floor retail that is valued at € 21.00 per m<sup>2</sup>

(n) that the building in the subject Property is seriously compromised because of deficiencies enumerated before and not as good as his comparables No's 6 and 7 and that if the Valuation Office place a value on first floors in purpose built retail warehouses at 30% [at € 21.00 per m<sup>2</sup>] of the ground floor rate, that his adoption of € 15.00 per m<sup>2</sup> for the first floor in the subject is justified

(o) he did not agree that the deficiencies he alluded to are catered for by the original reduction in this assessment from € 135,800 to € 74,800 but more because the property was classified as a department store which was amended to a retail showroom

7.5 In taking questions from the Tribunal, Mr. Cahill clarified that:

(a) that for zoning the subject he had adopted gross internal areas and divide them into zones and suggested that for Room for a Rug (Comparable Number 1) the basis was net internal area with toilets, staircase, internal walls etc removed but that this should have been valued on the basis of gross internal area

(b) that in the case of Comparable Number 1 that he is unsure if there is a lift in this comparable but does not expect there to be one as the building size would not warrant one

(c) that the frontage of Comparable Number 1, by his calculation, is 7.6 metres similar to that of the subject at 8.5 metres

(d) that with regard to Comparable Number 3 (Dealz) that the overall floor area is 448 square metres on the ground floor and the valuation overall for this area works out at € 116.00 per m<sup>2</sup>, excluding the store and also excluding both areas in the basement

## 8. RESPONDENT'S CASE

8.1 Ms Ciara Marron, Valuer for the Respondent, provided a detailed and comprehensive précis of evidence to the Tribunal. This set out her opinion of value at € 74,800 as the net annual value of the Property, as at 1<sup>st</sup> February, 2022 which she calculated as follows:

Ground Floor	896.26m <sup>2</sup> @ € 60.00 per m <sup>2</sup>	53,775.60
First Floor	<u>701.77m<sup>2</sup> @ € 30.00 per m<sup>2</sup></u>	<u>21,053.10</u>
	1,598.03m <sup>2</sup>	74,828.70 say, NAV € 74,800.

8.2 In support of her valuation she provided the following five comparable properties, of which summary details are set out hereunder

### NAV 1.

PN 1341082

Room for a Rug, Spencer Street

NAV € 17,840

This property adjoins the subject on its eastern side and comprises a two storey building with a total of 185.10m<sup>2</sup> with 95.41m<sup>2</sup> of retail at ground level and a further 89.69m<sup>2</sup> of retail at first floor. The NAV of € 17,840 is based on applying a Zone A unit value rate of € 160.00 per m<sup>2</sup> and halving back in the usual way, with a unit value rate of € 75.00 per m<sup>2</sup> being applied to the first floor.

This property was not subject to representations by an Agent.

This is the only comparable property common to both Valuers.

The Respondent contended that this is only separated from the subject Property by a laneway and that it is zoned for valuation purposes because it is of a size appropriate to zone and is a more regular rectangular shape than the subject. She says that, if analysed on an overall basis, for the ground floor, this indicates a unit value rate of € 116.57 per m<sup>2</sup> and a unit value rate of € 75.00 per m<sup>2</sup> for the first floor and that this supports her valuation of € 60.00 per m<sup>2</sup> for the ground floor and € 30.00 per m<sup>2</sup> for the first floor, of the subject, demonstrating that she has made allowances for size .

## **NAV 2**

PN 2161640

Boots, Link Road, Castlebar

NAV € 105,900

This property is situated approximately 800 metres west of the subject Property, in a better location than the subject, and comprises a single storey area of 1,186.73m<sup>2</sup> which is valued at the NAV of € 105,900 that is based on an overall unit value rate of € 85.00 per m<sup>2</sup> plus an allowance for fitout of 5%.

This property was subject to representations by an Agent.

The Respondent contended that she had included this to show the valuation of a rather large shop but is in a much better location than the subject Property but included for context.

## **NAV 3.**

PN 2118755

Stauntons Pharmacy, Main Street, Castlebar

NAV € 50,000.

This property is located approximately 1.5kms from the subject Property and comprises a shop on ground floor with stores at basement level and an office at first floor with a total floor area of 547.40m<sup>2</sup> with 321.35m<sup>2</sup> of this as retail at ground floor. The NAV of € 50,000 is based on applying a Zone A unit value rate of € 350.00 per m<sup>2</sup>, and halving back in the usual way with a unit value rate of € 65.00 per m<sup>2</sup> being applied to the basement and a unit value rate of € 65.00 per m<sup>2</sup> being applied to the first floor office. The ground floor devalues overall at a unit value rate of € 109.84 per m<sup>2</sup>.

This property was subject to representations by an Agent.

The Respondent contended that this is a shop on the main street in the town and although a much better location than the subject, but to note the overall devaluation of the ground floor area in addition to the zoning analysis.

**NAV 4.**

PN 2198049

Harvey Norman, Castlebar Retail Park, Castlebar

NAV € 97,500

This property is located approximately 1.5 kms east of the subject Property and comprises a retail warehouse including store and office of 1,393.81m<sup>2</sup> all at ground floor level. The NAV of € 97,500 is based on applying a unit value rate overall of € 70.00 per m<sup>2</sup>.

This property was not subject to representations.

The Respondent contended that this is in the same location as the Appellant's comparable Number 5 (Castle Davitt Furniture) this ground floor unit being much larger than the ground floor of the subject (896.26m<sup>2</sup>) and does not have the benefits of a town centre location.

**NAV 5.**

PN 2177153

Castlebar Furniture, Castlebar Retail Park, Castlebar

NAV € 79,300.

This property is located approximately 1.7 kms from the subject Property and comprises a two storey building with retail at each level and a total floor area of 1,415.70m<sup>2</sup>. The NAV of € 79,300 is based on a unit value rate of € 80.00 per m<sup>2</sup> being applied to the ground floor and a unit value rate of € 32.00 being applied to the first floor.

This property was not subject to representations.

The Respondent contended that this is an out of town location which one has to drive to in contrast to the town location of the subject Property.

8.3 In her oral testimony she contended, inter alia and in summary, that

- (a) the location of the subject Property on Spencer Street is a short walk from the Council offices Garda station and town centre, and although centrally situated in the town, this is a tertiary position
- (b) Castlebar has a large population at 13,054 persons
- (c) the site of the Property is large and shown on the map in her precis she indicated that there is a customer car park just across the street as well as a county council car park too

(d) the Property itself is large at 1,598.03m<sup>2</sup> and is an old building that has been extended on a piecemeal basis since the 1960s and has a glazed two storey section at the front which was built in the 2000s and behind that is a 1970s two storey showroom section of block construction with an uninsulated flat roof with one of two boilers installed and the roof is prone to leakage. The large industrial section to the rear comprises of a 1970s steel frame building with block walls and pebbledash finish to the exterior with a pitched roof which runs further on to a flat roof on the adjoining section and there is a newer industrial showroom to the rear of this with a cladded roof with an 8% slope to allow for drainage

(e) internally the Property is finished to a high standard but is costly for the occupier because of heat loss through the block walls and the condition of the flat roof ; there is no lift and a roller shutter door was removed to install toilets and there are two boilers for heating there are several supporting walls throughout because of the piecemeal development over time

(f) the Property was initially valued as a department store but was recategorized as a retail showroom after representations were made

(g) that whilst she agrees the building has some deficiencies, that in her view these have been addressed following the review of the valuation after representations were received

(h) that the former stores were amalgamated into the main building to become furniture display areas and there are two large staircases for access and although narrow at the front, the building widens out towards the rear with frontage to Spencer Street being 8.5 metres

(i) with regard to the Appellant's comparables she said

NAV Number 1- that although smaller than the subject [the subject being 1,598.03m<sup>2</sup>] at 185.10m<sup>2</sup> it is within walking distance of County Council offices, Motor Tax and Garda station and was valued on a zoning basis at € 160.00 Zone A per m<sup>2</sup>, and although smaller than the subject Property it has a similar usage and though zoned, if analysed on an overall unit value rate it gives € 116.67 per m<sup>2</sup> for the ground floor and the level being applied to the first floor is € 75.00 per m<sup>2</sup>. These unit value rates support, in her opinion, the unit value rate adopted to value the subject Property at € 60.00 per m<sup>2</sup> overall on the ground floor and € 30.00 per m<sup>2</sup> on the first floor.

NAV Number 2. Under appeal to the Tribunal. [comments redacted here].

NAV Number 3. This property on Ellison Street is smaller (total building 851.00m<sup>2</sup>) than the subject Property with space laid out over ground floor and a basement area and the location of this is better than Spencer Street. It is valued based on a Zone A of € 350.00 per m<sup>2</sup> and if analysed on an overall basis it indicates a level of € 116 per m<sup>2</sup> for the ground floor and € 96 per m<sup>2</sup> on the basement retail and € 65 per m<sup>2</sup> for the basement store. This was not subject to representations.

NAV Number 4. This property is located on McHale Road and is a much smaller industrial building at 686m<sup>2</sup> with a showroom on the ground floor and a mezzanine and is valued at € 32.00 per m<sup>2</sup> and is in what she considers to be primarily a retail location. This property was not subject to representations.

NAV Number 5. This is on an established retail warehouse location on Castlebar Retail Business Park and is smaller than the subject Property and has an industrial two storey showroom which is valued at € 30.00 per m<sup>2</sup>. This property was not subject to representations.

NAV Number 6. This is on the outskirts of Castlebar on the Moneen Road, close to the N5 Retail Park, outside the urban town area, and is smaller than the subject Property and has been classified as a retail warehouse, being a modern building (1,305m<sup>2</sup>) and valued at a unit value rate of € 70.00 per m<sup>2</sup> but does not have the benefit of the subject Property which benefits from a town centre location with a high volume of passing trade. This property was not subject to representations.

NAV Number 7. This is situated on Castlebar Retail Park and comprises 1,672m<sup>2</sup>, being larger than the subject Property, and is a modern purpose built retail warehouse on the outskirts of the town that was not subject to representations.

Ms Marron also provided brief comments on each of her own comparables and for clarity here, these comments have been inserted after each NAV comparable in section 8.2 above.

8.4 Under cross examination, Ms Marron confirmed, in summary, that:

(a) the building in the subject Property is a deep building that broadens out towards the rear as indicated by the aerial photograph in the precis and that the large yard to the right of the building belongs to another occupier; the yard in the subject is just used for loading and unloading

(b) that internally the building is in good condition of an office/showroom standard whilst acknowledging the deficiencies previously outlined by her

(c) that she did not, herself, deal with the representations on the Property but notwithstanding that, she had inspected the Property and examined all the relevant factors, afresh, to determine that the deficiencies cited have been accounted for in her valuation

(d) for their common comparable, NAV Number 1 for both, she stated that to zone the subject Property would not be appropriate and that both Valuers have ultimately valued it on an overall basis

(e) that despite the fact the Appellant has offered an alternative view on a zoning basis, she has not changed her mind on that and prefers the adoption of an overall unit value rate as she considers that the Appellant in his zoning exercise has undervalued the subject by placing a unit value rate of only € 20.00 per m<sup>2</sup> for an area of 735.10m<sup>2</sup> causing the overall rate to be low

(f) she is not in a position to comment on the valuation of Elverys as it is under appeal

(g) that zoning is not appropriate because the building is too large, with a long interior and a frontage relatively small, for that to apply to the subject Property and therefore the further question of making an end allowance to a zoning exercise is not required, either

(h) that contrasting the subject Property with retail out of town properties such as Home Store and More and Harvey Norman, the subject is in the town and they are dissimilar but that she has valued the subject at € 60.00 per m<sup>2</sup> (and first floor at € 30.00 per m<sup>2</sup>) rather than € 70-80 per m<sup>2</sup> as a consequence to reflect the deficiencies in the subject

(i) that with regard to the Appellant Comparable Number 4, Rabettes Furniture, being just 600 metres from the subject and having the same use as the subject (retail of furniture) one being valued at € 32.00 per m<sup>2</sup> on the ground floor contrasted with the substantially larger ground floor of the subject being valued at € 60.00 per m<sup>2</sup> that the disparity in unit value rates applied is because one is in the town centre and the other is a small industrial type building not finished to the same

standard as the subject and from clearly looking at them side by side the subject Property is superior

(j) that with regard to Castlebar Tool and Hire (Appellant Comparable Number 6) on the Moneen Road that the first floor of this, being a retail warehouse, is valued at 30% of the unit value rate applied to the ground floor [€21.00 per m<sup>2</sup> versus € 70.00 per m<sup>2</sup> on the ground floor] but that the first floor in the subject Property has been valued at 50% of the ground floor unit value rate

(k) that with regard to the Appellant Comparable Number 7 (Home Store & More) that the first floor is also valued at 30% of the ground floor unit value rate, but are for retail warehouses, being more modern than the subject

(l) that in respect of her evidence for first floor values she referred to her comparable Number 5 (Castlebar Furniture, Castlebar Retail Park) where a unit value of € 32.00 per m<sup>2</sup> was adopted and Comparable Number 1 (Room for a Rug) where a level of € 75.00 per m<sup>2</sup> was adopted but that these were not the only comparables informing the valuation process, that the Appellant's own comparables are relevant too, in that respect

(m) that, similarly circumstanced properties, includes those of similar use, size, location and construction but that market evidence was not submitted in this particular instance as she was responding to the Appellant's opinion of value but agrees rental evidence should have been submitted

(n) that in respect of Comparable Number 1, (Room for a Rug) notwithstanding the difference in size to the subject Property that she included this because it is adjacent to the Property, is on the Valuation List, and that the first floor part assists the valuation exercise, being valued at € 75.00 per m<sup>2</sup> compared to the first floor in the subject being valued at € 30.00 showing a substantial discount being applied but she does not agree that the zoning used to value the ground floor should be used to value the ground floor of the subject Property; that the Appellant has devalued the ground floor of the same comparable to derive an overall unit value rate equivalent for the subject [by applying the zoning metrics of € 160.00 Zone A etc to "zones" calculated for the ground floor of the subject]

(o) that her devaluation of an overall unit value rate from Comparable Number 1 at € 116.57 is to inform the valuation process

(p) that, in respect of Boots, Respondent's Comparable Number 2, the locational context includes occupiers such as Dunnes Stores, Tesco, Shaws, a hotel, concert venue, next, McDonalds and TK Maxx and that Hopkins Road is the prime area having a Zone A level is € 440.00 per m<sup>2</sup> but that she is not suggesting the level used to value this at € 85.00 per m<sup>2</sup> be adopted for the subject, but rather that she has applied only € 60.00 per m<sup>2</sup> for the ground floor of the subject Property

(q) that in regard to her Comparable Number 5 (Castlebar Furniture) and the Appellant's Comparable Number 5 (Castle Davitt Furniture) the first valued at € 80.00 per m<sup>2</sup> with the second valued at € 30.00 per m<sup>2</sup> that these are both on the Valuation List; the distinction for the difference in unit value rates is that one is classified as a retail warehouse whilst the other is categorised as a retail showroom

(r) that in the case of the subject it is unique and she has had regard to retail warehouses, including industrial and large shops, it differs from them and she has reflected this in the unit value rate adopted

8.5 In taking questions from the Tribunal, Ms Marron clarified:

(a) that with regard to the Boots comparable (Respondent's Number 2 Comparable) the valuation only refers to a ground floor unit, although the building is two storey

(b) that with regard to Comparable Number 1 (Room for a Rug) and despite what the table in her written evidence recorded this was not subject to representations; she is not aware if there is a lift in this comparable but does not expect there to be one, considering its size and she agrees the frontage of this at 7.6 metres

## **9. SUBMISSIONS**

There were no legal 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, equitable and uniform 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 authority for the Tribunal in deciding appeals is limited by the provisions of sec.37 of the Valuation Act, 2001, as amended, and in these appeals the Tribunal can only reach a conclusion based on the evidence placed before it and that which can reasonably be found or unearthed by enquiry at the hearing or by direction to the parties. In a Revaluation type appeal, such as in this case, the primary mandate of the Tribunal is to ensure compliance with the requirements of sec.19(5), being to determine a valuation that is correct, equitable and uniform on the basis of the net annual value outlined by sec.48(3), as set out in section 6. of this Determination.

10.3 In this appeal neither Valuer advanced any rental evidence and so the case for this determination rests on the interpretation of the unit values indicated by other assessments of net annual value for comparable properties, on the Valuation List, as adjusted and applied to guide the valuation of the subject Property. In the absence of rental evidence to properly ground the tone of net annual values, especially in the early stages of a Valuation List, the net annual values of comparables where the original proposed valuations have been challenged are to be preferred to those which have not mounted representations or subsequent appeals. Furthermore, preference will be given in the selection of these other net annual values to those where a professional rating adviser or surveyor has been involved. Valuations that were subject to representations will accordingly have been tested, which should ensure the acceptability and integrity of the Valuation List and the emerging tone of values resulting from such challenges.

10.4 Before outlining a consideration of the comparable evidence submitted, the Tribunal makes the following findings with regard to the Property and the approach to the valuation of it for rating purposes. This retail operation in this location is historic in the sense that it has been developed over a long time, since the 1960s as confirmed in testimony and what the Tribunal is tasked with is not the assessment of a rental value as being, in effect, that **value to the occupiers/owners** but instead must, under rating valuation principles and established law, consider what rent the Property would achieve if offered “vacant and to let” to a hypothetical tenant occupier on the open market as at 1<sup>st</sup> February, 2022. Furthermore, the Property must be looked at in its current use and condition summed up in the Latin phrase well known by rating advisers as “rebus sic stantibus”. Taking account of the fact that the business presently operated in this building and location developed here over time and involved an amalgamation of different structures, this places it, in

overall ranking or quality, at the less desirable end of the spectrum for furniture retail units when contrasted to more modern retail warehouse type properties enjoying plentiful on site customer parking, more modern buildings and layout and being located in more attractive and vibrant locations. If this Property was presented to the open market to let at the statutory valuation date the Tribunal envisages a difficulty attracting tenants because of the tertiary location; deficiencies with the building and services, persistent water leak penetrations; the absence of a lift and lack of customer on-site parking.

10.5 Turning now to a consideration of the comparables, the Tribunal makes the following observations and findings, taking each comparable in the sequence it was presented at the hearing, commencing with those submitted by the Appellant before reciting those lodged by the Respondent.

**Appellant.**

NAV 1.

This property is the only common comparison adopted by both Valuers. Although adjacent to the subject Property, and having a very similar user, it is quite small in contrast having a total floor area of 185.10m<sup>2</sup> which is only 11.6% of the subject ( at 1,598.03m<sup>2</sup> ) although it has a similar frontage at 7.6 metres (8.5 metres in the subject). The Tribunal accepts that it properly ranks for inclusion in the submissions of both Valuers as it provides a context from which to consider the valuation of the subject Property on this street. The Tribunal is concerned at the first floor component being valued at an overall unit value rate of € 75.00 per m<sup>2</sup> which is difficult to reconcile with the ground floor Zone B rate of € 80.00 per m<sup>2</sup>. Such a high unit value rate on the first floor, albeit retail user too, seems out of step with the usual rational valuation methodology in the application of the usual hierarchy of relative values in a zoning exercise. As the ground floor in this comparable is so much smaller (at 95.41m<sup>2</sup>) than the ground floor in the subject Property (at 896.26m<sup>2</sup>) the analysis at an overall unit value rate of € 116.57 per m<sup>2</sup> does not really assist the Tribunal in the selection of an appropriate ground floor unit value rate, as the disparity in size is simply too significant. What emerged in evidence and exchanges at the hearing is that both Valuers appeared to accept Spencer Street having a Zone A level of value at € 160.00. This guides the Tribunal on the comparability of the subject location with those other in town property comparables.

NAV 2.

This is ruled out of consideration because it was under appeal.

NAV 3.

This property enjoys a superior and more vibrant location to the subject being in what was described as the traditional prime retail location of the town historically. This has a sizeable basement area but, as there is no basement in the subject, no further comments are required for those components. The ground floor (of 447.77m<sup>2</sup>) is zoned for valuation purposes and this can be analysed also on an equivalent overall basis to derive an overall unit value per m<sup>2</sup> of € 116.11. By looking at the relative Zone A levels for Spencer Street with this, the exercise involves comparing a Zone A of € 160.00 per m<sup>2</sup>, Spencer Street with a Zone A of € 350.00 per m<sup>2</sup> for Ellison Street, a ratio of 1:2.1875 or in reverse, .04571: 1. Size considerations apart, that would put the equivalent overall unit value rate on Spencer Street at just over € 53.00 per m<sup>2</sup> if one followed the zoning relative levels alone.

NAV 4.

This property is just on the outskirts of the town built up area and ignoring the mezzanine, it has a ground floor area of 391.02m<sup>2</sup> (contrasted to ground floor in the subject Property of 896.26m<sup>2</sup>) which is valued at € 32.00 per m<sup>2</sup>. A more modern building with better layout but further out from the town centre.

NAV 5.

This is Castle Davitt Furniture and is located on the extension to the Castlebar Retail Park in buildings exhibiting industrial type characteristics rather than pure retail warehouses as such, partly demonstrated by the description in the Valuation List as "Showroom". Both the ground (702.10m<sup>2</sup>) and first (674.54m<sup>2</sup>) floors are each valued at € 30.00 per m<sup>2</sup> and the total floor area is not substantially different to the subject property being 1,376.64m<sup>2</sup> compared to the subject at 1,598.03m<sup>2</sup>. Accessibility and parking appear better at this property than at the subject's location.

NAV 6.

This is Castlebar Tool and Hire located at the Moneen Road which appears to be a busy location but further out than the subject from the town centre. The designated (from the Valuation List) ground floor is retail warehouse and showroom plus store all valued at € 70.00 per m<sup>2</sup> (894.86m<sup>2</sup>) with first floor retail (293.21m<sup>2</sup>) being valued at € 21.00 per m<sup>2</sup> and with lesser unit value rates being applied on ancillary areas. This has good profile and appears to have better accessibility and parking facilities than the subject. The total floor area is 1,305.30m<sup>2</sup> (excluding the mezzanine) which is not too different from the subject at 1,598.03m<sup>2</sup> and it has an NAV of € 74,600 which is very similar to the subject's valuation in the Valuation Certificate of € 74,800.

NAV 7.

This property, Home Store & More, is located on Castlebar Retail Park and is surrounded by other high profile occupiers and has plentiful free car parking for customers. It is also designated as retail warehouse in the Valuation list with the ground floor retail ( 1,161.41m<sup>2</sup>) valued at € 70.00 per m<sup>2</sup> similar to NAV 6 and the first floor retail, office and store being valued at € 21.00 per m<sup>2</sup>. This is clearly superior in many respects to the subject Property.

### **Respondent.**

NAV 1.

This is the same as the Appellant's Number 1 Comparable and so the comments that are made above in respect of this are relevant.

NAV 2.

This is Boots on the Link Road and as advised by the Respondent was introduced mainly to provide context to town centre values and the relativity of the subject to others in the town centre. This is superior in virtually all respects to the subject Property, most especially location.

### NAV 3.

This is a pharmacy in the more traditional main street part of Castlebar that includes a basement and first floor area with a total of 547.40m<sup>2</sup> (subject has a total of 1,598.03m<sup>2</sup>) and a total NAV of € 50,000. It is valued on a zoning basis at a Zone A level of € 350.00 per m<sup>2</sup> and the ground floor retail (comprising 321.35m<sup>2</sup>) devalues at an overall unit value rate of € 109.84 per m<sup>2</sup> contrasted to the ground floor ( 896.26m<sup>2</sup> ) in the subject which is valued at € 60.00 per m<sup>2</sup> overall. Comparing Zone A levels for relative comparison between Spencer Street (€ 160.00) and Main Street (€ 350) shows a ratio of 1:2.1875 or in reverse, 1: 0.457. Taking the zoning relationship alone in isolation, other things being equal, implies an overall unit value rate for the ground floor of just over € 50.00 per m<sup>2</sup> ( € 109.84 X 0.457 = € 50.197). This comparable property was subject to representations by an agent and so has the benefit, as evidence, of being tested.

### NAV 4.

This is the Harvey Norman retail warehouse on the Castlebar Retail Park which comprises a ground floor unit of 1,393.81m<sup>2</sup> all of which is valued at € 70.00 per m<sup>2</sup> overall, to yield an NAV of € 97,500. This is superior to the subject Property in all respects being surrounded by high profile retail uses and with plentiful car parking. This property was not subject to representations. It indicates the level of € 70.00 per m<sup>2</sup> being applied to a larger ground floor area of 1,393.81m<sup>2</sup> being just over 55% larger than the ground floor in the subject of 896.26m<sup>2</sup>.

### NAV 5.

This is the Castlebar Furniture property on the Retail and Business Park extension to the Castlebar Retail Park in the same location as the Appellant's Comparable Number 5 and comprises of a two storey retail warehouse unit of 1,415.70m<sup>2</sup> . The NAV of € 79,300 is based on a unit value rate of € 80.00 per m<sup>2</sup> being applied to the ground floor and a unit value rate of € 32.00 being applied to the first floor. The Tribunal considers this to be in a more industrial type location than the Castlebar Retail Park although the ground floor appears valued significantly more than Castle Davitt Furniture (Appellant NAV Number 5) being valued at € 80.00 per m<sup>2</sup> contrasted to the latter, which is valued at € 30.00 per m<sup>2</sup>. This property was not subject to representations which means,

as far as can reasonably be established, was not challenged and is therefore untested. It is not at all clear why a unit value of € 80.00 per m<sup>2</sup>, higher than that applied in the Retail Park (€ 70.00 per m<sup>2</sup>) especially when a level of € 30.00 is applied to a similar unit just down the road from it. Neither property was subject to representations and so the Tribunal must be careful not to draw unfounded conclusions from these, especially as they seem irreconcilable.

10.6 In the light of the evidence the Tribunal considers that the appropriate unit value rate for the **ground floor** of the subject Property can be established, firstly, leaving aside Appellant NAV number 2 (Elverys) being under appeal, and Respondent's NAV number 2 (Boots) as being significantly better than the subject Property, the following pattern, from the other in town properties cited, of **overall unit value ground floor rates** emerges if the zoning relativity is accepted as being correct, which the exchanges at the hearing support as a valid contention:

NAV Number 1 (both Appellant and Respondent) € 116.57 per m<sup>2</sup> but for very small area of 95.41m<sup>2</sup>

Appellant NAV Number 3 Dealz, Ellison Street € 116.11 per m<sup>2</sup> for area of 447.77m<sup>2</sup>  
If adjusted for relative Zone A levels this yields an equivalent figure of € 53.08 per m<sup>2</sup>

Respondent NAV Number 3 Stauntons Pharmacy, Main Street € 109.84 per m<sup>2</sup> for an area of 321.35m<sup>2</sup>

If adjusted for relative Zone A levels this yields an equivalent figure of € 50.197 per m<sup>2</sup>

Secondly, the other edge of town and out of town comparables point to levels of € 70.00 per m<sup>2</sup> for retail warehouses (the level of €80.00 for Respondent NAV 5 being disregarded as suspect in addition to Appellant NAV % also as not fitting the pattern either) down to € 30.00/32.00 per m<sup>2</sup> for what might best be described as industrial type showrooms.

The Tribunal considers that a ground floor overall unit value rate is € 48.00 per m<sup>2</sup> to reflect size, configuration, building deficiencies as well as tertiary location placing it less than in town shops although better than industrial type showrooms but inferior to modern retail warehouses. Turning

to the corresponding unit value rate appropriate for the first floor the Tribunal disregards the level applying in the adjacent property (NAV number 1 for both Appellant and Respondent) but takes account of the ratio of first floor values in the retail warehouse properties of 30% which it considers can be increased to 35% because of the added benefits of an in town location (but accounting for large size) to indicate a unit value of € 16.80 per m<sup>2</sup> as the unit value applicable to the first floor.

#### **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 **€ 54,800**.

Ground Floor	896.26m <sup>2</sup> @ € 48.00 per m <sup>2</sup>	43,020.48
First Floor	<u>701.77m<sup>2</sup></u> @ € 16.80 per m <sup>2</sup>	<u>11,789.74</u>
	1,598.03m <sup>2</sup>	54,810.22 say, <b>NAV € 54,800</b>

#### **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.