

Appeal No. VA02/2/003

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 2001**  
**VALUATION ACT, 2001**

**Irish Independent Newspapers**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Printing Works at Lot No. 13B Unit 2023, DED: Saggart, RD: Lucan, County Dublin

**B E F O R E**

**John O'Donnell - Senior Counsel**

**Chairperson**

**Patrick Riney - FSCS FRICS MIAVI**

**Member**

**Joseph Murray - Barrister**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 17TH DAY OF JUNE, 2003**

By Notice of Appeal dated the 4th April 2002, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €3,079.11 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are:

“We wish to appeal against the revised valuation on the grounds that the valuation is excessive inequitable and bad in law when rental levels and other factors are taken into consideration.”

The appeal proceeded by way of an oral hearing, which took place on Monday the 2<sup>nd</sup> December 2002 in the Arbitration Centre, Distillery Building, Law Library Dublin7. The appellant was represented by Mr. Brian Bagnall of Bagnall and Associates, Surveyors and Valuers. The respondent was represented by Mr. Kevin Heery, a Staff Valuer in the Valuation Office with over thirty years experience. Having taken the oath, both Mr. Bagnall and Mr. Heery each adopted their written submissions as their evidence in chief, which had previously been exchanged between the parties and submitted to the Valuation Tribunal.

### **Appellant's Case**

Mr. Bagnall pointed out that the property comprised a purpose built printing works for Independent Newspapers and involved the relocation of their entire printing press from centre of Dublin city. He stated that it was built to a good standard of industrial finish with the feature of the building being the print room fronting on to the Naas Road which had a glass elevation. The property is situated to the front of the City West Business Campus, which fronts on to the main Dublin to Cork road (Naas Road) and is primarily occupied by Industrial/Office developments. The mail room is located to the rear of the print room and comprised a mainly warehouse type structure where the newspapers were delivered from the printing press, sorted and stacked in various bundles for distribution throughout the country. Both the mailroom and the print room are mainly of a single storey construction.

Mr. Bagnall emphasised that this was predominantly an industrial building with a fairly sophisticated plant designed to suit the occupants business. There are eight blue towers in the printing room where the paper goes in at the bottom and comes out printed at the top.

The mailroom, which is located to the rear of the print room, is the main workroom, taking newspapers in from the printing press, sorting and distributing accordingly.

He pointed out that after lengthy negotiations with the Valuation Office a substantial portion of the rateable valuation had been agreed except for firstly the print room and secondly the mail room.

### **Print Room**

Mr. Bagnall pointed out that the print room, located to the front of the building, was a feature structure comprising a c. 17 metre high warehouse where the main print operations for Independent Newspapers took place. The machinery is circa 13 metres high and at first floor level a working platform had been established to supervise the initial print operation. There are two catwalk platforms at two further levels which were installed as part of the machinery and these were purely used as access catwalks so that the machinery can be inspected on a regular basis.

Independent Newspapers had decided to go for a feature building to the front of their new property and used its profile to the Naas Road to good affect. Whilst he pointed out it was a feature building which had received a number of architectural awards, he still emphasized it was a functioning industrial building.

### **Mail Room**

The newspapers pass from the print room into the mailroom and there are additional facilities for inserting pamphlets magazines etc in to the paper. Other than this the mailroom was mainly concerned with dispatching the newspaper by bundling it into specific amounts for the various areas of the country. The head clearance of c. 9.8 metres in this mailroom was virtually identical to that of the paper store but it does not have the added advantage of having an air-conditioning/extractor system.

The agreed floor areas were as follows:-

Mail Room	1617.92 square metres
Print Room	835 square metres

In his opinion Mr. Bagnall stated that a fair rateable valuation would have been more in the order of €2,390 as detailed in his submission.

Mr. Bagnall proceeded to deal with the comparisons: -

**Comparison A**

This dealt with a Tribunal decision of Walsh Western International, which was issued on the 8<sup>th</sup> June 1998(V97/4/039). He pointed out this judgment dealt at length with high bay warehousing and that it was very relevant to the subject property for that reason. He drew the Tribunal's attention to a number of points from that judgment dealing with high bay warehousing. He had adopted €70 per square metre to reflect the subject property's high profile and pointed out this is circa 14% more than the Walsh Western or Hewlett Packard buildings.

**Comparison B**

He pointed out that the Valuation Office had adopted €50.79 per square metre on the paper store for a building with similar headroom and a much smaller area.

**Comparison C**

Mr. Bagnall referred to an assessment of rateable valuation on the M.J. Flood Ireland Ltd (adjoining building) at City West Business Park. The Valuation office had fixed the valuation of this building in 2001 at c. €3(£50) per square metre on the offices which front the Naas Road. They have not imposed any loading for its prominence despite the fact that equally it takes advantage of its position by featuring its offices and signage to the front.

Mr. Heery cross-examined Mr. Bagnall and referred to the substantial costs that had been incurred by Independent Newspapers in the order of c. €13.77 million. Mr. Bagnall accepted that a considerable amount of investment had been incurred by his clients. However he reiterated his earlier arguments in that he felt that just because a particular investor chose to provide a feature building to suit his business, this did not change the fact that in his opinion the structure was still primarily an industrial building, fronting the Naas Road at the front of the City West Business Park. The site is held under a 100-year lease (with five-yearly rent reviews) from the 23<sup>rd</sup> August 1999 at an annual rent of €355,527.00 per annum and site area is c. 1.78 hectares(c. 4.4 acres).

**Respondent's Case**

Mr. Heery referred to his submission and emphasised the property commanded a very prominent location in the City West Business Park, fronting the Naas Dual Carriageway. It is a new printing facility for Independent Newspapers (Ireland) Limited and was designed to meet the twin objectives of providing a fully integrated production flow using state of the art machinery within a building of visual distinction. He stated that the building could be split into two distinct parts. Section 1, a circa 17 metre high fully glazed press hall to the front and section 2, mailroom/offices and other related buildings to the rear.

He stated that the press hall was fully air-conditioned and that the printing hall itself is supported in an in-situ reinforced concrete slab which is completely independent of the press hall main structure.

The mailroom comprises a mainly three-storey structure that has the mailroom, plant room, administrative offices, trading room and other associated facilities. Its eaves height is circa 12.5 metres.

Mr. Heery emphasised that the capital expenditure incurred on this printing works was far in excess of the expenditure generally incurred on normal type of warehousing. There were no direct comparisons for this type of property and he mentioned that the Irish Times printing works which was also in the City West Campus would be broadly similar but that it had not been assessed yet. He contended that a direct comparison with conventional warehousing was not appropriate in this case, as it would not reflect the major differential in capital expenditure on the structures. He considered that it was open to the Commissioner of Valuation to utilise the most suitable approach/method of valuation in order to arrive at a fair valuation in each particular case and referred to the view expressed by Mr. Justice Kingsmill Moore in the Roadstone Case (1961) IR239. In view of the foregoing he was of the opinion that this was a case where consideration of capital expenditure incurred was of major importance in arriving at correct rateable valuation.

He pointed out that he had assessed the valuation on two bases. Basis 1 on cost basis. Basis 2 on the basis of an NAV arrived at as per euro pricing per square metre.

Mr. Heery referred to his comparisons one to four, which were all located at the City West Business Campus and concluded in stating that in his opinion a reasonable RV for the subject property was €3079.11.

Under cross-examination Mr. Bagnall asked if this method of valuation would normally be used. Mr. Heery stated that yes it would be in such cases as Intel and Hewlett Packard. He felt that the mailroom had a very sophisticated air-conditioning system and walkways. Mr. Heery was of the opinion that an addition in the order of circa 10% would normally be added for air-conditioned buildings. He considers the contractor's method of valuation had its own validity in this case.

### **Determination**

The Tribunal has carefully considered all the evidence adduced and argument proffered and makes the following findings:

1. The subject property was purpose built and designed by Independent Newspapers (Ireland) Limited in order to meet its particular needs and involved the relocation of their entire printing press from the centre of Dublin city. This is reflected in the design specification and internal layout of the print room, mailroom and other office and ancillary buildings to the rear.
2. The Tribunal accepts the evidence of Mr. Bagnall that if two adjoining occupiers decide to expend totally varying sums on constructing premises it does not follow that the more expensive building will necessarily achieve a higher rental or N.A.V..
3. The Tribunal accepts Mr. Heery's evidence that the subject property is a highly specialised complex structure on which major capital expenditure was incurred.
4. In arriving at a fair rateable valuation the Tribunal would refer specifically to the following two cases as being most comparable to the subject. Number one Walsh Western fronting the M50 motorway at the Red Cow junction. Number two Hewlett Packard in Leixlip.

Having regard to the foregoing, the Tribunal determines the rateable valuation of the subject hereditament and the estimate of NAV as follows.

A	Printroom	835 square metres @ €90 per square metre =	€75,150.00
B	Mailroom	1617.92 square metres @ €55 per square metre =	€88,985.60

Total = €164,135.60 @ .63% = €1,034.05 add agreed section €462.14

Total = €2,496.19 giving a total R.V. of Say €2,500.00