

Appeal No. VA06/3/022

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

A. J. Edge

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory at Lot No. 2Ddl/E, Solus Tower Industrial Estate, Cork Great, Shankill
Shanganagh, Rathmichael, County Dublin

B E F O R E

Michael P.M. Connellan - Solicitor

Deputy Chairperson

Michael F. Lyng - Valuer

Member

Maurice Ahern - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF JANUARY, 2007

By Notice of Appeal dated the 21st day of July, 2006 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €138.00 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are:

"On the basis that the Rateable Valuation is excessive, inequitable and bad in law"

The appeal proceeded by way of an oral hearing which took place in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 1st November, 2006. Mr Eamonn Halpin B.Sc. (Surveying) M.R.I.C.S., M.I.A.V.I. represented the Appellant and Ms. Carol Spain, B.Sc. (Hons) Valuation Surveying, C.Dip. A.F., a Valuer in the Valuation Office, represented the respondent. At the oral hearing, both parties, having taken the oath, adopted their précis as their evidence-in-chief. In doing so Mr. Halpin made amendments to some details of his comparison properties, as shown at Appendix 1 to this Judgment.

Location and Description

The subject property, built circa 1960, comprises a ground and first floor semi-detached industrial unit with small ancillary offices located at Solus Tower Industrial Estate, Bray, Co Wicklow. A mezzanine floor has been installed since the previous valuation. The property is used for the assembly of Fire Extinguishers.

The accommodation and agreed floor area of the property is:

Ground Floor Warehouse	375 sq. metres
First Floor Offices	86 sq. metres
Mezzanine Storage	250 sq. metres

Appellant's case

Mr. Halpin, having taken the oath, adopted his written précis and valuation, which had been received by the Tribunal, as his evidence-in-chief. He contended for a rateable valuation as set out below:

Ground Floor Warehouse	375sq.m.	@€27.34 per sq.m.	= €1,531.00
First Floor offices	86sq.m.	@ €30.75 per sq.m.	= €2,644.00
Mezzanine Storage	250sq.m.	@ €13.26 per sq. m.	= €3,315.00
			Total NAV €16,211.00

RV @ 0.5% €102.13 Say RV€102

He stated that the property had a previous valuation of €3.80 made in 1997. He told the Tribunal that the present occupiers came to the subject property because the property they had been renting was sold and it was agreed as part of that sale that the purchaser would find alternative accommodation for them. As a result, the subject property was acquired even

though the site was very confined and the unit was small. It was agreed between the parties that if the developer could increase the floor area by installing a mezzanine floor for storage and some basic offices, the unit would be suitable. Mr. Halpin stated that the installation of the mezzanine, while increasing the floor area of the property, did not add 70% to its value as represented by the revised valuation of €138. Instead it compromised the ground floor because it reduced the headroom from 5.5 metres to 2.8 metres.

Mr Halpin stated that this Industrial estate comprised fairly basic accommodation by modern standards. He felt that the potential value of properties adjacent to the town of Bray had always been moderate. He also stated that when the valuation of the unit was revised in 1997, it was mistakenly thought that the eaves' height was 8 metres and he felt this might have accounted for the high NAV level adopted. He also felt that the Commissioner, in reaching his valuation, appeared not to have fairly compared the subject property against comparable properties of type and size within the Dun Laoghaire/Rathdown area. He stated that he had shown by his comparisons that the rate per square metre applied to the subject was excessive when compared to old style buildings within the Dun Laoghaire/Rathdown area. He referred in particular to his comparison number two, Xpert Systems, built in 1996 in a prime location in Sandyford Industrial Estate which had restricted head room similar to the subject and had a valuation of €27.34 per square metre (the same as he applied to the subject). He stated that it would be unjust to take the original ground floor area at the original rate per square metre of €41 when it had headroom of 6 metres and not make adjustment at revision when the headroom had been reduced to 2.8 metres. Mr. Halpin's comparisons are at Appendix 1 to this Judgment.

Under cross-examination, Mr Halpin stated that he was unaware of any similar unit within this industrial estate with a similar type rental income. The reason why his valuation on the office floor area was so moderate was because these offices were very basic. They were similar to those in unit F, Solus Industrial Estate. The offices in this unit (ie Unit F Solus Industrial Estate) when revised in November 2005 were valued at €30.75 per square metre. This valuation was increased by the Appeal Officer to €41. Mr Halpin also stated that the subject property had an RV of €138 (ie €41 per sq. m. for offices & warehouse with €13.67 per sq. m for the mezzanine) and that, during the course of the first appeal, it was agreed that the mezzanine floor area was only 250 sq. m and not 288.75 sq. m. which the Valuation

Office had used at revision. In order to maintain the valuation, the Valuation Office increased the level per sq. m. on the offices.

Respondent's case

Ms. Carol Spain, having taken the oath, adopted her précis as being her evidence-in-chief. She assessed the rateable valuation of the subject property as follows:

Ground floor Warehouse	375 sq. metres @ €41.00 per sq. metre = €15,375
First Floor Offices	86 sq. metres @ €41.00 per sq. metre = €3,526
Mezzanine Storage	250 sq. metres @ €13.67 per sq. metre = €3,418
Total NAV	€22,319
RV @ 0.63%	€140.61
Say	€138

Her valuation, she stated, was made by reference to the values of comparable properties appearing in the valuation list for the Dun Laoghaire/Rathdown County Council area.

Ms Spain said that the subject property is located in Solus Tower Industrial Estate, on the south side of Corke Abbey Avenue, close to the junction with the main Dublin Road about ¼ mile from the M11 motorway. She considered the subject property to be located in a mixed industrial and residential area on the northern outskirts of Bray. This industrial estate contained approximately 27 units of varying size and quality. The subject property comprised a semi-detached, industrial unit with concrete portal frame block walls and double-skin cladded roof. A new concrete mezzanine floor had been installed since the property was last valued.

She introduced four comparisons, details of which are at Appendix 2 to this Judgment. She stated that her first three comparisons were from the same estate as the subject and she felt that using comparisons from the same estate was the more appropriate basis of valuation. Her fourth comparison was a modern industrial unit in Ballyogan Business Park. It was valued in 2001. It was a very remote location. No allowance was made in the valuation for the reduced headroom but instead a modest level was applied to the mezzanine to reflect the reduced headroom beneath. It was her opinion that where a mezzanine floor had been added, the building had been improved and that this should be reflected in the valuation. Ms Spain also

referred to seven other properties of various sizes and qualities in the same industrial estate as the subject and said that six of the seven were valued at first appeal at the same level and in some cases higher than the subject.

Under cross-examination as to whether her comparisons were similar to the subject in that they had a mezzanine with reduced headroom on the ground floor, Ms Spain stated that she would not agree that the existence of a mezzanine is required for a property to be comparable. Properties that are located in the same estate are similar in nature and type as they are all industrial units and she stated that the mezzanine was an improvement in the property. She accepted that the offices were moderate and that in her original report she valued them at the same level as Mr Halpin was seeking, i.e. at €30.75 per sq. metre.

Findings and Determination

The Tribunal, having carefully considered all the evidence and arguments adduced by the parties, is not convinced of the respondent's justification for increasing the level on the offices from €30.75 per sq. m. to €41 per sq. m.

In view of the foregoing, the Tribunal determines the net annual value and the rateable valuation of the subject property to be as follows:

Ground floor Warehouse	375 sq. metres	@ €41 per sq. m.	= €15,375
First Floor Offices	86 sq. metres	@ €30.75 per sq m.	= €2,644.50
Mezzanine			
Storage	250 sq. metres	@ €13.67 per sq. metre	= <u>€3,418.00</u>
NAV			€1,437.50

RV @ 0.63% = RV €135.05

Say RV €135

And the Tribunal so determines.