

Appeal No. VA06/3/032

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

**Kellglass Ltd.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Workshop, Office(s) at Lot No. Unit 1 Kells Business Park, Commons of Lloyd, Ceanannus Mor Rural, Kells, County Meath

**B E F O R E**

**John Kerr - BBS. ASCS. MRICS. FIAVI**

**Deputy Chairperson**

**Michael F. Lyng - Valuer**

**Member**

**Leonie Reynolds - Barrister**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 26TH DAY OF JANUARY, 2007**

By Notice of Appeal dated the 31st day of July, 2006 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €30.00 on the above described relevant property.

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

"The RV as assessed is excessive inequitable and bad in law. The NAV is excessive in view of the type and nature of the premises and its relative worth. When these items are taken into account the NAV is excessive and not in keeping with the established tone for comparable properties."

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 22nd November, 2006. Mr. Eamonn Halpin, B.Sc. (Surveying) A.S.C.S., 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, which had previously been received by the Tribunal, as their evidence-in-chief.

## **The Property**

### **Location**

The subject property is located in Kells Business Park on the N3 one mile north of Kells and ten miles from Navan. The Park is five years old and has some 20 units of varying size.

### **Description and Accommodation**

The subject property is a modern detached industrial unit, comprising 2-storey offices to the front and large workshop/warehouse to the rear. It is constructed of steel frame with metal cladding and double skin roof. There is a concrete block façade with double height feature glass window. While the parties disagreed as to the eaves height of the workshop/warehouse, the respondent citing 8 metres and the appellant citing 7.1 metres, both parties confirmed to the Tribunal at hearing that the eaves height was not a material issue in the appeal.

The agreed floor area of the property is:

2-Storey Offices	268.4 sq. metres
Workshop/Warehouse	1,878.8 sq. metres

### **Tenure**

The unit is held under a 15 year lease from 2004.

### **Valuation History**

The property was first revised in December 2005 at RV €400. Following an appeal to the Commissioner in January 2006 the RV was reduced to €330. It is against this decision of the Commissioner that the appeal to this Tribunal lies.

### Appellant's Case

Mr. Eamonn Halpin, having taken the oath, adopted his written précis and valuation which had been received by the Tribunal, as being his evidence-in-chief. Mr. Halpin contended for a rateable valuation of €229 calculated as set out below:

Offices	268 sq. metres	@ €27.34 per sq. metre =	€7,327
Warehouse	1,878.8 sq. metres	@ €20.50 per sq. metre =	<u>€38,499</u>
Total NAV			€45,826

RV @ 0.5% = €229.13 Say RV €229

Mr. Halpin stated that the relevant property is located in the Kells Business Park, Kells, Co Meath and is occupied by Kellglass Ltd. It is a predominantly moderate standard industrial estate which remains under development for the past six years. He also advised that it is situated in a rural area adjacent to the main N3, Dublin/Cavan Road, about 3km from the town of Kells and 40km from Cavan town. The Appeal Consultant stated that the building offers two-storey offices to the front and a warehouse to the rear and stated that it is constructed with concrete block walls and concrete floors with an insulated metal deck-roof and the offices are fitted with double glazed windows. He contended that the values in the development are moderate both in capital and rental terms and that many occupiers were attracted to the location by the relatively low rental/purchase levels at Kells Business Park. Mr. Halpin then referred to an earlier communication between the Appeal Officer and the Revision Officer at First Appeal on valuations in this Park, as set out by record from the Valuation Office, as follows, which was also contained in the Consultant's précis of evidence.

*“Appeal Officer: “Having regard to the grounds of appeal, points made and comparisons cited by the agent, do you wish to alter your opinion of value - please specify.”*

*Revision Officer: “I have examined each of the Agent's comparisons in turn, as well as further comparisons within the Co. Meath area, and have concluded that the levels applied in this industrial estate are higher than general levels in Navan, Duleek, Ashbourne, Dunshaughlin and Summerhill.....On this basis, it seems the levels applied at revision require some modification.””*

At First Appeal the Commissioner of Valuation reduced the rate / m<sup>2</sup> applied on the office and workshop/warehouse by 9% and 18% respectively.

Mr. Halpin then reviewed details of six comparisons, as set out in Appendix 1 to this Judgment. He stated that his first three comparisons were from Navan, Summerhill and Ashbourne areas, where much higher rental values are achieved, but were valued for rating purposes at levels lower than the subject. He said he included the other three comparisons [i.e. No's 4, 5 and 6] to represent applied rental levels on superior and similar units in Co. Meath. He stated that he believed that a workshop/warehouse of 1,878.8 sq. metres deserved a quantum allowance and felt €20.50 per sq. metre was the highest level that could be fairly applied in this circumstance.

Under cross-examination, Mr. Halpin acknowledged to Ms. Spain that his comparison No. 5 (a common comparison) was partially sub-let to Meath County Council.

### **Respondent's Case**

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

Offices	268.4 sq. metres @ €34.17 per sq. metre	= €9,171
Workshop	1,878.8 sq. metres @ €30.75 per sq. metre	= <del>€57,773</del>
	Total NAV	€66,944
	RV @ 0.5%	€34.72
	Say RV	€30

Ms. Spain said that her calculation of Rateable Valuation was assessed by reference to the values of comparable properties appearing in the Valuation List for the Meath County Council rating area. She confirmed that the Business Park in which the subject property is located is a developing park and at the time of her assessment there were approximately 20 units of varying sizes on the Valuation List. She stated that the Kells Business Park continued to be developed at the rear of the site, a programme which has been underway for five or six years, and that all of the units are constructed to a modern specification.

To support her assessment of value Ms. Spain introduced 6 comparison properties, details of which are attached as Appendix 2 to this Determination. Her comparisons No's 4, 5 and 6 are in the same park as the subject. She stated that her other three comparisons are all large industrial units in Duleek, Ashbourne and Mullaghboy. The unit at Duleek, being comparison No. 1, is, she stated, in a poorer location than the subject, and Comparison No. 2 at Ashbourne is similar to the subject in terms of building specification and eave height. She then contended that the specification of property comparison No. 3 at Mullaghboy was much lower than the subject and noted that the eave height there was approximately 2 metres less than the subject. Of her three comparison properties in the same Park as Kellglass Ltd., two were the subject of a First Appeal in 2005 when the NAV per sq. metre was reduced to €4.17 – the same level as that on the subject. Her comparison property No. 6, also in the Park, was valued for rating purposes in 2004, at a level of €7.57 / m<sup>2</sup>, and was not appealed.

### **Cross-examination**

Under cross- examination by Mr. Halpin, Ms. Spain agreed that Navan was a better location than Kells and attracted higher rental values, but she repeated that Kells is on a national route, the subject building was of a very high quality, and she felt that her valuation was fair and reasonable. She would not agree that an industrial unit in Navan should be compared with a retail/hardware unit in Kells, as they were totally different types of property. She also acknowledged that comparison property No. 1 in her précis had the rateable valuation established without appeal, which was apparently assessed at a level lower than the subject because, in her view, it was at a poorer location while she acknowledged that it was still closer to Drogheda than to Navan. Ms. Spain also expressed the view that her comparison no. 2 was a similar style building with good specification, albeit an older building than the subject. Referring to her comparison property No. 3 and in response to queries from Mr. Halpin, she confirmed that, in her opinion, though the specification of that property was lower than that of the subject, its location was better, and she then acknowledged that her comparisons no's 4 and 5 were properties not on the Valuation List when the Kellglass premises were assessed for rating purposes. With regard to her comparison property No. 6, she agreed that that valuation was on a now discredited basis which she did not subscribe to and was therefore suspect. Under further cross-examination, Ms. Spain expressed her opinion that the appellant's comparison property No. 1 should not be relied upon as a suitable comparator as it is a hybrid property, as described earlier by Mr. Halpin, but acknowledged that it is in a better location than the subject. She summed up her remarks by indicating again

that comparisons no's 1 and 2 should be jointly considered as her preferred or primary comparisons for the exercise to hand.

Mr. Halpin then also summed up, indicating that his assessment was based on the "tone of the list" drawn from within the area, supported by rateable valuations which had been determined upon appeal. He noted that of the first three comparisons relied upon by Ms. Spain, only one, being No. 3, was appealed, and argued that the Commissioner had demonstrated that the levels established in the Kell Business Park are "moderate".

Ms. Spain, in her final remarks, stated that the Kellglass premises is deemed to be of a high quality and specification, reasonably well located, though not as favourable as it might be in Navan, and concluded again that the valuation was fair and reasonable.

### **Findings**

The Tribunal, having carefully considered all the evidence and arguments adduced by the parties, makes the following findings:

1. The Business Park in Kells does not enjoy the same level of profile as similar Park facilities in Navan.
2. The Tribunal takes into account the Revision Officer's comments at First Appeal with regard to the NAV levels applied to properties in the Kells Business Park as cited earlier in this Judgment.
3. The Tribunal must disregard the information provided by the respondent on her comparison property No. 6, as she had declared during hearing that it was assessed incorrectly by the Valuation Office.
4. The Tribunal has set aside the details submitted in Ms. Spain's précis on comparison properties no's 4 and 5, as same were not on the Valuation List at the time the subject was being revised, whereas other comparable properties were available on said List at that time.

5. The Tribunal accepts, in part, the proposition put forward by Mr. Halpin that comparison property No. 5 in his précis, also located within the Kells Business Park, operating as a Cash & Carry outlet, is superior to the subject with a better finish, served with internal heating, with the rate / m<sup>2</sup> established at €34.17 and €30.75 for office and warehouse areas respectively, following First Appeal.
6. Mr. Halpin was not able to identify a primary comparison property from those listed in his précis of evidence, but indicated he would favour comparison No. 4, while acknowledging that the specification, use and scale of same was quite different to that applying to the subject.
7. The Tribunal did not hear sufficient argument to support a change on the rate / m<sup>2</sup> assessed by the Commissioner on the office area of the subject, which was calculated at €4.17 / m<sup>2</sup>.
8. In relation to the workshop area, the Tribunal is of the view that the most suitable comparator introduced was comparison property No. 1 in Ms. Spain's précis located at Duleek because of its floor area, similar specification and, though argued in a poorer location, was nevertheless also advised to be closer to Drogheda than Navan. The rate per sq. metre established thereon was €27.33.

### **Determination**

In reaching its determination, the Tribunal is required to consider only the evidence submitted and adduced and in so doing reaches a rateable valuation on the subject relevant property, mindful of the foregoing, by the following calculations:-

Offices	268.4 sq. metres	@ €34.17 per sq. metre =	€9,171
Workshop/warehouse	1878.8 sq. metres	@ €27.33 per sq. metre =	<u>€51,348</u>
		Total NAV	€60,519

@ 0.5% = RV €302.59      Say RV €303

And the Tribunal so determines.