

Appeal No. VA96/2/066

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Wexford Farmers Co-Op Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Stores at Map Ref: 23 to 32 (incl. 1b, 6 Vge Carrickduff and 1F, 2B Carrickduff),
Townland: Carrickduff Village, ED: Cranemore, RD: Carlow, Co. Carlow
Quantum - Grain stores

B E F O R E

Fred Devlin

FRICS.ACI Arb. (Acting Chairman)

Marie Connellan

Solicitor

Rita Tynan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 3RD DAY OF MARCH, 1997

By Notice of Appeal dated the 23rd day of March 1996 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £500 on the above described hereditament.

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

- "1. The valuation is bad in law.
2. The valuation is excessive and inequitable."

The Property:

The property comprises a complex of grain stores, grain dryers, hardware stores, wool stores and yards with hardware shop standing on c. 3 acres located on the edge of the town of Bunclody on the main Carlow/Wexford Road, Co. Wexford. The agreed areas and capacities are as follows:-

Lot Numbers	Description	Sq.Ft.
1	Shop	3,092
2	Stores	1,840
3-6	Grain Store/Canteen/Workshop	10,125
7-10	Bagging and Drying Plant/Store	5,253
11-13	Grain Stores	11,593
14-15	Grain Stores	31,508
16	Hardware Stores	6,312
17	Wool Store	4,240
18	Canopy	1,206
19-22	Oil Tanks (4) Capacity	35,500 gallons
23	Molasses Tank Capacity	5,228 gallons
24	Grain Bin Capacity	1,000 tonnes

Valuation History:

The valuation history is that the original rateable valuation of £180 dates from 1969. In 1992, a new shop in lots 1/2 was built to replace the previous one destroyed by fire. The subject property was inspected and revised in October 1994 when the rateable valuation £180 was increased to £500. No change was made to the rateable valuation on first appeal and it is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

Written Submission:

A written submission was received on the 13th day of September 1996 from Ms. Sheelagh O'Buachalla, BA., an Associate of the Society of Chartered Surveyors and a member of Donal O'Buachalla & Company Limited since 1986, on behalf of the appellant.

In her written submission, Ms. O'Buachalla described the subject premises as comprising a trading centre and grain storage facility located in the village of Carrickduff close to Bunclody on the Carlow/Enniscorthy Road. She said the premises were originally built as a

fruit storage facility and therefore many of the buildings are unsuited to their current use. She described the buildings in the main, some of which date from the 1950's, as being constructed of concrete block walls under single skinned corrugated iron or asbestos roofs. The grain store represented by lots 11/12/13 was built 6/7 years ago and is fitted with underground ducting and is the only purpose built building in the complex. There is no aeration or underground ducting in the other grain stores. She said the layout of the premises is not compact and leads to increased difficulty with security and labour costs. Maintenance costs are high as the majority of the buildings are passed their life span.

Ms. O'Buachalla gave details of her estimate of net annual value/rateable valuation as follows:-

Lot Numbers	Description	Rate PSF	Total
1	Shop	3,092 sq.ft. @ £2.50 =£	7,730
2	Stores	1,840 sq.ft. @ £1.50 =£	2,760
3-6	Grain Store/Canteen/Workshop	10,125 sq.ft. @ £0.60 =£	6,075
7-10	Bagging Plant/Store	5,253 sq.ft. @ £0.50 =£	2,626
11-13	Grain Stores	11,593 sq.ft. @ £1.00 =£	11,593
14-15	Grain Stores	31,508 sq.ft. @ £0.50 =£	15,754
16	Hardware Store	6,312 sq.ft. @ £0.50 =£	3,156
	Canopy	1,206 sq.ft. @ £0.25 =£	301
17	Wool Shed	4,240 sq.ft. @ £0.50 =£	<u>2,120</u>
	Total NAV	=	<u>£52,115</u>
	@ 0.5%	=	£260
	Add miscellaneous items	=	£ 85
	Total	=	RV £345.

A written submission was received on the 16th day of September 1996 from Mr. Philip Colgan, a District Valuer with 27 years experience in the Valuation Office on behalf of the respondent.

In his written submission, Mr. Colgan described the premises and its location and valuation history. Mr. Colgan assessed the rateable valuation on the subject premises as follows:-

Description	Rate PSF	Total
Shop in 1.2	392 sq.ft. @ £3.00 psf =	£ 9,276
Store in 1	1,840 sq.ft. @ £1.50 psf =	£ 2,760
Grain Store/Workshop 3.4.5.6.	10,125 sq.ft. @ £1.00 psf =	£10,125
Bagging & Drying Plant 7.8.9.10	5,253 sq.ft. @ £0.70 psf =	£ 3,677

Grain Store 11.12.13	11,593 sq.ft. @ £1.10 psf =	£12,752
Grain Store 14.15	31,508 sq.ft. @ £1.10 psf =	£34,658
Wool Store 17	4,240 sq.ft. @ £1.00 psf =	£ 4,240
Hardware Store 16	6,312 sq.ft. @ £0.80 psf =	£ 5,049
Canopy 18	1,206 sq.ft. @ £0.50 psf =	<u>£ 603</u>
	Total =	<u>£83,140</u>
	NAV Say £83,000 @ 0.5% =	RV £415.

19	300 + 600 + 2 x 1,000 gallon oil tanks = 2,900 gallons)	
20	2 x 300 gallon oil tanks = 600 gallons)	
21	1 x 16,000 gallon oil tank = £16,000 gallons) - 35,500 @ £0.50/1,000 =	£17.75
22	1 x 16,000 gallon oil tank = £ 16,000 gallons)	
23	23 tonnes molasses tank = 5,228 gallons @ £0.50 per 1,000 =	£ 3.00
24	1 Simplex grain bin 1,000 tonnes @ 2 1/2 gallons per tonne =	£25.00
	Weighbridge 60 tonnes say	= £10.00

Horse Power	230 @ £0.05 per H.P.	=	£11.50
Yard	34 sq.ft. X 229 sq.ft. = 7,786 sq.ft.)		
	61 X 20 sq.ft. = £7,780 sq.ft.) - 16,956 sq.ft. @ £0.10 psf		
	65 sq.ft. X 20 sq.ft. = 1,300 sq.ft. = £1,696 X 0.5% =		£ 8.50
15 car spaces at ground @ £0.70 per space		=	<u>£ 10.00</u>
	Total =		<u>£500.75</u>
			RV £500.

Both Ms. O'Buachalla and Mr. Colgan gave details of comparisons.

Oral Hearing:

The oral hearing took place in Dublin on the 20th day of September 1996. The appellant was represented by Ms. Sheelagh O'Buachalla accompanied by Mr. Michael Murphy, General Manager of the appellant Co-Op Society. Mr. Philip Colgan, a District Valuer with the Valuation Office appeared on behalf of the respondent.

Having taken the oath both Ms. O'Buachalla and Mr. Colgan adopted as their evidence in chief their respective written submissions which previously had been exchanged and received by the Tribunal.

Referring to her written submission, Ms. O'Buachalla stated that the grain store - Lots 11/12/13 referred to in page 2 of her précis of evidence has no overhead elevator which causes problems, and for this reason is not purpose built, and she wished to correct this. She referred to photographs of the buildings which were then presented to the Tribunal to illustrate the type and condition of the buildings and the overground ducting. She said that the subject was deficient in many ways due to the layout and poor condition of the buildings resulting in high maintenance and labour costs.

Referring to her comparisons she said that unlike the subject premises they are all purpose built modern bulk stores incorporating reinforced concrete block walls, necessary for storing grain, and are in a better location. Ms. O'Buachalla was not cross-examined by Mr. Colgan.

Mr. Michael Murphy, in oral evidence, outlined the history of the subject hereditament and described the buildings both in respect of their original and current usage. He said the type of buildings were not suitable for long term storage of grain. He said construction of the buildings is such that loading is confined or limited to a front loader as opposed to a conveyor belt as may be found in modern plants. The roofs which are of asbestos material are not suitable for storage of grain, and extra insurance costs apply as a result of possible damage to the grain. There is difficulty with access to grain stores - Lots 14/15 by virtue of mid floor stanchions and storage capacity is limited as the buildings do not have reinforced concrete walls and floors to withstand the weight of the grain. Repair and maintenance costs are high due to the layout, age, and condition of the buildings; the overground ducting has to be replaced each year, the old dryer which is landlocked, is not in use as oil consumption costs are too high. He said Bunclody is not an Intervention Centre (unlike Gorey, Enniscorthy and Wexford) and is therefore at a disadvantage as regards location.

Mr. Murphy stated the comparisons provided were not truly comparable as they are all purpose built modern buildings with a higher storage capacity and unlike the subject premises have a port side facility or are better located.

In response to questions from Mr. Colgan, Mr. Murphy admitted the product is highly valuable and perishable and is not fit for long term storage. Mr. Colgan stated that in his view the storage facilities on site were adequate for their purposes and Mr. Murphy agreed that this was so but only at the cost of heavy ongoing repair and maintenance expenditure.

In offering evidence on behalf of the respondent, Mr. Colgan relied substantially on his written submission. He said that the fixed items of plant have been agreed and the only items in contention are the buildings. In reference to his second comparison, being Lot 1a - supermarket at Church Street, Bunclody, he indicated that the subject contains a self-service hardware shop similar to a supermarket. He contended that the facility was designed and built for the purpose of its use, and while he accepted that the buildings were of an old generation he had made sufficient allowance for this in assessing the rateable valuation.

In response, Ms. O'Buachalla disagreed with Mr. Colgan's description of the subject as being purpose built grain stores as the premises were originally built as a food storage facility. Mr. Murphy then assisted the Tribunal in identifying the former and present usage of the various buildings. He said that the bagging and drying plant - Lot 7/10 was originally used for rolled barley. The former fruit stores were located at the rear of the bagging store - Lots 7 and 9. The grain store - Lots 11/13 was originally an open yard. This store was built 6/7 years ago and is constructed of mass concrete walls, has underground ducting and is one of the better stores. The grain stores represented by Lots 14/15 were originally used as grain stores. The hardware store represented by Lot 16 was originally a flax store. Ms. O'Buachalla said that the comparisons provided by Mr. Colgan were not comparable. Comparison no. 1 - Wexford Quality Foods is a purpose built factory constructed some 4/5 years ago. With regard to comparison no. 2 Ms. O'Buachalla contended that the shop in the subject is a basic industrial building or store and is not fitted out like a supermarket. She submitted that comparisons 3 and 4 are modern purpose built stores and far superior to the subject. Comparison no. 5 has a port side facility and is operated on a much larger scale than the subject.

In response to a question from the Tribunal, Mr. Colgan stated that in his view grain stores - Lots 14/15 are as efficient in use as Lots 11/13 and have easy access. In response to further question from the Tribunal, Mr. Murphy stated that the storage capacity of grain store - Lots 11/13 is 1,500/2,000 tonnes, and 3,000 tonnes maximum for grain stores - Lots 14/15.

Determination:

In its determination the Tribunal considered the written submissions of the parties together with the oral evidence offered at the hearing. The Tribunal accepts that the buildings in the main are old generation type buildings and lack modern facilities. The Tribunal notes that grain store - Lots 11/13 is the only modern building in the complex with a storage capacity of some 1,500/2,000 tonnes, and that grain stores - Lots 14/15, although almost three times greater in size has a storage capacity of 3,000 tonnes maximum. The Tribunal further notes

the Commissioner has placed a similar valuation on both grain stores - Lots 11/13 and 14/15. However, the Tribunal considers both grain stores should not be regarded as being of equal value and a quantum reduction on grain stores - Lots 14/15 is merited having regard to the significantly reduced storage capacity attributable to the design and nature of the building. The Tribunal notes that the comparisons presented by both parties are modern purpose built bulk stores superior to the subject and were thus of limited assistance.

Having regard to the above, the Tribunal determines the net annual value of the subject hereditament be £390 calculated as set out hereunder:-

Lot Number	Description	Rate PSF	Total
1	Shop	3,093 sq.ft. @ £2.50	£ 7,730
2	Stores	1,840 sq.ft. @ £1.50	£ 2,760
3-6	Grain Store/Canteen/Workshop	10,125 sq.ft. @ £0.70	£ 7,088
7-10	Bagging Plant/Store	5,253 sq.ft. @ £0.70	£ 3,677
11-13	Grain Stores	11,593 sq.ft. @ £1.10	£12,752
14-15	Grain Stores	31,508 sq.ft. @ £0.60	£18,905
16	Hardware Store	6,312 sq.ft. @ £0.70	£ 4,418
17	Wool Shed	4,240 sq.ft. @ £0.70	£ 2,968
18	Canopy	1,206 sq.ft. @ £0.25	<u>£ 301</u>
		Total NAV	<u>£60,600</u>

@ 0.5% = £303. Add agreed miscellaneous items = £388, But say RV **£390**.