

Appeal No. VA99/3/035

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

**Blarney Woollen Mills (Shutlar Ltd.)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Warehouse at Map Reference 3A, Shean Lower, Blarney, Cork Upper, Co. Cork

**B E F O R E**

**Barry Smyth - FRICS.FSCS**

**Deputy Chairman**

**Michael Coghlan - Solicitor**

**Member**

**George McDonnell - F.C.A.**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 31ST DAY OF MARCH, 2000**

By Notice of Appeal dated the 4th day of August 1999, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £415 on the above described hereditament.

The Grounds of Appeal as set out in the Notice of Appeal are that; "the rateable valuation is excessive and inequitable".

The appeal proceeded by way of an oral hearing which took place in the Council Chamber, Cork County Council, Victoria Cross, Cork on the 28<sup>th</sup> day of January 2000. Mr. Edward Hanafin BSc (Surv) ARICS, ASCS, MIAVI, Lisney Chartered Surveyors appeared on behalf of the appellant. Mr. Terence Dineen, a District Valuer in the Valuation Office appeared on behalf of the Commissioner of Valuation. In accordance with the Rules of the Tribunal, the valuers had prior to the commencement of the hearing exchanged their précis of evidence and submitted the same to this Tribunal. Both parties having taken the oath, adopted their précis as being their evidence in chief. Submissions were also made. From the evidence so tendered the following emerged as being the facts relevant and material to and for the purposes of the appeal.

### **The Property**

The property comprises a storage and distribution depot contained in a detached single storey converted factory premises with office block incorporated and part mezzanine floor. The property is constructed on a steel frame with concrete block walls, dashed externally with extensive glazing along the northern and southern elevations. It was originally constructed as a hosiery factory in 1964 and was purchased by the Kelleher family as part of the Blarney Woollen Mills group circa 1985. Since acquisition it has been used as the central distribution warehouse for their chain of eight tourist shops and as a base for their mail order business.

The internal headroom to eaves is circa 4.2m./4.5m. and loading access is provided by means of two steel roller shutter loading doors and two double metal loading doors. There is tarmacadamed car parking and external circulation areas to the front and rear, the entire on a total site of circa 0.8 hectares. The agreed areas are as follows:

<b><u>Floor</u></b>	<b><u>Description</u></b>	<b><u>Sq.M.</u></b>
Ground	Warehouse	2,652
Ground	Office/Service Area	648
Mezzanine	Office/Canteen	61
Mezzanine	Storage	240
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		3,601

**Valuation History**

The property was listed for revision in 1998 and the R.V. was assessed at £500. This valuation was appealed and the Commissioner of Valuation reduced the R.V. to £415, which is now the subject of the current appeal.

**Written Submissions**

The written submission prepared by Mr. Edward Hanafin was received by the Tribunal on 19<sup>th</sup> day of January 2000. This submission included a suggested R.V. of £314.

The submission prepared by Mr. Terence Dineen was received by the Tribunal on 14<sup>th</sup> day of January 2000.

**Appellant's Case**

Mr. Hanafin explained that the subject property is situated in Blarney village and somewhat isolated from the main centres of population and road infrastructure. Blarney has not been particularly successful in attracting new industry and at present there is little demand for property of this type in this particular location. It is an old factory premises now being used as a storage/distribution depot and is dated in design, construction and layout. Mr. Hanafin suggested the internal headroom to eaves was circa 4.2m. However this was contested by Mr. Dineen who suggested the eaves height was more like 6m. According to Mr. Hanafin, the offices provide quite basic accommodation with poor natural light.

Mr. Hanafin put forward a schedule of 5 comparisons. At the outset he explained that given the relatively isolated nature of the subject property, the comparisons being put forward were somewhat removed geographically as nothing more suitable could be sourced locally. Comparison No.1 related to Unit 46 at the Sunbeam Industrial Park, Mallow Road, Cork (Daytona Karting). The area is somewhat less than the subject with a valuation of £13.94 p.s.m. However it basically consists of a warehouse premises and in Mr. Hanafin's view could be considered in the context of the present case. Comparison No.2 related to the former Nordic Cold Stores in Middleton, Co. Cork. This is around half the size of the subject with a value of £14.10 p.s.m. Given its nature, it has a different usage from the subject.

Comparison No.3 related to a warehouse premises (G.W. Biggs and Co.) in Bantry, Co.Cork. This is somewhat similar to the subject although in area terms, it is smaller. In Mr. Hanafin's opinion, this premises is a good basis for comparison although it should be kept in mind that it is a more modern building constructed in 1995 and in that sense, superior to the subject. Comparison No.4 also related to a warehouse premises and is based in Millstreet, Co.Cork (K & L Deliveries). This is a modern warehouse building constructed in 1997 with excellent loading facilities and headroom to eaves of circa 8m. It was valued at 97/4 first appeal at £18.84 p.s.m. Comparison No.5 related to a factory extension constructed in 1996 in Newmarket, Co.Cork (Impulse Engineering Ltd.). Mr. Hanafin pointed out that this premises had excellent external parking and circulation areas with an eaves height higher than the subject. It was valued at 97/4 first appeal based on £16.14 p.s.m. for the older factory area and at £18.65 p.s.m. for the factory extension.

In cross examination, Mr. Dineen pointed out that comparison No. 3 was approximately 60 miles from the subject property and therefore not particularly suitable as a comparison. Mr. Dineen also suggested that in the case of comparison No.4 the premises was approximately 30 miles from the subject and was not directly comparable.

In summarising his case Mr. Hanafin explained that the subject premises was an old building constructed in a relatively isolated industrial area. Its eaves height is relatively low in terms of modern warehousing standards and in general the level of maintenance costs would be greater than with more modern premises. In Mr. Hanafin's opinion, all of these points are significant in the context of the subject property being considered by the hypothetical tenant.

### **Respondent's Case**

In his evidence, Mr. Dineen explained that the subject property was unique given its proximity to Blarney and in particular to the Blarney Woollen Mills trading operation. In his view, it has a strategic location between the tourist entrance to the Castle and the normal pedestrian and vehicular entrance at the Blarney Woollen Mills complex. Mr. Dineen pointed out there were no comparable industrial-type buildings in Blarney so his comparisons have been sourced some distance from the subject. Comparison No.1 related to the Musgraves/Supervalu outlet in

Tramore Rd, Cork. This is a distribution centre for the supermarket chain but has an area five times that of the subject. The warehouse area was valued on the basis of £23.14 p.s.m. Comparison No.2 consisted of a workshop in Lower Killeens (Houlihan Bros.) located somewhat closer to Cork city. However the area was only approximately 1/5 of the subject. Comparison No.3 related to Barry's former Cash and Carry in Mallow, Co.Cork. The buildings, including first floor offices, had around the same area as the subject and were valued at £32.20 p.s.m. Comparison No.4 related to the Descon premises in Hollyhill Industrial Estate, Cork. Mr. Dineen pointed out that it was situated on the Blarney side of the city in one of the least desirable industrial estates in the area. Its valuation was subject to a Tribunal hearing and determined at £22 p.s.m. Comparison No.5 related to the former Topps factory in Ballincollig, Co.Cork and consisted of a factory/warehouse over three times the area of the subject. It was sold for approximately £3m. some time ago and a major redevelopment is now being carried out. The total area is in the region of 10 acres and therefore not directly comparable with that of the subject. Comparison No.6 related to P.V.C. Fabrications located around three miles south of Bishopstown, off the old Bandon Road and consists of a complex of old and new farm sheds. In area terms it is only around one quarter that of the subject. Its valuation was based on a rate of £15.40 p.s.m.

Mr. Hanafin in cross-examination contended that comparison No.1 was a high-value location and could not be compared on any realistic basis with the subject. Mr. Hanafin also suggested that comparison No. 3 was a far superior building with much greater eaves height and therefore not a reasonable comparison. Mr. Hanafin contended that comparison No.4 despite its drawbacks, was still based in Cork city relatively close to the large Apple Computer factory and therefore could not be considered in the same context as the subject.

In summary, Mr. Dineen explained that five of his six comparisons are in the general Blarney area while only one of the comparisons put forward by Mr. Hanafin has an equivalent location.

### **Findings and Determination**

The Tribunal has considered the written submissions and the oral evidence submitted and matters raised at the oral hearing by both the appellant and respondent. Both parties have relied

substantially on comparative evidence as the basis for their valuations and the Tribunal has had regard to same.

The Tribunal accepts it was difficult to identify suitable comparisons located relatively close to the subject. With regard to the comparisons put forward by Mr. Dineen, the Tribunal does not find any of these particularly comparable to the subject. None of these comparisons could be described as warehouse premises in the context of the present case and all of their uses are substantially different or at least at variance with the property under review. In addition, four of the comparisons (No's 1,2,5,and 6) have areas substantially different from the subject, being either much larger or much smaller. In general, the Tribunal finds the comparisons put forward by Mr. Hanafin on behalf of the appellant to be more comparable. In the Tribunal's opinion, the matter of the warehouse location is not a major factor given its usage and the fact that with modern transport and infrastructure, it does not have to be located in, or close by, a major centre of population. In particular, the Tribunal finds the comparison with the warehouse premises in Millstreet, (K & L Deliveries) to be particularly relevant. While this is a modern warehouse building constructed in 1997 with headroom to eaves of circa 8m. nevertheless it is a similar-type premises in terms of usage even though somewhat smaller.

The Tribunal accepts that the subject is an old premises with significant maintenance costs arising. Accordingly its design, construction and layout is somewhat dated and its internal headroom is relatively low given modern warehousing standards.

In the circumstances and in the light of the evidence provided, the Tribunal determines the rateable valuation of the subject property as follows:

<b><u>Description</u></b>	<b><u>Sq. M.</u></b>	<b><u>Rate P.S.M.£</u></b>	<b><u>Total £</u></b>
Storage/ Warehouse	2,652	16.50	43,758
Offices	648	27.50	17,820
Mezzanine Office/Canteen	61	27.00	1,647
Mezzanine Storage	240	5.38	<u>1,291</u>
			<b>64,516</b>
<b><u>SAY TOTAL N.A.V. of £65,000</u></b>		<b><u>R.V. @ 0.5% = £325</u></b>	