

Appeal No. VA00/1/026

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

O'Rourke Transport Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Workshop, yard at Map Reference: 3C, Hewitsland, E.D: New Ross Rural, R.D: New Ross, Co. Wexford.

B E F O R E

Barry Smyth - FRICS.FSCS

Deputy Chairman

Michael Coghlan - Solicitor

Member

John Kerr - MIAVI

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF OCTOBER, 2000

By Notice of Appeal dated the 25th day of April 2000, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £90 on the above described hereditament.

The Grounds of Appeal as set out in the Notice of Appeal are that "the valuation is excessive, inequitable and bad in law. Additionally the quantum is too high when compared with other similar type premises in the general area"

The appeal proceeded by way of an oral hearing, which took place on the 22nd September 2000, in the District Court, Wexford. The Appellant was represented by Mr. Eamonn Halpin B.Sc.(Surveying) ASCS. ARICS MIAVI and the Respondent by Mr. Philip Colgan a District Valuer with 30 years experience in the Valuation Office. The Valuers had exchanged their written submissions prior to the hearing which submissions they had also given to the Tribunal. Having taken the oath, the valuers each adopted their written submissions and in addition gave oral evidence.

The following facts, either agreed or found by the Tribunal are considered to be relevant to the determination of the appeal.

(a) The Property

The premises comprise a workshop located on the outskirts of New Ross. The premises is of portal frame construction with concrete block walls and single skin cladding roof. Concrete floors throughout with an inspection pit fitted. It is used for the sale and repair of trucks. Premises has a hardcore surface used for storage. The area of the yard was agreed at 73,000 sq. ft.

(b) Valuation History

The premises was first valued in June 1998 at RV £100. At first appeal the RV was reduced to £90.

The Appellant's Case

Mr. Halpin on behalf of the appellant said that the building was basic with eaves height of 6m approx. He said that there was a small area of concrete to the side of the building used for washing trucks. He submitted that this type of un-insulated building would be considered poor by modern industrial standards. He said that the hardcore storage yard was rough and without drainage. In relation to the yard, Mr. Halpin said that only one third of the area was usable, the balance being required for circulation space.

He valued the premises as follows:

Workshop	456.05m ² @ £16.146/m ² (4,909sq.ft. @ £1.50/sq. ft.)	= £7,363
Concrete apron	244.00m ² @ £80.73/m ² (2,626sq.ft. @ £0.075/sq. ft.)	= £ 196
Hardcore yard	6475m ²	
Less 1/3 for circulation	4316m ² @ 53.82/m ²	
(46465sq. ft. @ 5p/sq. ft.)		<u>= £2,323</u>
-		= £9,882
Disel tanks	227,000 ltrs	
	11,000 ltrs = 38,000 ltrs @ 15p/1000ltrs	= £ 570*
	Total N.A.V. £10,452 = £52.36	
	Say RV	= £ 53

* Amended at hearing

Mr Halpin supported his valuation with seven comparisons which are set out in appendix 1.

Respondent's Case

Mr Colgan on behalf of the respondent said that the subject premises was a modern very well located premises and was ideal for its current use as a truck repair workshop. He said that due to its excellent location it would be ideal for many other uses that would add to its market attraction. He said that the premises had a hardcore surfaced yard used for the storage and loading of a fleet of articulated lorries.

He assessed the rateable valuation on the premises as follows:

Workshop	15.2 x 30.4 x 6 =	462 sq. m. @ £21.51 p. sq. m.	=	£9,943.96
		4,909 sq. ft. @ £ 2.00 p. sq. ft.	=	£9,818.00
Concrete Truck				
Wash Pad	8.0 x 30.5 x 2 = 244	244 sq. m. @ £34.30 p. sq. m.	=	£1,050.40
		2,626 sq. ft. @ £ 0.40 p. sq. ft.	=	£1,050.40

Hardcore

Loading Area	7,000 sq. m. @ £0.95 p. sq. m.	=	£6,750.00
	75,350 sq. ft. @ £0.09 p. sq. ft.	=	£6,781.50

Tanks 1 x 27,000 lit (5940 gals)

1 x 11,000 lit (2420 gals) 4p p. gal	=	<u>£334.40</u>
		£17,744.36

N.A.V. £18,000 X .5% = R.V. £90

Mr. Colgan supported his valuation with three comparisons which are set out in Appendix 2.

Findings and Determination

There was little difference between the parties in terms of their description of the premises and its accommodation. The main differences arise in relation to the rate per square foot applicable to the principal areas in this case and in relation to both the area of the yard to be valued and the appropriate rate per sq. ft. or per sq. metre to be applied to the yard areas.

Having considered the evidence the Tribunal is of the view that in this case the yard is a significant part of the premises as opposed to the more neutral industrial premises where the yard has a secondary role and in many cases would not in fact be valued separately at all. In this case because of the nature of the premises and the business carried on therein and taking into account the size of the yard, it is a very serious factor in valuation terms. The question therefore arises as to what is the effective area of the yard. The respondent submits that the entirety of those areas should be valued but the appellant argues that approximately one third of it should be valued, the balance being circulation space in relation to the premises. We the Tribunal are of the view that the standard situation with industrial warehouse buildings is that a building occupies approximately fifty percent of the site area, in other words that an equivalent amount of site area would not be valued separately. Only site areas in excess of that would be valued and we have followed that line of thinking here. As a consequence we deem the site area to be between approximately 68,000 sq. ft. We have therefore approached the assessment of the rateable valuation as follows:

The main workshop building 4,909 sq. ft. is clearly an inferior building to the Respondent's comparisons, although we note that the rate per sq. ft. applied is lower than that in the Valuation Office comparisons. Equally on a quantum basis the building is considerably smaller than some of the comparisons put forward by the appellant. The Tribunal therefore places a rate of £1.75 on the workshop.

The Workshop	4,909 sq. ft.	@	£1.75psf	= £8,590.75
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The concrete truck wash area	2,626 sq. ft.	@	.25psf	= £ 656.50
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(The parties were widely apart in their figures on this area and neither offered any comparison on the matter).

Diesel tanks			NAV	= £334.40 (agreed)
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Yard Area	68,000 sq. ft.	@	£0.085	= £5,780
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The Tribunal has placed a figure of 8.5p psf on the yard area because of its relative importance to the site and to the operation.

Total				= £15,361.65
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	say NAV £15,400 at .5%			= £77 R.V.
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And the Tribunal so determines.

