

Appeal No. VA08/5/039

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

Motor Distributors Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 467320, Warehouse at Unit 4 Crosslands Business Park, Ballymount Road, County Dublin

B E F O R E

Michael P.M. Connellan - Solicitor

Deputy Chairperson

Frank O'Donnell - B. Agr. Sc. FIAVI.

Member

Tony Taaffe - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 5TH DAY OF NOVEMBER, 2008

By Notice of Appeal dated the 2nd day of July, 2008 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €88,000 on the above described relevant property.

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

"The Valuation is excessive with regard to actual rent achieved on the premise."

The appeal proceeded by way of an oral hearing which took place in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 22nd day of September, 2008.

Ms. Dawn Holland, BSc (Hons), MIAVI, of GVA Donal O Buachalla, represented the appellant and Ms. Fidelma Malone, BSc (Estate Management), a Valuer in the Valuation Office, represented the respondent, the Commissioner of Valuation. Mr. Seamus Connolly, Managing Valuer, Revaluation Unit, Valuation Office, gave evidence on the revaluation process in general. Also present as observers at the hearing were Mr. Frank O'Connor and Ms. Deirdre McGuinness, both of the Valuation Office. At the oral hearing both parties having taken the oath adopted their précis as being their evidence-in-chief.

The Property Concerned

Location

The property is located within Crosslands Industrial Estate, with access off Ballymount Road Upper, County Dublin.

Description

The property, identified as Unit 4, is a detached industrial warehouse unit with two-storey offices to the front and was constructed in 1979. The offices are of basic finish in the interior. The warehouse to the rear is of basic construction with block walls to c. 2 metres and cladding to the eaves. The roof is of corrugated asbestos single skin construction. The floors are concrete with a basic lino tile finish. The eaves height is 7.7 metres. A mezzanine floor, installed in 1990, has a 2.9 metres height under the mezzanine and 3.5 metres over it.

The agreed floor area of the property measured on a GEA basis is:

| | |
|-------------------------------|--------------------------------|
| Office ground floor | 281.96 sq. metres |
| Offices 1 st floor | 281.96 sq. metres |
| Warehouse | 4,244.73 sq. metres |
| Mezzanine floor | 2,720.99 sq. metres |
| Yard | 5,073.31 sq. metres |
| Total GEA | 4,808. 65 sq. metres |
| | 7,529.64 (including mezzanine) |

Tenure

The property is held under a lease for 35 years from 9th June, 1980. The passing rent as of 9th June, 2005, which was the last rent review, is in the sum of €110,000 pa which equates to €85.26 per sq. metre or €7.92 per sq. foot.

Valuation History

The property was revalued for commercial rates by way of a Valuation Certificate which issued on 9th June, 2008 in the sum of €588,000.00. On 2nd July, 2008 the appellant lodged an appeal to the Valuation Tribunal, having had its appeal of 7th February, 2008 to the Commissioner of Valuation refused.

Appellant's Case

Ms. Dawn Holland having taken the oath adopted her written précis and valuation which had been received by the Tribunal as being her evidence-in-chief. She suggested that the rent in respect of the lease of the subject property which was approximately €85.00 per sq. metre was a “good bit off the rateable figure for the Valuation Office in their level of €110 per sq. metre”. She also referred to the difference between the rent of €215,000 for Unit 1, Crosslands Industrial Estate (her Comparison No. 1) and its rateable valuation of €248,000. She also gave evidence in relation to her remaining comparisons, details of which are at Appendix 1 hereto.

Cross Examination

Ms. Holland in reply to Ms. Malone agreed that the subject property was in a high profile location with easy access to the M50. It was suggested that her direct evidence on the rental value in respect of the lease of Unit 1 was hearsay. She agreed her examination of this property was external only. She did not accept, as was suggested, that the subject property was in a superior location to Unit 1. Ms. Holland contended for a rateable valuation as set out below:

| | | | |
|------------------|---------------------|-----------|----------------|
| Office/Warehouse | 4,808.65 sq. metres | @ €85 psm | €408,510 |
| Mezzanine | 2,720 sq. metres | @ €20 psm | <u>€54,400</u> |
| Total | | | €462,910 |
| Say | €463,000 | | |

Respondent's Case

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

| | | | |
|----------------------------------|---------------------|------------------------|---------------------|
| Block 1: Office ground floor | 281.96 sq. metres | @ €10.00 per sq. metre | = €31,015.60 |
| Block 1: Offices first floor | 281.96 sq. metres | @ €10.00 per sq. metre | = €31,015.60 |
| Block 2: Warehouse | 4,244.73 sq. metres | @ €10.00 per sq. metre | = €466,920.30 |
| Block 2: Mezzanine Store | 2,720.99 sq. metres | @ €22.00 per sq. metre | = <u>€59,861.78</u> |
| Yard | 5,073.31 sq. metres | | |
| Valuation Office Estimate of NAV | | | €88,000.00 |

Ms. Malone gave evidence in respect of the properties referred to in her précis including the subject property. All of the comparison units referred to in this evidence were in the industrial estate in which the subject property is located. The first three of these units were immediately adjacent to the subject property being units 1, 2 and 3 and were built around 1980 with an eaves height of approx 6 metres. The remaining three units known as Two Wheels Ltd., Ireland West Plastics Ltd. and NAA Ltd. were also adjacent and were all constructed in 1995 with an eaves height of 10 metres. Ms. Malone's comparisons are at Appendix 2 hereto.

Cross-examination of Respondent

Ms. Holland suggested to Ms. Malone that the best evidence in respect of a valuation was the passing rent. Ms. Malone stated that she took the rent into account along with other rents of comparable properties when arriving at the valuation. She described this process as an analysis. When she accepted that her best comparison was the common comparison, Unit 1, Crosslands Industrial Estate, Ms. Holland suggested that when the rent on this property was reviewed on 25th August, 2008 she should have reviewed her analysis. It was also suggested that her fourth, fifth and sixth comparisons were not wholly comparable as these properties were built fifteen years after the subject property. It was suggested that her Comparisons 1, 2, and 3 were better comparisons. It was also suggested that a new rent for Comparison No. 3 had been agreed in 2007 at €6.00 per sq. metre pa. This, Ms Holland said, did not support the rateable valuation of €10.00 per sq. metre arrived at for the subject property.

Additional Evidence of Respondent

Mr. Seamus Connolly, Managing Valuer, Revaluation Unit, Valuation Office, having taken the oath, gave evidence to the Tribunal on the process that they engaged in in preparing their analysis of rents in the area and how they then proceeded to adopt a scheme of valuation in the area in question which was the Ballymount area. In arriving at the scheme of valuation he indicated that they take into account the age, profile, and location of the properties and base this scheme of valuation on the information given to them by the owners of the properties concerned and on the inspection which is carried out on every property.

Conclusions, Findings and Reasons Therefor

The Tribunal has considered all the evidence and arguments adduced by both parties and is satisfied that the valuation levels were derived from an analysis of available market rental information of comparable properties and applied to the subject property. The Tribunal concludes that:

1. The subject property is an industrial unit built in 1979 with an asbestos roof and an eaves height of 7.7 metres.
2. Three of the comparable properties presented by the respondent as having a similar valuation to the subject property are not strictly wholly comparable, insofar as they were built some years after the subject property with an eaves height of 10 metres, while of the remaining three properties two had a lower valuation level applied to them than that applied to the subject property.

Determination

Having regard to all of the above the Tribunal determines that the net annual value of the subject relevant property should be calculated as follows:

| | | | |
|-----------------------------|---------------------|----------------------|----------------|
| Block 1 Office ground floor | 281.96 sq. metres | @ €100 per sq. metre | €28,196 |
| Block 1 Offices first floor | 281.96 sq. metres | @ €100 per sq. metre | €28,196 |
| Block 2 Warehouse | 4,244.73 sq. metres | @ €100 per sq. metre | €424,473 |
| Block 2 Mezzanine Floor | 2,720.99 sq. metres | @ €20 per sq. metre | <u>€54,420</u> |
| Total | | | €35,285 |

And the Tribunal so determines.