

Appeal No. VA00/1/027

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

M.S. Commercials Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Office Workshop and Yard at Map Reference 1B, Triangle Park, E.D. New Ross Rural,
RD: New Ross, County Wexford.

B E F O R E

Barry Smyth - FRICS.FSCS

Deputy Chairman

John Kerr - MIAVI

Member

Michael Coghlan - Solicitor

Member

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

By Notice of Appeal dated the 20th 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."

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.

The Property

The premises comprises 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. It is used for the sale and repair of trucks. Premises has hardcore storage yards to the front, sides and rear of the premises. The area of yard was agreed as 25,000 sq. ft.

Valuation History

The premises was first valued in September 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 purchased in the UK for £6,000 and the single skin cladding was also purchased there. Supplied and fitted the cladding cost £12,000. The total building cost was £60,000. He said that the offices were basic and that the hardcore storage yard was rough and without drainage He submitted that the buildings were plain functional structures. He said they would be regarded as basic by modern industrial standards due to the uninsulated nature of the walls and roof and the standard of the offices and other ancillary areas. In relation to the yard Mr Halpin said that only 10,764 sq. ft was usable, the balance being required for circulation etc.

He valued the premises as follows:

Agreed Areas

Workshop	5987 sq. ft.	@	£1.50/sq. ft.	=	£8,980.50
Canteen	286 sq. ft.	@	£1.50/sq. ft.	=	£ 429.00
Office	651 sq. ft.	@	£2.00/sq. ft.	=	£1,302.00
Store	583 sq. t.	@	£1.00/sq. ft.	=	<u>£ 583.00</u>
					£11,294.50

Yard hard core excluding circulation

10765 sq. ft. @ 5p/sq. ft.	£ 538.20
	—————
	£11,832.00
	@ 0.5%
	£59.16

Say £59

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 good storage yards all surrounded by secure fencing. He assessed the rateable valuation on the premises as follows:

		Sq. m.	Sq. ft.		
1. Office	9.6 x 6.3	60.5	(651) x 26.90 (2.0)	=	1,627
2. Pts. Store	8.6 x 6.3	54.2	(583) x 21.52 (2.0)	=	1,166
3. Canteen	3.3 x 6.3	20.8	(224) x 16.14 (1.5)	=	335
4. Toilet	2.9 x 2.0	5.8	(62)x 16.14 (1.5)	=	93
5. Workshop	18.2 x 36.8	555.0	(5,987) x 21.52 (2.0)	=	11,953
6. Store	1.8 x 4.2	7.5	(80) x 10.76 (1.0)	=	80
	Hardcore Yard	3000 sq. m. x .90 sq. m.		=	2,800
	N.A.V.	£18,000 x 0.5%	=	R.V.	£90.00

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 respective size of the yard 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 arises as to what is the effective area of the yard. The parties are agreed on four areas of the building and are agreed on what is called the gross area of the yard. The respondent submits that the entirety of the yard 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 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 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. Therefore we have decided that since the buildings extend to approximately 7500 sq. ft. in this case that the effective yard area is 17,500 sq. ft. We have therefore approached the valuation on the following basis:

The main workshop building 5,987 sq. ft. is clearly an inferior building to the Valuation Office 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. As a consequence we have put a figure of £1.75 per sq. ft. on the workshop area of 5,987 sq. ft. which equates to £10,477.25.

	Sq. ft.		
The Workshop	5,987 @ £1.75	=	£10,477.25
Canteen	286 @ £1.50	=	£ 429.00
Office	651 @ £2.00	=	£ 1,302.00
Store	583 @ £1.75	=	£ 1,020.25
Store	80 @ £1.00	=	£ 80.00
(not included in appellant's valuation)			

In relation to the yard of 17,500 sq. ft., while we accept that it is a hardcore yard, it is quite sufficient for its purpose and it is certainly an important part of the business. We therefore have valued it at 8.5p psf giving a figure of £1,487.50.

Yard 17,500 sq. ft. @ £0.085 = £1,487.50

Total N.A.V. = £14,796 @ 0.5%

Say = £15,000

R.V. = £75

And the Tribunal so determines.