

Appeal No. VA88/0/249

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

**F.M.C. International**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Industrial Premises at Little Island, Cork Co. Cork

**B E F O R E**

**Paul Butler**

**Barrister (Acting Chairman)**

**Mary Devins**

**Solicitor**

**Brian O'Farrell**

**Valuer**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 16TH DAY OF MARCH, 1989**

By notice of appeal dated the 6th day of August 1988, the appellants appealed against the determination of the respondent fixing the rateable valuation of the above described hereditaments at £1200.

The subject premises is located in Little Island Industrial Estate about six miles from Cork City and one mile off the Cork Middleton Road. This is a prime industrial area in the Cork City environs for light industry with all the necessary services, namely - good water, sewerage, telephone, telex, road, natural gas and three phase electricity.

The factory premises consists of:-

1. Office block
2. Large production block (part 2 storey)
3. Warehouse
4. Effluent product works with rubber lined lagoon
5. Small tank farm
6. Pump house
7. Workshop
8. Gatehouse and carpark
9. Standby gas tanks
10. Pipe rack and piping
11. Horse power totalling 1836 H.P.

Mr Terence Dineen who is a valuer with fourteen years experience in the Valuation Office presented a written submission dated 26th January 1989 and appeared at the oral hearing held on the 17th February 1989 on behalf of the respondent. Mr Dineen inspected the factory for the first time in March 1987 and again in February 1988.

In his written submission he gave the valuation history as follows:-

The ten acre site for the factory was bought for £10,000 per acre in 1976 and the plant and buildings total cost was £9m. of which buildings and civil works came to approx. 25% or £2.25m. It was valued for the first time in 1979 at £1,030; on appeal the figure was unchanged and remained so until 1986 revision. No change was made at revision but at appeal the R.V. was increased to £1,200 for further items that were deemed to be rateable.

On 1987 revision and first appeal no change was made other than to split the R.V. of £1,200 into £965 for buildings and £235 absolute.

Mr Dineen stated that in his opinion the net rental value of the property is approximately £400,000 per annum.

Mr Desmond M Killen, F.R.I.C.S., A.R.V.A., is a Fellow of the Society of Chartered Surveyors in the Republic of Ireland and Director of Donal O'Buachalla & Co, 86 Merrion Square, Dublin 2 presented a written submission dated 16th February 1989 and represented the appellants at the oral hearing.

In his submission he states that the rateable valuation pre 1986 annual revision was £1,030 and this valuation was firmly established in the valuation lists, having been agreed between the parties on 1979 first appeal and satisfied by the Commissioner of Valuation on 1981, 1982, 1983 and 1985 annual revisions and first appeals. At first appeal stage in 1986 it was accepted that certain items had not been valued at annual revision stage which the Commissioner of Valuation was empowered to value.

It was then agreed between Mr Dineen and Mr Killen that the following additions fell to be valued:-

- |    |                           |          |
|----|---------------------------|----------|
| 1. | Canopy                    | 25 sq m  |
| 2. | Concreted area at drier   | 316 sq m |
| 3. | Steel structure at drier  | 171 sq m |
| 4. | Additional car spaces     | 40       |
| 5. | Pipe rack                 | 584 sq m |
| 6. | Pipes - 127 linear metres |          |

## 7. Additional motive power.

Prior to the hearing by the Tribunal items 1, 2, 3, 4 and 7 were agreed between the parties with items 5 and 6 in dispute. It was also agreed by both parties prior to the hearing that the effluent treatment system is not rateable and that the valuation should be reduced by £40. During the course of the hearing the valuation of an oil tank and a butane tank was raised. Mr Killen claimed that as these tanks were mothballed since the introduction of natural gas in 1987 that they should not be rated. Mr Dineen claimed, however, that they could with little effort be restored to use. The Tribunal was faced with contradicting evidence and felt it could not decide that issue without reports of further inspection, photographs and or perhaps a visit. In the event this was not necessary as during the course of the hearing, in order to facilitate the conclusion of the hearing both parties agreed that the valuation be reduced from £43 to £15. It was agreed that this could be reviewed in future years and that the fact that it was agreed for this year would not prejudice future years where further inspections might clarify the matter.

What remained for the Tribunal to decide on was the following items:-

<b>ITEM</b>	<b>APPELLANTS FIGURE</b>	<b>RESPONDENTS FIGURE</b>
5. Pipe rack 584 sq m	@ 5p = £29.20	@ 6p = £35.04
6. Pipes (7 pipes) (127 linear m.)	£15.00	@ 40p = £50.80

The Tribunal came to the conclusion that a proper and fair valuation on these items is as follows:-

Item 5 Pipe rack	@ 6p = £35.04
Item 6 Pipes (7 pipes)	= £25.00

However an outstanding problem still remained which concerns the total figure.

Mr Dineen pointed out that due to a mathematical error the rateable valuation of £1,030 agreed in 1979 was incorrectly calculated and that it should have been £1,106. Mr Dineen held that the breakdown of the composite items was incorrectly totalled. He claimed further that Mr Killen had agreed to the breakdown but Mr Killen countered this by saying that he agreed only to the total figure and that the individual rate of any of the items would be seen as variable to accommodate the agreed final figure. Mr Dineen pressed his point but the Tribunal is, as in previous cases, swayed by the fact that agreement was reached in 1979 at £1,030 and that furthermore that this was reinforced on a number of occasions since 1979 including a number of appeals to the Circuit Court and concludes that the agreed figure of £1,030 stands as the proper valuation prior to the addition of items in 1987.

### **Findings**

The Tribunal, taking into consideration all the evidence put before them, has come to the following conclusion:-

Rateable valuation pre 1986 annual revision	£1,030
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#### **Plus**

Canopy	25 sq m @ 6p = £ 1.50
Concreted area at drier	316 sq m @ 2p = £ 6.32
Steel structure at drier	171 sq m @ 8p = £ 13.68
Additional car parking	40 spaces = £ 8.00

Pipe rack	584 sq m @ 6p = £ 35.04	
Pipes (7 pipes)	127 linear metres £ 25.00	
Additional motive power	36 H.P. @ 5p = <u>£ 41.80</u>	
		£131.34 say <u>£ 131</u>
		£1,161
<b>Deduct</b>		
Effluent tank (agreed)	£ 40.00	
Oil and butane tanks (agreed)	<u>£ 28.00</u>	<u>£ 68</u>
		£1,093
		Say £1,100

Therefore it is the opinion of the Tribunal that the rateable valuation should be fixed at £1,100.