

Appeal No. VA88/0/358

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

**Hygeia Chemicals Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Lot No: 1D 11C Carrowmoneash, E.D. Oranmore, R.D. Galway, Co. Galway

**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 20<sup>TH</sup> DAY OF JANUARY, 1989**

By notice of appeal dated 26th day of August 1988, the appellant appealed against the respondent's decision fixing the rateable valuation of the above described hereditament at £280. The subject property is located beside the old Railway Station at Oranmore approximately 5 miles from Galway City with access onto the main Castlebar/Sligo to Limerick/Shannon road. The area is semi-rural and to some extent low-lying and there are difficulties with water and sewerage services.

Mr Noel Lyons a valuer with 15 years experience in the Valuation Office submitted a written submission on 21 December, 1988 and attended the oral hearing which was held in Galway on the 11th January, 1989. In his written submission he outlined the valuation history as follows:-

Part of the main building was first revised in 1965 and fixed with a valuation of £190. The building was occupied by the "Galway Tile Company" - manufacturers of concrete pipes, slabs, kerbs etc. On appeal the buildings valuation was reduced by agreement with Donal O'Buachalla & Co. to £150.

In 1979 Galway Co Council requested the Commissioner to value "factory stores and offices". The buildings had been extended and the valuation was increased to £850 on buildings and £55 (absolute) on yards. Mr Lyons was appointed to report on the ensuing appeal and the valuation was reduced by agreement with Frank O'Donnell & Co to £665 on buildings and £35 (absolute) on yards.

In 1983 the hereditament was listed to "Value new offices for Cold-Chon Ltd." These offices were built on a different hereditament and the valuation of "Galway Concrete Ltd." remained unchanged. The Liquidator of Galway Concrete lodged an appeal against the rateable valuation.

Agreement was reached between Lisney & Son and Mr Lyons whereby the hereditament was

apportioned as:            Lot 1D - buildings valuation £275.00

                                 Lot 1K - buildings valuation £250.00

representing a reduction of £175.

Arising from the Commissioner's decision on the 1983 first appeals which issued in 1984, the new occupier of the subject property, Auricular Ltd., lodged an appeal to the Circuit Court. This appeal was heard on 27/11/85 and Judge Grattan-Esmonde struck out the valuation on all

buildings except the first floor offices which he valued at £55. Messrs Hennigan & Co advised the appellants in that appeal.

In 1985 Galway Co Council listed the hereditament as follows - "Please revise - land divided, value improvements, revise as necessary". The Commissioner did not change the buildings valuation pending a Circuit Court hearing. However Auricular had purchased the forecourt to the offices for £5,000 so the map ref. was amended to 1D 11C Carrowmoneash. This decision was appealed by the occupiers on the grounds "That the Circuit Court decision made on 27/11/85 consequent on a 1983 Circuit Court appeal be taken into account in the 1985 annual revision of valuation."

A Court Order was received by the Commissioner on 7 May 1986 reducing the valuation for 1983 and subsequent years to £55.

The Commissioner fixed the valuation at £280 and this valuation is the subject of a 1985 Circuit Court appeal which is still pending.

In 1987 the hereditament was again listed by Galway Co Council as follows: "Factory premises on revised site: used for the formulation of agrochemicals". On inspection it was found that the premises was unchanged from 1985 and the valuation remained unchanged. On ensuing first appeal it was found that part of the ground floor of the office building, which had no valuation, was let as stores on a 2 year and 9 month lease from 16th September 1987 at a rent of £2,000. Rates and repairs were paid by the immediate lessor.

Mr Lyons also stated in his submission that the ground floor of the office building is not valued as per the direction of the Circuit Court (except for the letting of stores noted above). Judge

Grattan-Esmonde ruled that the first floor only should be valued at £55.00 and the overall condition has not changed since that ruling.

Mr Lyons outlined the costs incurred as follows:-

- (a) the entire Galway Concrete site and buildings, in disuse since March 1981, was purchased in trust on 7/6/83 for £150,000. The value apportioned on the subject property was £80,000. The forecourt (Lot 11C) was purchased later for £5,000.
- (b) Refurbishment of first floor offices cost £7,000 and were occupied in November 1983.
- (c) Expenditure on the production area amounted to approx. £65,000 and this area was handed over by the builders in February 1984.

Mr Lyons states that in his opinion the net annual value is not less than £43,000. In his submission he uses as a comparable "Oran Pre-Cast Ltd" with the R.V. fixed at £285 on 1986 Revision.

Estimated N.A.V. £49,000

Rateable Valuation as a % of N.A.V. 0.58%

Oran Pre-Cast Ltd is a manufacturer of concrete portal frames for factories and workshops and other concrete products. It is situated in the same townland but to the rear of the subject property with access via a poor lane to the main road. The main building is of concrete portal frame construction with block walls 4.9m high and perspex sheeting 2.7m over walls and to the eaves. It was built in 1979/1980.

sq.m.

Offices (standard) 41.6 @ 18p = £ 7.49

Offices (Wood and felt)	28.8 @ 12p = £ 3.46
Concrete products factory	2135.2 @ 09p = £192.17
Garage and workshop	323.7 @ 08p = £ 25.89
Yard under Gantry Crane	1786.0 @ 03p = £ 53.58
General yard (very poor surface)	Say <u>£ 5.00</u>
	£287.59
	Say £285.00

Mr L E Waldron Be. MBA.CEng. of Patrick J Tobin & Co Ltd., Consulting, Civil and Structural Engineers of 22 Eyre Square, Galway, presented a written submission on behalf of the appellants dated 5th January, 1989 and further elaborated on this at the oral hearing. In his submission he states that the premises, at Carrowmoneash, Oranmore, were inspected on the 5th January, 1989 and they were found to be substantially the same as when the refurbishment work was completed in 1984 when Hygeia relocated from their Galway City premises.

Mr Waldron outlines the refurbishment as follows:-

The premises had been un-occupied since about 1981, had been vandalised and were in a poor state of repair. In late 1983 Messrs Patrick J Tobin & Co Ltd were engaged by Hygeia Ltd. to carry out refurbishment of the premises to allow for re-location of their manufacturing facility from Galway City. A Contract for the necessary work was arranged and the work was completed in early 1984 at a total cost of £65,391.38 for the building work alone.

The work involved:

- Clearing away debris and rubbish
- Repairs to roof sheeting
- Replacement of gutters and down pipes
- New doors and windows
- Blocking up open walls
- Repairs to existing floors and laying new concrete floors

Building internal blockwork partitions  
 Upgrading of toilets  
 New offices internally  
 New roofs to lean-to areas

Drainage.

Since the completion of that Contract in 1984 no improvement work of any significance has been carried out.

Mr Michael J Hennigan and Mr Patrick J Kyne of Hennigan & Co., Rateable Valuation Consultants & Valuers of 23 Upper Mount Street, Dublin 2, represented the appellants at the oral hearing. In a written submission from Mr Hennigan it was stated that a fair and equitable valuation on the subject premises would be £200.

The net annual value was given as follows:-

Expenditure by Company	£147,000
Less IDA Grant (45%)	<u>£ 66,000</u>
Net cost to Company	£ 81,000

Estimated rental : £81,000 @ 10% = £8,100 per annum. Say £8,000 per annum which is low as an open market rent and a fair rent is considered to be in the region of £25,000 per annum.

Mr Hennigan states that rateable valuation is normally taken at .5 of 1% of net annual value which would give a R.V. of £125 but as this appears to be low he had taken the R.V. at .8 of 1% of the net annual value i.e. £200 as being a fair and reasonable rateable valuation. Mr Hennigan also pointed out that public services such as sewerage disposal, public lighting, waste collection and public transport are not available to his client.

In Mr Hennigan's comparables he refers to Steiner (Galway) Ltd., Carnmore, Oranmore, Co. Galway. A R.V. of £1,200 reduced to £1,000 on 1977 first appeal. This R.V. of £1,000 was agreed and breaks down as follows:-

	sq. m.	
Administration Offices	1,467.25	@ 18p = £264.11
Production Office	136	@ 14p = £ 19.04
Factory	5,907	@ 11p = £649.77
Boiler House	209	@ 6p = £ 12.54
Water System		£ 34.90
Motive Power	268 H.P.	@ 5p = <u>£ 13.40</u>
		<u>£993.76</u>
		Say £1,000

Taking all the evidence into consideration the Tribunal is of the opinion that the comparison "Oran Pre-Cast" used by Mr Lyons in his submission is on a par with the subject premises, therefore, the Tribunal concludes that the correct rateable valuation for the subject premises should be £260.