

Appeal No. VA90/1/012

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

H. Murphy & Co (Enniscorthy) Ltd

APPELLANTS

and

Commissioner of Valuation

RESPONDENT

RE: Office, Store and Land at Lot No. 2J, Finahask Lower, Arklow, Co. Wicklow
Quantum - Trading accounts, cost of construction

B E F O R E

Henry Abbott

Barrister Chairman

Padraig Connellan

Solicitor

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
DELIVERED ON THE 20TH DAY OF AUGUST,1990.

By Notice of Appeal dated the 27th April, 1990, the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £190 on the above mentioned hereditament.

Mr. Brian Bagnall, M.I.A.V.I., A.R.I.C.S., presented a written submission dated 9th August 1990 on behalf of the appellant. In the course of his submission Mr. Bagnall described the subject property as being located in the docks area of Arklow town, a small seaside town some 50 miles south of Dublin City with a population of approximately 8,500. He stated that the docks area has a mix of industrial and residential users and is the older traditional industrial location in Arklow. He stated that the access roads to and from the subject property are somewhat restrictive for industrial traffic. The new industrial estate off the Wexford Road now caters for most of the new industrial outlets.

The subject property is currently being used as a Cash & Carry Wholesalers and comprises the original building erected in 1973 and a new extension erected in 1988. The original building is a standard warehouse type structure of reinforced concrete portal frame with double skin asbestos roofing. The walls are smooth cement rendered concrete block with the final top 4 ft. section being finished in asbestos cladding. The extension is of almost identical construction to the main building with the exception that it has an insulated metal clad roof.

Mr. Michael Slattery M.A., B. Comm., a district valuer with 22 years experience in the Valuation Office presented a written submission dated 10th August 1990. The recent valuation history of the subject property was set forth as follows:-

Prior to the 1989 Revision of Valuation the property had a rateable valuation of £120 as fixed at 1974 First Appeal. Following the erection of an extension, the property was listed for 1989 Revision by Arklow U.D.C. The rateable valuation was increased to £190 as a result of the Revision. The appellant appealed to the Commissioner of Valuation. Mr. Slattery inspected the property and reported to the Commissioner who made no change in the rateable valuation of £190.

An oral hearing took place on 13 August 1990, when Mr. Brian Bagnall appeared on behalf of the Appellant and Mr. Michael Slattery appeared for the Respondent. There were no other witnesses.

Mr. Bagnall informed the Tribunal that the square footage of the subject property had, since the presentation of the written submissions, been agreed between the parties as follows:-

Original building	11,517 sq. ft.
Extension	<u>5,920</u> sq. ft.
Total gross external area	17,437 sq. ft.

Mr. Bagnall said that he was basing his case on comparable letting values for similar properties in the area. He said that as a result of the 1986 Valuation Act the Commissioner of Valuation had carried out various pilot surveys and has established that 0.63% of the Nett Annual Value of a property as of November 1988 should represent the rateable valuation of the property. It is on this basis that the appellant has assessed the rateable valuation of his property. Mr. Bagnall made the point that in the provinces the industrial letting market is controlled mainly by the Industrial Development Authority which offers various grants to attract otherwise reluctant tenants to provincial locations. He said that there was a very poor demand for industrial buildings in the Arklow area. He described the subject property as a basic industrial building with very limited circulation space. He said that it was situated in the less advantageous of the two main industrial locations in Arklow because of the narrow streets and the limited access for articulated lorries.

Mr. Bagnall said that the current open market rental value of the subject property was in the order of £20,000 per annum and that the proper rateable valuation was £126.

Mr. Slattery gave oral evidence that the rateable valuation of the subject property is in line with other recently revised properties in the area. The valuation is approximately 0.63% of the Nett Annual Value.

He was of the opinion that the comparisons given by the Appellant were not relevant. He said that the access roads to the property are more than adequate for the requirements of the people who use the Cash and Carry, that is, local shopkeepers. In addition the property is accessible to the main Dublin - Rosslare Road, the Arklow docks and is approximately 46 miles from Dublin.

Mr. Slattery said that the subject property is a better than average type building with an extension which is of a much higher standard than the existing building.

In summary Mr. Slattery said that a good class cash and carry business was being carried on in the subject property. He pointed out that if the rentals in the area are as low as the appellant alleges then "Keencost" would have rented one of those premises for a low rent instead of building an extension.

In summary Mr. Bagnall said that it was very difficult to get good comparisons. He felt that the comparisons given by the Appellant had rateable valuations based on the pre 1986 Valuation Act system. He stressed that the industrial rental situation in Arklow is very poor.

In response to a query as to the costs of construction for the subject property, Mr. Bagnall said that the main building was purchased in the 1970's for £53,000 and that the extension was built in 1988 at a cost in the region of £60,000. He was not in a position to supply further details as to the construction costs of the extension. On the other hand Mr. Slattery estimated the capital value of the extension to be in the region of £93,800. The Tribunal finds this latter value to be the more realistic.

It is clear to the Tribunal on the evidence before it that the Appellant is carrying on a busy Cash & Carry business. The Tribunal does not accept that the location of the subject property in the docks area of Arklow town presents any significant disadvantages in relation to access and egress for customers. In the absence of trading accounts or a breakdown of the costs of construction of the extension the Tribunal finds that the Nett Annual Value of the property is in excess of the £20,000 contended by the Appellant. Taking the above into consideration and taking into consideration the comparisons adduced by the parties, the Tribunal determines that the Respondent's decision must be affirmed.