

Appeal No. VA90/2/085

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

D & S Packaging Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory, offices & yard at Lot 3H Knocknacullen West, E.D. Shanakiel, County Borough of Cork

Quantum - Rental value

B E F O R E

Henry Abbott

Barrister Chairman

Brian O'Farrell

Valuer

Padraig Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF JANUARY, 1991

By notice of appeal dated the 30th day of July, 1990, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £405.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that the valuation is excessive in comparison with similar hereditaments and excessive in view of open market rental value of the property.

The property is situated in the Hollymount Industrial Estate on the north side of the city and has access onto the Blarney Road and comprises a large factory, offices and warehousing. It is used for the design and manufacture of polystyrene cartons and moulded packaging. A new extension was completed in 1988. This extension of a warehouse was built with concrete floor, concrete block walls, double skin asbestos roof and has 6 metre high eaves. All main services are connected to the property

Valuation History

The factory was newly built and valued in 1980 at £80. In 1983 it was listed for revision to value an office block and new factory extension and the rateable valuation was increased to £150. At first appeal stage the rateable valuation was reduced to £140. The property was listed in 1988 revision to value extension to factory and rateable valuation set at £365. This valuation was appealed on the grounds that the extension was built on an adjoining lot 3K. This was accepted and lots 3, 3h and 3K were listed for revision in 1989. On the 1988 revision a new gas boiler was rated at £40. The result of the 1988 appeal was that the rateable valuation was reduced from £365 to £180 (£140 and £40), this figure was agreed and description changed to offices, factory (pt of) and yard. The 1989 revision request was to value extension and lots 3h and 3K were added the result being an increase to £405 with a lot number of 3h and described as offices, factory (pt of) and yard. It is against this determination that the appeal lies with the Tribunal.

Written submissions

A written submission dated the 19th December, 1990 was received from Mr Colman Forkin, a Chartered Valuation Surveyor with 10 years experience in the Valuation Office, on behalf of the

Respondent. Mr Forkin stated that he inspected the property in May 1990 and found that it comprised a large factory, offices and warehousing with a newly completed warehouse extension of 16,000 sq. ft. He stated that the property is an attractive well finished factory building situated in a prime industrial estate with easy access to the city centre.

He outlined his method of arriving at the rateable valuation as follows:-

Old Factory:

Offices	66 sq m = 710 sq ft @ £3.00/sq ft = £ 2,130
Warehouse	451 sq m = 4855sq ft @ £2.00/sq ft = £20,086
Factory	482 sq m = 5188 sq ft }
	£22,216

Factory Extension:

Factory	1515 sq m = 16,307 sq ft @ £2.20 = <u>£35,875</u>
	£58,091
	Say £58,000

Est N.A.V. £58,000 x 0.63% = £365.97 Say £365.00
 R.V. £365.00 + Boiler R.V. £40.00 = £405.00 R.V.

R.V. £405.00 devalues at

Offices 66 sq m @ 21p = £ 13.86

Factory 2488 sq m @ 15p = £367.20

£381.06 + £40 (boiler) = £421.06

Mr Forkin also supplied three comparisons as follows:-

D & S Packaging pt Lot 3L Hollymount Industrial Estate

Descon Ltd Lot 3L Hollymount Industrial Estate

Warewell Footwear Ltd Units 3.4.5 Hollymount Industrial Estate

Details of these comparisons are attached at Appendix "A".

A written submission was received from Mr Eamonn O'Kennedy M.I.A.V.I. of O'Kennedy & Co on the 8th January, 1991 in which he outlined the only point of disagreement with the

Commissioner of Valuation which is the rental value of the property accepted by both parties to be the main comparison. Mr O'Kennedy said that in his opinion the open market rental value of these premises as at the 1st November, 1988 is £45,000 which he assessed on the following basis:

$$26,000 \text{ sq. ft. @ } 1.75 = \text{£}45,000$$

He said that the adjoining property of 15,000 sq. ft. was let at the 1st January, 1990 at £2 per sq. ft. Mr O'Kennedy said that in his opinion the fair rateable valuation of these premises is £315 which he assessed on the following basis:

Rent £45,000 @ .63 of 1%	£283.00
Boiler	<u>£ 30.00</u>
	£313.00
	Say £315.00

Oral hearing

The oral hearing took place in Cork on Wednesday 9th January, 1991. The Appellant was represented by Mr Eamonn O'Kennedy and the Respondent by Mr Colman Forkin.

The representatives gave evidence as outlined in their precis referred to above and after some argument it emerged that the real issue in arriving at an N.A.V. on a comparative basis from the subject premises was the rental value and determining what was the actual rent on the basis of a full insuring and repairing lease from the Descon to Appellant of the premises adjacent to the subject premises and referred to as comparison No. 1 in Mr Forkin's precis.

Mr Forkin stated that a representative of the Appellant's informed him of the details of the leasing arrangements as set out in his comparison No. 1. Nevertheless Mr O'Kennedy produced

an agreement for lease which, though lacking in certain formalities, appears to be accepted by Mr O'Kennedy as the working document from the comparison 1 property which had a rent inclusive of rates of £31,500 plus VAT for a term of 2 years 11 months from the 1st day of January 1990 with an option for another similar term.

Mr Forkin took objection to the lack of formality of the document but the Tribunal finds that in the absence of any other information being elicited in documentary form by Mr Forkin using his right to apply for directions for discovery and/or production, it must accept the agreement from lease produced by Mr O'Kennedy as the working document. The Tribunal ignores any V.A.T. element as being irrelevant and of doubtful applicability to a lease at such a term in any event.

Mr O'Kennedy stated that the subject premises was not in a good area security-wise.

The Tribunal considers that having regard to all the circumstances of the case that an appropriate valuation for the subject premises ought to be £380.00.