

Appeal No. VA90/3/020

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

Antigen Pharmaceuticals

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory (part of) and grounds at Lot No. 4a Townparks, Lourdes Road, Roscrea, Co. Tipperary

B E F O R E
Henry Abbott

Barrister Chairman

Brian O'Farrell

Valuer

Joe Carey

P.C. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF JUNE, 1991

By notice of appeal dated the 17th day of September, 1990, the appellant appealed against the decision of the Commissioner of Valuation in fixing a rateable valuation of £400.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that the valuation of £400 is excessive and inequitable having regard to the Valuation Acts.

Description

The property is situated close to the centre of the town of Roscrea on the north side of Lourdes Road a short distance from the main Dublin Limerick road. It comprises part of a substantial pharmaceutical manufacturing plant located on a total site of 3.5 acres, with a frontage of 450 ft. to Lourdes Road. The Moneen River traverses the site and the buildings are in three sections each of which has a separate valuation. The part which is the subject of this appeal are Blocks 26, 27, 28, 29, 30, 31 and 44 in the centre of the site as follows. All floor areas are agreed between the parties.

Block 26

Former injection department.

A two storey rectangular building with single storey centre section built 30/40 years ago. It is a steel frame building with concrete block walls, timber upper floor and corrugated iron barrel type roof on the main section with a double skinned corrugated asbestos roof on centre section. An extension was added in 1986 with warm air central heating systems installed. The building is now mainly used for storage purposes only.

Ground floor

| | |
|--------|---------------|
| Stores | 9,800 sq. ft. |
|--------|---------------|

First floor

| | |
|------------------------|---------------|
| Offices & laboratories | 7,100 sq. ft. |
|------------------------|---------------|

Ground floor

| | |
|----------------------|---------------|
| (Annexe) loading bay | 2,300 sq. ft. |
|----------------------|---------------|

Block 27

Administrative offices.

This is a rectangular shaped two storey building with single storey portion to the front. It is 30/40 years old and has concrete block walls, concrete ground floor, timber upper floors and a steel framed corrugated asbestos roof. Central heating is installed.

| | |
|------------------|----------------|
| Gross floor area | 13,100 sq. ft. |
|------------------|----------------|

Block 28

Boiler and compressor houses.

| | |
|------------------|---------------|
| Gross floor area | 2,200 sq. ft. |
|------------------|---------------|

Block 29

Water treatment building.

| | |
|------------------|-------------|
| Gross floor area | 950 sq. ft. |
|------------------|-------------|

Block 30

Island Buildings

| | |
|------------------|-------------|
| Gross floor area | 640 sq. ft. |
|------------------|-------------|

Block 31

| | |
|----------|---------------|
| Workshop | 1,050 sq. ft. |
|----------|---------------|

Block 44

| | |
|-------|-------------|
| Store | 750 sq. ft. |
|-------|-------------|

Total

Blocks 28, 29, 30, 31, 44 5,700 sq. ft.

Written submissions

A written submission was received on the 11th June, 1991 from Mr Raymond Ward FRICS. ACI. Arb. Chartered Surveyor of Lisney on behalf of the appellant. In this Mr Ward said that many of the buildings have reached the end of their economic lives and because of the change in nature of the business conducted, their usage and value has been substantially reduced. He said that they are generally of basic construction and are partly obsolete.

He said that in assessing the valuation of the subject property in May 1988 his company attributed a rent of £36,600 per annum to the buildings which are the subject of this appeal in the following manner:-

| | |
|--|--------------------------------|
| Block 26 | |
| <u>Ground floor</u> | |
| Stores | 9,800 sq. ft. @ £1.00£ 9,800 |
| <u>First floor</u> | |
| Laboratories | |
| & offices | 7,100 sq. ft. @ £1.50£10,650 |
| Annexe | 2,300 sq. ft. @ £0.50£ 1,150 |
| Block 27 | |
| Offices | 13,100 sq. ft. @ £2.00£26,200 |
| Blocks 28, 29, 30, 31 & 40 | |
| Service Buildings | 5,700 sq. ft. @ £0.500 £ 2,850 |
| | £50,650 |
| Less 25% to allow for age and obsolescence and lack of use | <u>£12,600</u> |
| <u>Rental Value</u> | <u>£38,050</u> |

He submitted that the following is a fair estimate to the rateable valuation;

Rental value as described IR£38,000 - .5% IR£190

A written submission was received from Mr Denis Maher ARICS Dip. Env. Econ., on behalf of the respondent. In this Mr Maher outlined the valuation history of the premises and described the buildings. He outlined the method by which he calculated the rateable valuation as follows:-

| | | | |
|-----------------------|--------|-------|----------------|
| Office block | 13,104 | £2.50 | £32,760 |
| Stores (gr fl) | 9,785 | £1.50 | £14,675 |
| Offices/labs (1st fl) | 7,143 | £1.00 | £ 7,143 |
| Loading bay/stores | 2,293 | £0.50 | £ 1,145 |
| Service buildings | 5,748 | £1.00 | <u>£ 5,748</u> |
| | | | £61,471 |

| | | |
|----------------------------|---------|----------|
| Estimated N.A.V. Buildings | £61,500 | |
| R.V. at .5% | £307.50 | Say £310 |

| | | |
|----------------|--------------------------------------|------|
| Oil tanks | 4 tanks - total capacity 19,357 gals | £ 10 |
| Gas & Nitrogen | Tanks 2 x 300 gals each | £ 10 |

| | | |
|---------|---|------|
| Boilers | (1) Senior Green Steampacket S.10 8,000 lbs/hr at £2 | £ 16 |
| | (2) John Thompson Multipak 6,000 lbs/hr at £2.50 | £ 15 |

Pipelines (1) Approx 80 mts of 4" Gun Barrel

| | | | |
|-------------|-----|---|----------|
| | | Steampipe | |
| | (2) | Approx 80 mts of 1.5" Stainless Steel de-ionised pipe | |
| | (3) | Approx 80 mts of 2" Gun Barrel Compressed Air Pipe | |
| | (4) | Approx 80 mts 1.5" Condensed Return | £ 20 |
| Horse Power | | Atlas Copco Compressor 55 KW | |
| | | 75 HP | £ 5 |
| | | | £386 |
| | | | Say £390 |

He attached seven comparisons which are appended to this judgment as Appendix "A".

Oral Hearing

At the oral hearing, which took place in Thurles on the 12th June, 1991, Mr Raymond Ward of Lisney represented the appellant and Mr Denis Maher of the Valuation Office represented the respondent.

Mr Ward in his presentation of his case suggested that many of the buildings had reached the end of their economic life and because of the volume of business conducted, their usage and value had been substantially reduced. It appears more and more that Antigen are producing ampoules which is at variance with the previous compound which now require a much more modern and sterile factory premises. He stated also that because of this change of emphasis that the older buildings such as block 26, which has a total ground floor area of 9,800 sq. ft., has become largely redundant.

Mr Ward also made reference to a modern factory premises comprising 22,500 sq. ft. at Lisbunny Industrial Estate, Nenagh, Co Tipperary, which was auctioned in December, 1989, fetched only £276,000 or circa £12 per sq. ft. on the open market. However, Mr Maher, quite rightly, pointed out that this factory sale was expedited because of the fact that the property was

in receivership and in this situation, invariably, properties make less. Mr Maher also pointed out, that during his inspection of the Antigen factory, that he hadn't noticed any areas which were not being used and the premises compared very favourably with Comhlacht Siuicre Eireann factory premises at 9A Kavanagh Place, Townparks, Thurles which had been settled with agents O'Buachalla & Co Ltd on 1st appeal during late 1990 and early 1991. Mr Maher also produced other valuable comparisons in the general Tipperary area including Borrisokane, Thurles, Nenagh and Roscrea.

Findings

The Tribunal cannot accept Mr Ward's contention that a 25% reduction allowance should be made for age and obsolescence use of the Antigen premises. This figure is too arbitrary and at variance with the facts. The Tribunal also believes that 50p per sq. ft. on buildings is too low considering the smaller size and quality of those buildings.

Taking all of the above and other evidence given at the oral hearing into consideration the Tribunal determines that a fair and equitable valuation for the subject premises is £360.