

Appeal No. VA92/3/029

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

Moog Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory and Grounds at Lot No. 18D/22B Ringaskiddy, Townland of Barnahely, E.D.
Carrigaline, R.D. Cork, Co. Cork
Quantum

B E F O R E
Henry Abbott

S.C. Chairman

Padraig Connellan

Solicitor

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 15TH DAY OF OCTOBER, 1992

By notice of appeal dated the 28th day of May, 1992, Lisney & Company on behalf of the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £500 on the above described hereditament.

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

The Property

The property consists of a recently constructed factory and office facility linked to an older single storey two bay workshop and warehouse building with yard and two storey office and service block attached. The building is constructed on a steel frame with pitched pre-finished insulated metal deck roof, metal deck clad and decorative brick external facade with green painted double glazed aluminium framed windows. The building is fitted with a platform metal framed floor throughout finished in vinyl in the production area and anti-static carpet in the offices. The entire is fitted with suspended acoustic ceilings incorporating light units and the offices are fitted with metal framed treated fiber board demountable partitions. The original production and warehouse unit which is some 10 years old is constructed on a concrete portal frame in two bays with double skin asbestos roof incorporating roof lighting, re-enforced concrete floor with oil proof linoleum finish and brick faced lower concrete and asbestos clad walls. The minimum eaves height is 18 foot with access to the production area through a metal up and over door. The office and service buildings is finished in concrete brick with suspended acoustic ceilings and aluminium windows.

Valuation History

This factory was newly built and valued for the first time in 1980 at £165. At appeal this figure was reduced to £150. In 1982 the rateable valuation was increased to £195 and reduced to £185 on first appeal. This figure was reduced to £180 on appeal to the Circuit Court in 1990.

This property was included in the 1990 quarterly revision of valuation lists when the valuation was increased from £180 to £530. The valuation was decreased to £500 at first appeal stage. It is against this valuation that the appeal lies with the Tribunal.

Title

The property is held on a freehold title save car park which is held on 25 year lease (1988) from I.D.A. c £1 per annum.

Services

All main services are connected to the property.

Written Submissions

A written submission was received on behalf of the appellant on the 2nd October, 1992 from Mr. Aidan Boland F.R.I.C.S. Chartered Surveyor, with Lisney, 67 - 69 South Mall, Cork. In the written submission Mr. Boland described the property and outlined the valuation history. Mr. Boland made the following general comments in the written submission:-

- (1) Ringaskiddy has developed over the last 10 years as a deep water port and ferry terminal, but that it only enjoyed limited success as a port as most of the adjoining industrial users do not use the port and there is only a seasonal ferry service.
- (2) He said that Moog Limited were attracted to the area by the I.D.A. and were persuaded to locate in Ringaskiddy because the I.D.A. had a block of land available at a competitive price.
- (3) The company is a manufacturer of electrical parts exported through Rosslare and that the location is not of particular value to them in that all the adjoining users are chemical plants with noxious emissions and there is no proper bus service in the vicinity to facilitate staff.

Mr. Boland said that in relation to the valuation it has been agreed between the Commissioner and the Appellant that the rateable valuation should be estimated on the basis of calculating the Net Annual Value of the subject premises at a specific date, that is November 1988, and reducing the Net Annual Value by an appropriate factor i.e. 0.63%. Accordingly, the only outstanding matter to be resolved related to the Net Annual Value of the subject premises. Mr. Boland set out his method of calculating the Net Annual Value.

"Net Annual Value:

In the absence of an actual rent and having regard to the comparisons attached, I have estimated the N.A.V. as follows:

Main Production Area: 9234 @ £1.80	=	£ 16,621.20
Office/Service Block: 2808 @ £2.80	=	£ 7,862.40
Manufacturing Area: 14165 @ £3.10	=	<u>£ 43,911.50</u>
		£ 68,395.10

Say £68,500

The rental value that I have applied to the buildings reflects the fact that there is car parking available and in accordance with standard valuation practice, I do not propose to value this item separately.

Rateable Valuation:

Using the agreed factor of 0.63%, my estimate of rateable valuation would be as follows:

Net Annual Value £68,500 X 0.63% = **R.V. £432"**

Mr. Boland offered a number of comparisons. He stated that as there is no comparative evidence in the immediate area the comparisons he offered should be strongly considered. These are attached as Appendix 1.

A written submission was received from Mr. Tom Stapleton a District Valuer with 30 years experience in the Valuation Office. In the written submission Mr. Stapleton set out details of the property and the valuation history. Commenting on the appellants grounds of appeal Mr. Stapleton stated that a 14,000 sq ft extension (high tec building) was added to the factory at a cost of £800,000 with the aid of a 40% grant from the I.D.A., this equated to £56 per square foot. In arriving at an N.A.V. for this extension consideration was given to:-

- (a) Location.

- (b) Quality of the building.
- (c) Levels agreed on similar type buildings in the Cork area.

Mr. Stapleton set out the manner in which he calculated the Rateable Valuation on the subject premises as follows:-

"Old Factory:

Gd.Fl. & 1st Fl. (Canteen)	261m ² = 2808 c	£2.70 = £ 7,582
Plant Room	41m ² = 441	
Warehouse	819m ² = <u>8812</u> c	£2.20 <u>£20,357</u>
	12061	£27,939
Estimated N.A.V.	£27,939 c .63%	£176 Say £180

New:

Offices, Production, toilets

1,316m² = 14,160ft² c £3.75psf = £53,100

Estimated N.A.V. £53,100 @ .63% = £334

Total £514

R.V. £500

Unit Price per M²

Old 2nd _____ 261m² c 20p £ 52.20

Plant Room 41m² c 10p £ 4.10

Warehouse 819m² c 15p £122.85

£184.15

R.V. £180 (Circuit Court Settlement) (Ref: '82 c.c. 193)

New 1st _____ 1316m² = c 25p £329

£509

R.V. £500

Mr. Stapleton in his submission set out the details of five comparisons and these are attached as Appendix 2. Mr. Stapleton stated that rental levels for high tec. factories in the Cork area had been fairly well established and agreed with various consultants in recent years at not less than £4.00 per square foot. He stated that on standard industrialised buildings there are wide variations in rental levels even within industrial parks e.g. Little Island.

Oral Hearing

The oral hearing took place on the 14th October, 1992 at the Council Chamber in Cork. Mr. Aidan Boland F.R.I.C.I. Chartered Surveyor in general practice with Lisney in Cork appeared for the appellant and gave evidence. Mr. Tom Stapleton District Valuer in the Valuation Office with 30 years experience and a Bachelor of Agricultural Science appeared for the respondent and gave evidence.

Both representatives set out their evidence along the lines of the precis of their respective clients. It emerged in the course of the debate of the case that whereas the appellant had relied in the comparisons on passing rents, Mr. Stapleton had taken an approach based more on devaluations arising from actual rateable valuations fixed on premises which were claimed to be comparable to the subject. Mr. Stapleton elaborated in relation to many of the valuations fixed, indicating that they had been based upon actual passing rents for similar premises in the Cork area.

When pressed by the Tribunal in relation to the most apt comparisons, Mr. Boland opted for comparison number five of his written submission in the Kilbarry Industrial Estate and Mr. Stapleton opted for the comparison of the Millipore premises noted in his precis in Section 7. Mr. Stapleton claimed that the comparison no.5 at Phase 1 Kilbarry Industrial Estate was not a premises made up to the same high technical standards as the subject and also countered that his

comparison no.4 indicated that the Kilbarry premises ought not to be taken as an absolute measure of how high the rental could be for like premises. Both valuers agreed that the rents in the technology park were exceptionally high, and, that the subject premises was in an inferior location. Mr. Boland submitted that while Ringaskiddy was set up as a port side development with high ambitions principally for the chemical industry, it had failed to generate any significant port type trade which could be of help to the business which would be carried on in a standard industrial unit, such as the subject premises. He indicated that the road and sea transport facilities via Rosslare and Waterford were more cost effective and efficient, from a time point of view, than the less organised exits from the Ringaskiddy port. The Tribunal finds that this view was confirmed by Mr. Stapleton's reference to promotional literature for the Ringaskiddy estate, which indicated that the strategy of the developers of the estate was to ensure the development of port related continuous process industries. The continuous process industries which have established are in the chemical and feed grain storage processing area which require premises of a different nature than the subject premises. The Tribunal was also impressed by the fact that although the main emphasis of Ringaskiddy was not wholly consistent with the use of the subject, substantial recent expenditure was incurred thereon.

Given the different approach of the two valuers to the case, the Tribunal have endeavoured to critically examine the valuation of the premises fixed at first appeal having regard to the comparisons offered by the appellants, and their general comments about the history and development of the location, together with the elaboration of Mr. Stapleton in oral evidence of the comparisons offered by him, together with his comments about the relativities of the comparisons offered by both sides. The Tribunal has found it impossible to come to any other conclusion but that the valuation fixed at first appeal is appropriate having regard to all the circumstances.

Accordingly, the Tribunal finds that the valuation of the subject premises ought to remain at £504.25, as to land £4.25 and as to buildings £500.