

Appeal No. VA93/1/081

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

**Elan Corporation**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Factory at Map Ref: 42HJL, 43JKL, Townland of Monksland Industrial Estate, Athlone  
West Rural Ward, R.D. Athlone 2, Co. Roscommon  
Quantum

**B E F O R E**  
**Mary Devins**

**Solicitor (Acting Chairman)**

**Paul Butler**

**S.C.**

**Joe Carey**

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

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 30TH DAY OF NOVEMBER, 1993**

By Notice of Appeal dated the 25th day of February, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,120 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive in view of the open market rental value of the property and in comparison with similar premises and in view of recent change in levels for the Co. Roscommon area agreed by the Commissioner of Valuation".

### **The Property**

The premises comprise a purpose built modern pharmaceutical industrial unit and is constructed with concrete walls and solid concrete floors. Internally the walls and ceilings have a mainly plastered finish. The premises occupy a total floor area of 99,000 square feet approximately. The premises are located in Athlone close to the new bypass and the building is of the highest standard to comply with International requirements for the Pharmaceutical Industry.

### **Valuation History**

The premises were valued in 1989 and the rateable valuation was assessed at £800.00 and the agreed floor area at that time was 71,823 square feet. The premises were again revalued in November, 1991 to take account of an extension following which the rateable valuation was increased to £1,120 R.V.. This was subsequently appealed and the result of the appeal was that the Rateable Valuation of £1,120 was upheld and it is against this determination that the subject appeal lies to the Tribunal.

### **Written Submissions**

A written submission was received on the 6th of September, 1993 from Mr. Eamonn O'Kennedy of O'Kennedy & Company, Valuation and Rating Consultants acting on behalf of the appellant. Mr. O'Kennedy described the property and its location in his submission, and he stated that he did not dispute the rental levels as assessed by the Commissioner of Valuation at First Appeal stage as it had been valued in line with rental levels agreed in the 1989 appeal ie £1.75 per square foot giving a rental value of £175,000. He said that applying the .63% resulted in a rateable valuation of £1,120 and that he was disputing the use of the .63% on this occasion as he felt that from studies undertaken by a group of consultants, the .63% did not reflect appropriate levels in the area and that .5% was the appropriate level for the area. He said in his opinion, a fair rateable valuation for the premises is £875.00.

A written submission was also received on the 30th of August, 1993 from Mr. Christopher Hicks, District Valuer in the Valuation Office on behalf of the Respondent. In his submission Mr. Hicks analysed pre and post revision rateable valuations for the subject property and these are set out as under:-

"The greater part of the subject property has already been agreed at R.V. £800 in 1990. This devalues as:

$$71,823 \text{ ft}^2 \quad @ \quad £2.23 \quad = \quad £160,000.00$$

$$@ 0.5\% = \mathbf{\pounds 800.00}$$

This area has since been extended by 27,180 ft<sup>2</sup> to 99,000 ft<sup>2</sup> and an adjoining building has been acquired, demolished and converted to a car park.

Comparison with other good quality industrial premises indicates a rental value of from £2.50 to £3.10 per ft<sup>2</sup>, however the existing agreement at £800 gives a rent of £2.23 per ft<sup>2</sup>.

Applying this:

$$\begin{array}{rclcl} 99,000 \text{ ft}^2 & @ & \pounds 2.23 & = & \pounds 220,770.00 \\ & & @ 0.5\% & = & \mathbf{\pounds 1,120.00} \end{array}$$

Mr. Hicks also attached to his submission details of the rateable valuations of three comparable properties and these are attached to this judgement as Appendix 1.

### **Oral Hearing:**

At the oral hearing which took place on the 15th September, 1993 Mr. Eamonn O'Kennedy of Messrs. O'Kennedy & Company appeared on behalf of the appellant. The respondent was represented by Mr. Christopher Hicks.

Mr. O'Kennedy explained that the premises had originally been valued in 1989 at £800 and he submitted that an N.A.V. of £126,000 was agreed at that stage and that a fraction of .63% was applied to arrive at R.V.. He explained that the premises had been revised in 1991 to take account of an extension of some 27,100 square feet. Mr. O'Kennedy contended that the rental level which, he stated, was agreed in 1989 should be used in the instant case and that the only alteration should be the application of .5% instead of .63%.

Mr. Hicks stated that the R.V. of £800 which was agreed in the 1989 appeal was the best comparison available and he submitted that the said R.V. £800 devalued at £2.23 per square foot. He pointed out that Mr. O'Kennedy had offered no comparative evidence in relation to similar properties.

Mr. Hicks did not agree with Mr. O'Kennedy's contention that a fraction of .63% had been applied in the 1989 appeal and he stressed that, to date, various fractions had been applied in arriving at appropriate rateable valuations.

**Determination:**

The Tribunal notes that on Mr. O'Kennedy's assessment of the 89/90 First Appeal, the N.A.V. of the subject premises devalues at £1.75 per square foot while on Mr. Hick's analysis, the N.A.V. devalues at around £2.23 per square foot.

While the Tribunal accepts the validity of the comparisons put forward by Mr. Hicks, it is nonetheless conscious of the fact that the N.A.V.'s calculated by him in relation thereto are based on the application of a fraction of .5% in all cases.

Since it is not, however, clear exactly at what point the fraction of .5% was applied in this area, the Tribunal must look primarily to the correct N.A.V. of the subject premises.

In the circumstances the Tribunal is of the opinion that a fair and reasonable N.A.V. for the subject premises is in the region of £200,000 yielding a rateable valuation of £1,000 and so determines.