

Appeal No. VA93/2/019

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

Van Fleet Transport

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Warehouse at Map Ref: 77 Sir John Rogerson's Quay, South Dock Ward, County Borough of Dublin
Quantum

B E F O R E
Henry Abbott

S.C. Chairman

Paul Butler

S.C.

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF FEBRUARY, 1994

By Notice of Appeal dated the 13th day of May, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £550.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

- "(1) The Rateable Valuation is excessive, inequitable and bad in law.
- (2) Based on the current rent/N.A.V. the Rateable Valuation as assessed by the Commissioner is excessive."

The Property

The property consists of a large warehouse which fronts onto Sir John Rogersons Quay.

Tenure

The property is held on a two year nine month lease from the 21st March, 1992 at a rent of £88,000 per annum. There is a break option after one year nine months.

Valuation History

The valuation was first assessed at £785.00 in 1975. It was listed in 1978 as 'valuation excessive' and reduced from £785.00 to £735.00. This remained until 1991 when it was again listed as 'excessive'. No change was made at revision but it was reduced on appeal from £735.00 to £550.00.

Written Submissions

A written submission was received on the 1st of December, 1993 from Mr. Frank O'Donnell of Frank O'Donnell & Company, Valuation and Rating Consultants on behalf of the appellant. In the written submission Mr. O'Donnell set out details of the premises. He said that the property was purchased by Goreville Limited on the 8th December, 1988 for a figure of £473,000. He said that the property was leased to Transit Warehousing Limited on a 2 year nine monthly lease from the 20th January, 1989 at an annual rent of £45,000. He said that there was a subsequent assignment of the lease in March, 1992 and Van Fleet Transport are currently in occupation. He set out his calculation of a fair N.A.V. as follows:-

"N.A.V.

In arriving at a fair N.A.V., it is submitted to the Tribunal that the two relevant figures are

- (a) Rent fixed at 20th January, 1989 - £45,000
- (b) Purchase Price at 8th December, 1988 - £473,000

Calculation of N.A.V./R.V.

<u>Rent fixed at 20/10/89</u>	£45,000
Accept N.A.V. @ Nov '88	£45,000
R.V. @ 0.63%	£283.50
Say	£280.00"

Mr. O'Donnell also supplied brief details of a number of comparisons and these are appended to this judgment as Appendix A.

A written submission was received on the 6th of December, 1993 from Mr. Terence Dineen of the Valuation Office on behalf of the respondent. Mr. Dineen gave details of the property as set out above. He said that the property was purchased for £473,000 by private treaty on the 20th January, 1989. He said that before the current lease on the subject premises there was a two year nine month F.R.I. lease from the 6th December, 1989 at £45,000 per annum and held by Transit Limited. In 1992 Transit Limited moved to the adjoining property, 6a Hanover Quay, he said, where they pay £59,000 per annum for 19,000 square feet on a short lease. Mr. Dineen set out his calculation of the Rateable Valuation as follows:-

Rateable Valuation

N.A.V.:	33,600 sq.ft.	@	£2.62	=	£88,000
	£88,000	X	0.63%	=	£554.40
			Say	=	£550.00

Mr. Dineen also gave details of five comparisons within the area which comparisons are appended to this judgment as Appendix B.

Oral Hearing

The oral hearing took place in Dublin on the 13th of December, 1993. Mr. Frank O'Donnell B. Agr. Sc. F.I.A.V.I., M.I.R.E.F. Principal of Frank O'Donnell and Company, Valuation and Rating Consultants appeared for the appellant and Mr. Terence Dineen B. Agr. Sc. a District Valuer with nineteen years experience in the Valuation Office appeared for the respondent.

While Mr. Dineen was somewhat sceptical of the passing rent in the case of the subject premises both in respect of the previous lease at £45,000 per annum and in relation to the current lease of £88,000 per annum, he was not in a position to dispute the appellant's claim that it was in fact an open market rent. Mr. O'Donnell made strong arguments relating to the application of the Lisney Index of 84% increase from 1988 to 1992 on Industrial Property of the type of the subject. He also argued that on the basis of a 10% return on the purchase price of £470,000 for the property, the rental for the property ought to be £47,000 and that this would represent an appropriate N.A.V. from which to base the valuation.

Mr. O'Donnell also claimed that the subject was long and narrow and was not comparable to many of the comparisons such as comparisons No. 3, R. Wooton Limited, Barrow Street which is off Fenian Street and almost in Ballsbridge. This comparison of Mr. Dineen was

stated to be a recording studio. Mr. Dineen was adamant that the subject was probably the best among the comparisons offered along with comparison No. 5 which actually adjoins it.

Findings

While the Tribunal is always influenced by passing rent and is so influenced in this case, it must nevertheless endeavour under the valuation code to achieve a comparability in the level of rates between one building and another. With that task in mind the Tribunal must also be attentive to the arguments of Mr. Dineen in that regard. Having regard to the two foregoing principles and also having regard to the comparisons offered and all the circumstances of the case the Tribunal finds that the valuation of the subject is £400.00 and so determines.