

Appeal No. VA93/3/014 & 15

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

Munekata Plastronix Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: VA93/3/014 (R.V. £550) - Factory (pt of) & Grounds at Map Reference: 3B, Townland: Poppintree, Ballymun A - Finglas East, County Borough of Dublin

VA93/3/015 (R.V. £2,350) - Factory (pt of) & Grounds at Map Reference: 2C, Townland: Meakstown, Ballymun A - Finglas East, County Borough of Dublin
Quantum - Location, comparisons

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 17TH DAY OF JUNE, 1994

By Notices of Appeal dated the 22nd day of July, 1993 the appellant appealed against the Commissioner of Valuation in fixing a rateable valuation of £550 in respect of Map Reference 3B, and £2,350 in respect of Map Reference 2C, as described above.

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

"The valuation is excessive and inequitable when rental levels are taken into consideration."

The properties are recorded separately by reason of the fact that the same lie in two townlands but the properties really comprise an integrated modern factory standing on a ten acre site with its own entrance and security gates from Jamestown Road.

The Property:

The property is located in the Poppintree Industrial Estate on the Jamestown Road, just north of Finglas and close to the Northern Cross motorway currently in progress.

The factory is a modern unit on a 10 acre site built circa 15 years ago. It comprises a steel frame supporting a double skin asbestos roof with concrete block infill walls. The factory has its own entrance security gates from Jamestown Road.

The other units in the estate share a common entrance from a different road. The main building has an average eaves height of 23-24 feet and there is a full sprinkler system installed.

Accommodation:

The areas were agreed between the parties as follows:-

a) Main Factory Area	126,960 sq.ft.
b) Ground Floor Factory	12,541 sq.ft.
c) Internal Works Offices Over b)	12,541 sq.ft.
d) Offices and Canteen	23,216 sq.ft.
e) Compressor House	4,038 sq.ft.
1,700 Horsepower	

Valuation History:

The property was first valued in 1980 at rateable valuation £3,300 (£2,660 + £640). This was subsequently appealed and at First Appeal it was reduced to £2,900 (£2,350 + £550).

The total floor area at that time was 153,818ft². The property was listed for revision in 1991 at the request of the ratepayer and a resurvey took place in that year which revealed substantial improvements and an extension. No change was made to the R.V. £2,900 and a subsequent appeal to the Commissioner of Valuation also resulted in no change.

Written Submissions:

Precis of evidence offered by the appellant and the respondent were received by the Tribunal on the 24 March, 1994 and 6 April, 1994 respectively.

In the written submission Mr. Donnelly set out details of the calculation of the R.V. as follows:-

a) Main Factory Area	126,960 @ £1.80 per sq.ft. = £228,528
b) Ground Floor Factory	12,541 @ £1.00 per sq.ft. = £ 12,541
c) First Floor Works Office over b)	12,541 @ £2.65 per sq.ft. = £ 33,233
d) Offices and Canteen	23,216 @ £2.80 per sq.ft. = £ 65,004
e) Compressor House	4,038 @ £1.50 per sq.ft. = <u>£ 6,047</u>
	N.A.V. £345,363
@ .63% = £2,175	

He also offered comparisons and these are annexed to this judgment at Appendix A.

Mr. Hicks, in his written submission, gave his opinion of the appropriate R.V. as follows:-

$$179,296 \text{ ft}^2 @ £2.60 \text{ per ft}^2 = \text{N.A.V. } £466,170$$

Or Separately:

Factory, Stores, etc.	156,080 ft ² @ £2.45 per ft ²
Offices, Canteen, etc.	23,216 ft ² @ £3.60 per ft ²

$$\begin{aligned}
 £466,170 @ 0.63\% &= £2,937 \\
 1700 \text{ Horsepower @ } 0.5\text{p} &= £ 85 \\
 \text{Tanks} &= \underline{£ 7.65} \\
 (\text{H.P. and tanks are not in dispute}) & \\
 &£3,029.65 \\
 \text{R.V.} &= £2,900
 \end{aligned}$$

He also offered comparisons and these are annexed as Appendix B to his judgment.

Oral Hearing:

The oral hearing took place herein on the 8th day of April, 1994. Mr. Tadhg Donnelly of Brian Bagnall & Associates appeared for the appellant and Mr. Christopher Hicks appeared for the respondent.

Mr. Donnelly argued strenuously for his lower valuation based on the comparisons primarily of Nokia and Unidare. He also offered the Edward Dillon & Company premises in Santry (in a far better location from the point of view of road access and desirability of area) as a premises where there was an actual rent review on an arm-length basis.

Mr. Donnelly also instanced the high security bill being paid by the appellant of £60,000, due to its location in a densely populated industrial area with a large population of young people, many of whom are facing unemployment and problems associated with it, and said that the area was not the most desirable.

Mr. Donnelly also instanced the lack of road facilities and drew the attention of the Tribunal to a photograph showing the Jamestown Road. Mr. Donnelly said that this was a big property which would be difficult to rent. He said that two premises behind the subject, Glenross Hosiery and Top Tech, in the Poppintree Industrial Estate had passing rents. Glenross Hosiery, he said, had a passing rent of £75,508 on a 35 year lease from 1/1/1983. He said that the premises had been rented by the I.D.A. and left lying unoccupied for a long time as was Top Tech. When occupiers were obtained they received a 40% reduction or subsidy in rent from the I.D.A. to encourage them to stay.

Mr. Donnelly said that the rent had been recently reviewed in the Glenross premises to £96,000 which was the only increase in rent for 10 years which, he said, gave an indication of rental levels in that industrial estate.

Mr. Donnelly submitted that the phenomenon of the quantum allowance should be taken into consideration.

Mr. Hicks strongly argued against such an allowance saying that there was a shortage of large factory premises for rent in the market at the moment.

Mr. Donnelly also mentioned that the ACCO premises in the Clonsaugh Industrial Estate did not mirror the high rents prevailing in that vicinity, and he said that the Lotus premises in

the Airways Industrial Estate, (Comparison No: 7), indicated by just how much square footage prices may vary.

Mr. Donnelly disputed the fact that the rent on the Lotus premises had been taken for the purposes of valuing same. Mr. Donnelly also relied on Leo Laboratories as a comparison. He said that the office extension on the right of the photograph of Leo Laboratories was of new construction and that the penicillin manufacturing facility in Leo Laboratories was in fact a laboratory type construction and much superior than the large square footage in the subject property.

Mr. Hicks said that the Leo Laboratories valuation supported the overall valuation of £2.60 per square foot on the subject premises.

Mr. Donnelly was not happy that a global figure should be taken as the Leo Laboratory premises comprised buildings of different standards.

Findings:

The Tribunal finds that while the subject is not situated in the most optimum location in terms of desirability or road access, the premises does represent a significant investment and vote of confidence in the area. The quantum allowance and rents subsidy may not be taken in the Dublin context as being of great significance.

The older comparisons such as the Unidare Complex are not considered useful as the buildings are much older than the subject. The Unidare premises valued at £1550 was so valued because of the low acquisition figure of £720,000. This low figure reflected the poor condition and value of the buildings.

The Tribunal finds, having regard to all the evidence offered and the circumstances of the case, that some reduction should be allowed in respect of the reducing factors mentioned by Mr. Donnelly but that generally the approach of Mr. Hicks has been a reasonable effort to establish a fair valuation.

Accordingly, the Tribunal has decided to reduce the valuation overall on a square footage basis by 10% approximately. On the basis of an agreement by the parties that the premises in the two townlands would be reduced proportionately with the horsepower and tanks remaining the same, the valuations of the subjects should total £2,740. Separated in

proportion to the existing valuations appealed, the resultant figures are £521 for VA93/3/014 and £2,219 for VA93/3/015. The Tribunal determines the valuations accordingly.