

Appeal No. VA93/3/017

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

**Kingspan P.L.C. Building Products Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Factory at Map Ref: 1BKOP, Townland of Corgarry, E.D. Kingscourt, R.D. Bailieborough, Co. Cavan  
Quantum

**B E F O R E**  
**Veronica Gates**

**Barrister (Acting Chairman)**

**Brian O'Farrell**

**Valuer**

**Paddy Farry**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 16TH DAY OF DECEMBER, 1993**

By Notice of Appeal dated the 4th day of August, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £1,000 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive, inequitable and bad in law".

### **The Property**

The property is situated 1 mile east of Kingscourt on the Carrickmacross Road. It is a purpose built industrial property comprising a large production area, administrative offices, ancillary stores, storage yards and tanks. The main production area comprises a total of 96,600 square feet. Ancillary production area comprises a total of 13,527 square feet. The administrative offices are housed in a two storey building with brick front to first floor level and insulated cladding to roof. There are also a small number of ancillary buildings.

### **Valuation History**

The property was first valued as three separate entries within the same group in 1977 as follows:

Lot 1Ka	Kingscourt Electrical Industries	£65.00 R.V.
Lot 1Kb	Secform	£220.00 R.V.
Lot 1Kc	Kingscourt Construction	£65.00 R.V.

In 1989 Lots 1Kb and 1Kc were listed for revision to "value extensions". Both lots were amalgamated and the R.V. set at £555.00. In 1991 all lots were listed for revision to "value extension storage areas and all other development". The R.V. was increased to £1,000. An appeal was lodged by occupiers in November, 1991 but no change was made at First Appeal.

### **Written Submissions**

Written submissions were received from Mr. Alan McMillan an Associate of the Society of Chartered Surveyors and Director of Donal O'Buachalla & Company Limited on behalf of the appellant and from Mr. Noel Rooney, Chartered Surveyor and District Valuer in the Valuation

Office on behalf of the respondent. These written submissions are attached to the judgement as Appendix 1.

In his written submission Mr. McMillan set out his calculation of the Rateable Valuation on the subject premises as follows:-

#### **"Estimate of R.V.:"**

Having regard to the above, it is my opinion that a fair R.V., derived from an N.A.V.

as statutorily defined and based on open market evidence, is as follows:-

N.A.V. (say)	122,000 sq.ft.	@	£1 psf	=	£122,000
R.V.	@	0.5%	=	£610	
plus Agreed items					<u>£ 40</u>

\_\_\_\_\_TOTAL R.V.                      £650"

Commenting on his estimate of Rateable Valuation Mr. McMillan said that location of the subject premises had significant effect on its N.A.V. and the demand for a very large property such as the subject is very restricted.

Mr. Rooney in his submission set out his calculation of the Rateable Valuation on the subject premises as follows:-

Factory (Shop 1 + 2):	96,600 ft <sup>2</sup>	@	£1.50 p.s.f.	=	£144,900
Factory (Shop No. 3):	13,527 ft <sup>2</sup>	@	£1.40 p.s.f.	=	£ 18,938
Offices & Gate House:	7,263 ft <sup>2</sup>	@	£2.00 p.s.f.	=	£ 14,526
Stores:	4,779 ft <sup>2</sup>	@	£1.25 p.s.f.	=	£ 5,974
Yards:					
Northern Compound:	62,000 ft <sup>2</sup>	@	£0.10 p.s.f.	=	£ 6,200
Southern Compound:	35,000 ft <sup>2</sup>	@	£0.05 p.s.f.	=	<u>£ 1,750</u>
					£192,288

N.A.V.:                      £192,288                      @                      0.5%                      =                      £ 961.44

Add for Tanks and H.P.

Tanks:	31,000 gal	@	0.30p/1000 gal	=	£9.30
H.P.:	44.5 H.P.	@	0.05p/H.P.	=	£22.25
Standby					
Generator:	432 H.P.	@	0.2½p/H.P.	=	£10.80 = <u>£40.00</u> Agreed

= £1001.44

R.V. = £1000.00

Mr. Rooney said that little or no rental evidence was available for large factories in Cavan. He said that the comparisons he had relied upon were of similar function, recently revised and in geographic proximity to the subject property. He said that levels of £1.50 and £2.00 per square foot on the main factory and offices of the subject property compared very favourably with the comparisons quoted. He set out a table of comparisons as follows:-

PREMISES	FLOOR AREA	ESTD. N.A.V./FT <sup>2</sup>
Midland International	65,500	£1.37
Pauwels Trafo	104,300	£1.70
Bailieborough Co-op	37,500	£1.85
<b>Kingspan P.L.C.</b>	<b>122,169</b>	<b>£1.57</b>

### **Oral Hearing**

An oral hearing took place in the Courthouse, Cavan, on the 8th day of December, 1993. Mr. Alan McMillan of Messrs. Donal O'Buachalla & Company appeared on behalf of the appellant together with Mr. John Corrigan, Company Executive. Mr. Noel Rooney, District Valuer with the Valuation Office represented the respondent.

Mr. McMillan described the subject property as being situated on a relatively congested and restricted site, with considerable road frontage which is of little advantage. There is no possibility of expansion inwards from the public road as there is a river and public estate behind the subject site. Although this is not a disadvantage to the current user it is a considerable disadvantage in market terms.

Mr. McMillan explained that the floor and site areas had been agreed prior to the hearing with the respondent and miscellaneous items such as horse power and tanks have been agreed at an R.V. of £40.00 as had the relevant ratio at .5%.

Mr. McMillan said that he had reached an N.A.V. of £122,000 for the subject premises which was based on 122,000 square feet at £1.00 per square foot. These figures had been backdated 5 years to 1988 and £40.00 had been agreed for the miscellaneous items.

Commenting on the comparisons adduced at numbers one to ten of his written submission, Mr. McMillan said that it had been difficult to obtain suitable comparisons which showed rental evidence of units over 100,000 square feet. He was able to produce only one comparison with an actual market transaction which was Kayfoam Woolfson, in Kilcullen, Co. Kildare which was sold in 1992 for £350,000.

Mr. McMillan said that large, rural, industrial premises such as the subject are very difficult to let or sell.

In answer to a query from the Tribunal, Mr. McMillan said that he had put no value on the north or south compounds on the basis that if the site was of a more regular or better shape they would quite clearly be ancillary to the 122,000 square feet of accommodation.

Mr. Rooney said that he agreed generally with Mr. McMillan's comments in relation to the disadvantages of the site. He said that, in relation to the compounds, these areas constituted developed land which were necessary for storage space rather than being purely additional circulation space.

Mr. Rooney explained that in preparing his case he had tried to use recently revised, comparable properties in a similar geographic location. He was not contesting the fact that the subject premises is a rural factory and said that there were enough comparisons within the County of Cavan to substantiate the valuation which the respondent has placed on the subject premises. He said that unfortunately there is a considerable lack of evidence of lettings of large, industrial premises and in the absence of such evidence, he had tried to use recently revised properties within County Cavan itself.

### **Determination**

The Tribunal has had regard to the evidence adduced by both parties of market values in comparable properties situate not only in County Cavan but also in similarly circumstanced geographic locations. Consideration has also been given to the restricted nature of the subject site and of its enforced linear frontage, the sloping and unfilled nature of the north and south compounds, the size of the property and its location.

Taking these, and all other relevant factors into consideration the Tribunal is of the opinion that the correct Rateable Valuation for the subject premises is £840.00, which sum includes the agreed valuation of £40.00 for miscellaneous items, and so determines.