

Appeal No. VA93/4/020

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

Dawn Farm Foods

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory at Map Ref: 21F, Townland of Maudlings (pt of), E.D. Naas No. 1, Urban District of Naas, Co. Kildare

Quantum - Comparisons, size, location

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 24TH DAY OF MAY, 1994

By Notice of Appeal dated the 2nd November, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,175 on the above described hereditament.

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

- "(1) the valuation is excessive and inequitable.
- (2) the valuation is bad in law".

The Property

The property comprises a modern bacon processing factory on Monread Industrial Estate. The estate is situated north of Naas at the entrance to the by-pass motorway. Access to the estate is from a minor road. The surrounding area is industrial. The property is comprised of concrete block cavity walls to 1.5 metre and p.v.c. coated steel cladding to eaves, the roof is of composite cladding panels on multibeam purloins steel truss. Specialist finish to power floated floor. Internal walls are p.v.c. coated insulated panels. Two storey office adjoining and also first floor canteen, toilets, training room to part main factory. Externally there are water, oil and brine storage tanks, a surfaced car park and concrete yards for truck access and parking. The plant is divided into two main areas, for uncooked and cooked products, and there are a number of areas with High Quality finish therein. Entry to these areas is via air-lock and the finished standard is very high. There are also a number of cold storage areas contained in the property.

Valuation History

The property was first valued on 1992 Revision at £1,175.00. An appeal was lodged and there was no change made at First Appeal. The areas are agreed as follows:-

	m²	ft²
Main Factory including cold stores, etc:	3,822	41,140
Veterinary Offices:	85.8	923
Canopy:	162	1,743
Main Offices:	438.7	4,722
First Floor canteen, etc:	602	6,479

Written Submissions

A written submission was received on the 15th March, 1994 from Mr. Des Killen, F.R.I.C.S., F.S.C.S., I.R.R.V., a Fellow of the Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited on behalf of the appellant. In his written submission, Mr. Killen described the property in detail together with its valuation history.

Mr. Killen said that in arriving at a correct N.A.V. the witness had had regard to:-

- (1) Rental Values on smaller factory premises at November, 1988.
- (2) Capital Expenditure adjusted to November, 1988.
- (3) Rateable Valuations on comparable hereditaments.

Mr. Killen set out his calculation of the rateable valuation assessed on the alternative basis as follows:-

- (a) **Rental Valuessq.ft.**

Factory	41,131	@	£2.50 =	£102,828	
Offices	4,722	@	£2.50 =	£ 11,805	
Staff Areas	6,784	@	£2.00 =	£ 13,568	
Canopy	1,743	@	25p =	<u>£ 436</u>	
				<u>£128,637</u>	N.A.V.

(b) Capital Cost				
Adjusted Capital Cost	=			£1,560,000
N.A.V. @ 0.75% return	=			£ 117,000
Take average of (a) + (b)	=			£ 122,818
say	=			£ 123,000
R.V. @ 0.5%	=			£ 615
Plus agreed miscellaneous	=			<u>£ 60</u>
Total	=			<u>£ 675</u>

Mr. Killen gave details of two comparisons as follows:-

(1) **Galtee Food Products Limited.**

V.O. Lot 3b, Mitchelstown.

Modern bacon factory, built to conform with E.U. standards.

1989 Revision/Appeal. R.V. £2,075.

R.V. on new factory - £1,275 - which devalues as follows:-

Buildings

Factory A - I	79,053 sq.ft.	@	£2.70 =	£213,443
Factory J - N	4,024 sq.ft.	@	£2.15 =	£ 8,652
Security Building	88 sq.ft.	@	£5 =	£ 440
N.A.V.			=	£222,534

R.V. @ 0.5% say £1,110

Miscellaneous

Boilers and Pipelines	=		R.V. £ 100
Weighpit	=		R.V. £ 10
Car Park	=		R.V. <u>£ 55</u>
Total	=		R.V. <u>£1,275</u>

(2) **North Dublin Cold Stores.**

Lot 3E, Lissenhaul, Swords.

R.V. £590. 1993 Revision. N.A.V. £93,350

Estimated Analysis

Cold Stores	25,000 sq.ft.	@	£2.75
Warehouse	5,680 sq.ft.	@	£2.50
Offices	580 sq.ft.	@	£2.25
Plant Room	5,195 sq.ft.	@	£1.75

(3) Rowntree Mackintosh, Mallow, Co. Cork

Lot 13ADEGH Annabella (pt.of), Ward: Mallow North Urban.

R.V. £640. 1990 Phase 4 First Appeal.

Analysis

Offices	4,126 sq.ft.	@	£3.00
Gr. Floor Factory	23,390 sq.ft.	@	£2.00
1st Floor Factory	23,390 sq.ft.	@	£1.00
2nd Floor Factory	reflected		
Stores	17,008 sq.ft.	@	£1.50

A written submission was received on the 14th March, 1994 from Mr. Malachy Oakes a District Valuer with 20 years experience in the Valuation Office on behalf of the respondent. Mr. Oakes described the property and its valuation history. He set out his calculation of the rateable valuation on the subject premises as follows:-

Factory

(excluding cold stores)	3281m ²	35,316 ft ²	@	£5.00 =	£176,580
Cold Stores:	352m ²	3,788	@	£3.75 =	£ 14,205
Workshops:	175m ²	1,883	@	£2.00 =	£ 3,766
Veterinary Offices:	13.8/85.8m ²	1,071	@	£2.50 =	£ 2,677
Canopy:	162m ²	1,743	@	£0.50 =	£ 871
Main Offices	438.7m ²	4,722	@	£3.00 =	£ 14,166
First Floor Canteen,					
Training Area in factory:	602m ²	6,484	@	£2.00 =	£ 12,968
Portacabin:	49m ²	462	@	£2.00 =	£ 964
		Total Buildings		=	£225,927

R.V. @ 0.5% = £1,129

Add:

Horsepower:	744	@	0.05p	=	£ 37.00
Tanks:	Water: 2 x 11,000 gals				
	Oil: 1 x 10,000 gals				
	Brine: 1 x 5,000 gals			=	£ 10.00
Boiler:	1 x 4,400 lb/Hr.	@	£2.50	=	£ 11.00
		Total		=	£1,186
		Say		=	£1,175

Mr. Oakes gave details of his comparisons as follows:-

- (1) Lot 19.20AB.21CD.22/7/Units 1 to 6, Maudlings (Pt.of)
Monread Industrial Park.
Consists of 6 light industrial units of 5,000 square feet each valued 1992 revision at £3.00 per square foot on industrial space and £4.00 per square foot on offices.
No Appeal.
- (2) Lot on 21B.27Aa. Maudlings (Pt.of)
Maudlings Enterprises Limited. Cold Stores valued at £3.75 per square foot.
- (3) Lot 21B.27Aa. Maudlings (Pt. of)
Q.K. Cold Stores. Cold Stores valued at £3.55 per square foot.

Oral Hearing

An oral hearing took place on the 21st day of March, 1994. Mr. Desmond Killen, of Messrs. Donal O'Buachalla & Company Limited appeared on behalf of the appellant and Mr. Malachy Oakes, District Valuer appeared on behalf of the respondent.

Mr. Killen explained that agreement had been reached between the parties in relation to the minor areas of the valuation and as a result the appeal is now in relation to the correct rateable valuation attributable to the factory and the cold stores. He described the subject as a modern, free standing, purpose built factory with a total eaves height in the cold room of 20 feet. The subject is a good quality premises with adequate yard and car parking facilities. The purchase price for the site was approximately £70,000 for 2.5 acres and the building itself cost approximately £2.7 million to erect.

He said that the valuation of the rateable plant and machinery and motive power has been agreed between the parties at a rateable valuation of £60.00.

Mr. Killen said that the main comparison which he would be relying on is the Galtee Food Limited factory at Mitchelstown. In the light of the analysis of the rateable valuation on the Galtee premises put forward by the respondent, Mr. Killen said that he would amend his valuation on the subject premises to £2.75 per square foot on the factory and £3.00 per square foot for the cold stores which would give a total rateable valuation of £683.00. Commenting on his other comparisons, Mr. Killen said that the Rowntree Mackintosh factory in Mallow, Co. Cork devalues at £3.00 per square foot on the offices, with the ground floor factory at £2.00 per square foot and first floor factory at £1.00 per square foot and the stores at £1.50 per square foot.

He further supported his valuation on the subject premises by referring to two of the respondent's comparisons, namely the premises of Maudlings Enterprises Limited at Maudlings and Q.K. Stores situate at Maudlings. He said that he agreed with the devaluations as given at page 6 of Mr. Oakes's précis of evidence but went on to say that he had inspected both premises and the eaves height is 30 feet on the cold stores which works out at £3.75 per square foot on the first premises and £3.55 per square foot on the second premises. The cold stores in the subject premises are 20 feet high internally and taking the relativity between these figures and those given above he suggested that £2.50 per square foot would be appropriate for the subject cold stores. However, having regard to the devaluation on the Galtee Food factory he would suggest that £3.00 per square foot would be appropriate.

Mr. Oakes described the subject premises as a very well situated factory *viz a viz* the local road system. He said that his comparison, No. 2 in his précis, the North Dublin Cold Stores, has a construction cost which devalues at £22.00 per square foot and on the same basis, the subject premises devalues at £36.00 per square foot. Mr. Oakes said that this would suggest that the quality of the subject premises is very much superior and has a very good standard of finish.

At this stage it was decided that the hearing should be adjourned to allow Mr. Oakes the opportunity to examine the Galtee Foods factory, it being one of the best comparisons available.

A resumed hearing took place on the 6th of May, 1994. Commenting on the Galtee Foods factory, Mr. Oakes described it as an extension built onto the side of an existing plant. He said that the lairage and slaughter areas are relatively basic. Block A on the maps annexed to the judgement hereto is of a much superior quality with eaves height of approximately 7 metres and it contains the largest boning hall in the country. He said that the old valuation was £800.00 which devalues at £2.00 per square foot and the new factory at £2.50 per square foot. Mr. Oakes suggested that the Galtee factory is not as well located as the subject which is only 20 minutes from Dublin and has ready access onto the Naas by-pass. In reply, Mr. Killen said that the old factory was not valued on a Net Annual Value basis. The new extension cost approximately £4 million which represents an R.V. of £1,275. Mr. Killen described the Galtee factory as being equally good in every way to the subject but in relation to location the Galtee factory is right in the heart of the agricultural area from which it gets its produce, and is situate on the main artery for the country, namely the Dublin/Cork road.

Mr. Killen said that the devaluation on the Galtee factory is £2.50 per square foot on the factory and £3.00 per square foot on the cold stores. The concession which he would make in relation to the subject is one of quantum, because the subject is 35,316 square feet and being smaller than the Galtee premises he was prepared to increase his valuation of £2.50 per square foot by 10% which would give a figure of £2.75 per square foot. He further said that the cold stores in the Galtee factory are valued at £3.00 per square foot and the comparisons put forward by Mr. Oakes in his précis at No's. 2 & 3 are at £3.75 and £3.55 respectively and these have eaves height of 30 feet. Mr. Killen said that as cubic capacity is very important in cold stores and the subject premises cold stores are 20 feet high he would suggest a valuation of two-thirds of the previous figures which gives a value of approximately £2.30 per square foot. Therefore to account for a quantum allowance, he would be prepared to increase his previous figure of £2.50 per square foot to £2.75 per square foot on the cold stores.

In reply, Mr. Oakes said that the subject premises is a better quality building than the Galtee Foods factory, with excellent standards of hygiene, sophisticated temperature controls and air conditioning and in his estimation would stand out above any other industrial units which he has inspected. He said that the other comparisons which he has put forward are in the immediate vicinity and are much smaller but however are valued at £3.00 per square foot.

Determination

The Tribunal has had regard to the written and oral evidence adduced by both parties. It has considered the rental evidence of the comparisons, in particular that of the Galtee Foods factory which is of a broadly similar function to the subject and is an extremely high quality building in terms of construction, hygienic standards and standards of finish. The Tribunal has also had regard to the size and location of the subject and taking the above, together with all other relevant factors into consideration, is of the opinion that the correct rateable valuation for the subject is £865.00 and so determines.

