

Appeal No. VA94/1/003

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

Romaquip Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory at Map Reference 51 "0", Townland: Clonoghill Upper, Ward: U.D. Birr, U.D.:
Birr, Co. Offaly

Quantum - Comparisons over wide geographical area adduced

B E F O R E

Henry Abbott

S.C. Chairman

Mary Devins

Solicitor

Patrick Riney

F.R.I.C.S. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 14TH DAY OF OCTOBER, 1994

By Notice of Appeal dated the 29th day of April, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £310 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 second-hand reconstructed "Condor" factory, a free standing structure of steel portal frame construction with untreated concrete floors and concrete block infill walls rendered externally to a height of approximately 10 feet and with insulated cladding thereafter to eaves. The roof is covered with "Big 6" asbestos sheeting incorporating translucent sections.

The property manufactures machinery for salting and gritting icy roads.

Accommodation:

<u>Ground Floor</u>	Factory/Warehouse (including parts store, toilets & canteen)	29,862 sq.ft.
	Offices/Reception	<u>975 sq.ft.</u>
	Total	30,837 sq.ft.

First Floor Offices etc. approximately 1,160 sq.ft. - unfinished.

Valuation History:

The property was valued for the first time at 1992 Revision with rateable valuation £385, reduced to £310 at 1992 First Appeal.

Written Submissions:

A written submission was received on the 19th September, 1994 from Mr. Alan McMillan, A.R.I.C.S., an Associate of the Society of Chartered Surveyors and a Director of Donal O'Buachalla & Company Limited, on behalf of the appellant.

In the written submission Mr. McMillan set out the valuation history of the subject premises. He described the property as essentially a second hand building, fifteen years old, purchased in England, dismantled and rebuilt on the site in 1991. He said that the building, while well constructed, was to a very basic finish.

Mr. McMillan set out his estimate of rateable valuation as follows:-

Floor Area:	30,837 sq.ft.	@ £1.25 psf	=	£38,546 N.A.V.
		R.V. @ 0.5%	=	£193

Say £195

Mr. McMillan provided a table of comparisons of similar premises in rural areas. These comparisons are set out below:-

PSF						
No	Comment:	Location:	Size: Sq.Ft	Rent:	NAV:	Rentalis ed Sale Price:
1	Reedpac plc	Edenderry	35,771	£1.30	-	-
2	Tubercurry E & S Limited	Collooney	31,500	£0.79	-	-
3	-	Ballysimon	41,114	£1.41	-	-
4	Wellman Int. Limited	Ardee	51,000	£0.85	-	-
5	Beamish & Crawford	Marina, Cork	60,000	£1.66	-	-
6	Henrickson Europe Limited	Little Island	18,271	£1.86	-	-
7	Leaf Limited	Roscommon	24,942	£1.03	-	-
8	Kayfoam Woolfson Limited	Kilcullen	51,169	-	88p	-
9	Curragh Tintawn Limited	Newbridge	140,000	£0.70	80p (35,000sq. ft.)	-
10	Liam Carroll Transport Limited	Thurles	11,246	-	£1.78	-
11	-	Tullamore	58,400	-	-	-
11	Avonmore Electric Company	Kanturk	35,000	-	-	£1.15
13	L.D. Intercon (Steiber Cables)	Birr	£29,452	-	£1.75/£2.00	-
14	L.D. Intercon	Birr	55,650	-	£1.94	-
15	MaxBirr Limited (formerly)	Birr	29,127	-	-	£0.86

Full details of the comparisons set out in the table were also provided in Mr. McMillan's written submission.

A written submission was received on the 5th September, 1994 from Mr. Raymond Sweeney, a District Valuer with 24 years experience in the Valuation Office, on behalf of the respondent.

Mr. Sweeney described the property and set out its valuation history. Commenting on the grounds of appeal Mr. Sweeney said that they had been taken into account at First Appeal and that the valuation was reduced to what was considered to be a fair and reasonable figure.

Mr. Sweeney set out his calculation of the rateable valuation on the subject premises as follows:-

Factory	30,837 sq.ft. @ £2.00	=	£61,674 x 0.5%
		=	£308.37
	Say	=	£310.00

Mr. Sweeney offered two comparisons:-

(1) Steiber Cables:

Size - 28,911 sq.ft.

R.V. - £300.00

(2) L.D. Intercon Limited (VA92/4/003)

R.V. - £550

Oral Hearing:

At the oral hearing which took place on the 23rd September, 1994 Mr. Alan McMillan of Messrs. Donal O'Buachalla & Company Limited appeared on behalf of the appellant. The respondent was represented by Mr. Raymond Sweeney of the Valuation Office. Also present was Mr. John McKeown, Director of the appellant company.

Mr. McMillan in referring to his written submission, underlined the very basic nature of the construction of the subject premises. He pointed out that the building was one which had

been purchased in England, dismantled and rebuilt on the present site, retaining the old roof and adding some new sections to it.

Mr. McMillan submitted that the location of the property in a predominantly agricultural area outside the town of Birr, and not on a primary road, must be a major factor in assessing the rental value.

Mr. McMillan in evidence offered a wide range of comparisons, and pointed out that with the exception of Steiber Cables and L.D. Intercon Limited, the rents achieved in the market place and the net annual value's as assessed, showed an average figure per square foot, much less than the £2 put forward by the respondent.

In relation to the Steiber Cable premises and L.D. Intercon Limited, Mr. McMillan stressed that the building costs of both of these premises were considerably higher than the construction costs of the subject. He went on to say that the L.D. Intercon Limited building was of much higher quality than the subject and that the extension which had been built in 1989 was of the "most modern design and appearance".

Mr. McKeown gave evidence that the maximum capital value put on the subject premises by the many lending institutions which he had approached, was in the region of £220,000 to £228,000. He also said that it had been their opinion that it would be virtually impossible to sell 30,000 square feet of industrial space in Birr.

Mr. McKeown stated that if he as a tenant were required to pay £2 per square foot rental for the subject premises, he would be unable to continue in business.

Mr. Sweeney referred the Tribunal to its decision in the case of L.D. Intercon Limited and said that of the fifteen comparisons put forward by Mr. McMillan in the instant case, ten of those had been considered by the Tribunal in its decision on L.D. Intercon Limited.

Mr. Sweeney seemed to rely heavily on the decision in L.D. Intercon Limited and submitted that he saw no basis for adopting a lower rate for the subject premises. He conceded that while he had no detailed knowledge of the interior of L.D. Intercon Limited, it was his opinion that the latter was older than the subject and was obviously considerably larger.

He referred to the very good headroom in the subject, as was instanced by the fact that new offices were being built at first floor level.

Mr. Sweeney concluded by submitting that regard must be had to L.D. Intercon Limited if uniformity and relativity were to be maintained.

Findings:

While Steiber Cables and L.D. Intercon Limited are the most apparently relevant comparisons submitted, the Tribunal is nonetheless impressed by the wide geographical spread of comparable properties submitted by Mr. McMillan, and by the average net annual value which emerges therefrom.

Considering the importance of location to a prospective tenant, it is difficult to reconcile a rental figure of £2 per square foot for an industrial property in Birr, Co. Offaly, with a rental figure of £2.40 approximately, for a prime location in Dublin.

The Tribunal notes that the construction costs of the subject premises were less than half those of either Steiber Cables or L.D. Intercon Limited.

Mr. McMillan's undisputed evidence as to the superior design and fitting out of both Steiber Cables and L.D. Intercon Limited is noted and accepted.

In the circumstances and taking into consideration all of the evidence before it, the Tribunal finds that an appropriate net annual value for the subject is in the region of £1.75 per square foot and accordingly determines that the correct rateable valuation is £270.