

Appeal No. VA94/1/009

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

Byrne Mech Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory and Land at Map Reference: 8D, Townland: Raheen, E.D.: Athenry,
R.D.: Loughrea, Co. Galway
Quantum - Comparisons, location

B E F O R E

Veronica Gates

Barrister (Acting Chairman)

Paddy Farry

Solicitor

Patrick Riney

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

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF OCTOBER, 1994

By Notice of Appeal dated the 28th day of April, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £350 on the above described hereditament.

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

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

The Property:

The property comprises an industrial building built in two stages. The original portion including the office portion comprises a concrete framed building with concrete block infill walls having a double skin insulated asbestos roof. The extension comprises a steel framed building with concrete block infill walls having a steel deck insulated roof.

The accommodation agreed between the parties is as follows:-

Offices	4,044 square feet
Original Factory	17,257 square feet
Factory Extension	9,837 square feet
Oil Store	142 square feet
Compressor House	146 square feet

Valuation History:

The property was valued in 1982, rateable valuation £190 following First Appeal. As the result of an extension around 1991 the property was revised in 1992. A rateable valuation £315 was established. At First Appeal the rateable valuation was increased to £350. It is against this valuation of £350 that an appeal now lies to the Tribunal.

Written Submissions:

A written submission was received on the 6th October, 1994 from Mr. Tadhg Donnelly of Brian Bagnall & Associates, Surveyors & Valuers, Property & Rating Consultants, on behalf of the appellant.

In his written submission Mr. Donnelly said that the property, the subject of the appeal, is an industrial unit comprising a total area of 31,400 square feet including offices and ancillary building.

He said that the calculation of the rateable valuation on the subject hinged on the following:-

- 1) The type of building
- 2) The remote location of the property
- 3) The lack of an adjacent industrial hinterland.

Taking these considerations into account, he said he calculated the rateable valuation as follows:-

Offices	4,044 sq.ft. @ £2.35 psf	=	£ 9,503.40
Original Factory	17,257 sq.ft. @ £1.35 psf	=	£23,296.95
Factory Extension	9,837 sq.ft. @ £1.45 psf	=	£14,263.65
Oil Store	142 sq.ft. @ £1.00 psf	=	£ 142.00
Compressor House	146 sq.ft. @ £1.00 psf	=	<u>£ 146.00</u>
			£47,352.00

@ .5% = £236.76

Say £235

Mr. Donnelly gave details of two comparisons within the area as follows:-

1) Brody Engineering Limited

Lot 8, 9 a,b,c, - Town of Athenry

Offices (refurbished in 1989) 570 sq.ft. @ £2.40 psf = £ 1,368

Workshops 5,870 sq.ft. @ £1.45 psf = £ 8,526

Single Skin Corrugated

Iron Roofed Store 1,560 sq.ft. @ £1.35 psf = £ 2,106

N.A.V. = £12,000

@ .5% = £60

Agreed 1991/92 Revision and not appealed.

2) Cigna Benefit Reprocessing

Lot 6 - Greeneenagh, Loughrea

R.V. £275

Total area 26,834 square feet of which 14,856 square feet was rented to Cigna Benefit Processing, an insurance company who use it as an office facility on a 5 year lease from 1989 at £2.45 per square foot. The balance of the building is vacant.

A written submission was received on the 11th October, 1994 from Mr. John Smiley of the Valuation Office, on behalf of the respondent.

Mr. Smiley said that the property was situated in the outskirts of Athenry, beside the railway station, on a site purchased from the I.D.A. in 1979.

He set out his calculation of the rateable valuation on the subject premises as follows:-

Offices	4,044 sq.ft. @ £3.00 =	£12,132
Factory (Erected c. 1980, Eaves ht. 18ft)	17,257 sq.ft. @ £2.00	
Factory (Erected c. 1991, Eaves ht. 25ft)	9,837 sq.ft. @ £2.00 =	£54,188
Oil Store, Compressor	288 sq.ft. @ £1.00=	£ 288
Gantry 3.2 tonnes installed		
Cost Estimated	@ £30,000 @ 6½%	= <u>£ 1,950</u>
		£68,558
	N.A.V. £69,000 x 0.5%	= £345.00
	Add estimated 100 HP @ 0.5p	= <u>£ 5.00</u>
	R.V.	= £350.00

Mr. Smiley commented that as the areas quoted are not unusually large, no quantum reduction was warranted.

Mr. Smiley offered three comparisons as follows:-

- 1) **Fruit of the Loom** (VA92/3/028)
 Lot 1FGX Ballymacarry Lower, U.D. Buncrana
 Valuation Tribunal Determination - £2,700
 Rateable valuation devalued as follows:-
 Warehouse (30 foot eaves) 111,100 sq.ft. @ £2.50
 Factory 125,700 sq.ft. @ £1.65
 Offices 12,000 sq.ft. @ £2.65

- 2) **Paclene Limited**
 Lot 12C Dulick, U.D. Ennis
 Offices 2,315 sq.ft. @ £3.25

Factory (Old)	25,117 sq.ft. @ £2.25
Factory (New)	17,228 sq.ft. @ £2.50
Stores/wc's/works canteen	4,049 sq.ft. @ £1.00
N.A.V. £110,000 x 0.4% = R.V. £440	
Agreed with Brian Bagnall & Associates - 1992/4 First Appeal	

3) B.L.C. Limited

Lot 12A - Unit 1,2 Dulick, E.D. Ennis	
Offices	3,690 sq.ft. @ £3.25
Factory	24,984 sq.ft. @ £2.25
Ancillary Buildings	1,519 sq.ft. @ £1.50
N.A.V. £70,000 x 0.4% = R.V. £280	
Agreed with occupying company - 1992/4 Revision	

Oral Hearing:

The oral hearing took place in the Council Chambers, Galway on the 20th October, 1994. The respondent was represented by Mr. John Smiley of the Valuation Office and the appellant was represented by Mr. Tadhg Donnelly of Brian Bagnall & Associates. Also in attendance were Mr. Denis Menton, Financial Controller of the appellant company and Mr. Martin Gohery, a local estate agent.

Mr. Donnelly described the subject as an industrial premises situate on the outskirts of Athenry, Co. Galway. He said that there was a scarcity of suitable industrial comparisons due to the rural location but that in his opinion, the nearby Brody Engineering Limited premises was the best comparison.

However, comparing the two premises, he said that Brody Engineering Limited was a more modern and compact premises than the subject. In addition it was smaller and would be easier to rent.

Mr. Denis Menton gave evidence in relation to the condition of the subject premises which he described as not being modern in any way, in poor condition on the exterior and having a leaking roof.

Mr. Martin Gohery gave evidence in relation to rental levels in the area which he said would be in the region of £1.20 to £1.40 per square foot.

Mr. Smiley contended that the offices in the subject were, in fact, well finished and attractive. He estimated that the eaves height of the building was approximately 18 feet rising to 25 feet in the large extension.

Commenting on the Cigna Benefit Reprocessing unit which is used as an office facility, Mr. Smiley said that the premises devalues at £2.45 per square foot overall and that this is the standard rental level for I.D.A. factories whether used for offices or factory space.

In relation to the construction costs of the subject, Mr. Smiley said that the figure of £28 to £30 per square foot, to include 10% office space, was appropriate. He concluded that the subject was, in his opinion, well finished, with attractive office space and having the advantage of a railway station adjacent. This latter point was contested by Mr. Menton who said that the railway station was of little use to the subject business which does not undertake transportation of goods.

Determination:

The Tribunal has had regard to both the written and oral submissions of the parties. It notes all the comparisons adduced but is of the opinion that Brody Engineering Limited is the best comparison available particularly in terms of location.

Taking into consideration the location of the subject, its condition and the evidence adduced by both parties in relation to rental levels the Tribunal is of the opinion that the correct rateable valuation is £250 and so determines.