

Appeal No. VA94/1/010

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

**United Drug Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Warehouse at Map Reference: 5A, Townland: Tallaght, E.D.: Tallaght-Springfield, R.D.:  
Tallaght West, Co. Dublin  
Quantum

**B E F O R E**  
**Mary Devins**

**Solicitor (Acting Chairman)**

**Veronica Gates**

**Barrister**

**Patrick Riney**

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

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 4TH 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 £1,800 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 is a large modern three storey office block with tall eaves (c. 10m) warehouse to the rear. There is on site parking both to the front side and rear of the building with a rear concrete yard extending to over half an acre.

The buildings are finished to a high standard and incorporate the best specialist features found in top of the range third generation complexes.

It comprises in total circa. 25,500 square feet of office space and 39,000 square feet of warehousing with a further 3,000 square feet divided between works offices and general storage. It has a three storey office block to the front. The warehouse area comprises a steel frame supporting an insulated steel deck roof having steel cladding on the sides.

The property is located on the Belgard Road in Tallaght, Co. Dublin. It is situated within the Tallaght Designated Area and qualifies for the associated Urban Renewal reliefs including no rates for 10 years. The 4 acre site was acquired in 1990 for £1.012m. and the complex was developed in 1991/1992 at a further cost of £2.9m..

**Valuation History:**

The property was first valued on the fourth Quarterly Revision of 1992 at £2,000. This was subsequently appealed on the 30th November, 1992 by Brian Bagnall & Associates acting on behalf of the appellant. On the 20th April, 1994 the decision of the First Appeal issued resulting in a reduction to £1,800 rateable valuation. On the 28th April, 1994 the appellant, through its agent, lodged an appeal to the Valuation Tribunal against this figure of £1,800 which is the subject of this appeal.

**Written Submissions:**

A written submission was received on the 22nd July, 1994 from Mr. Tadhg Donnelly of Brian Bagnall & Associates acting on behalf of the appellant.

In his submission Mr. Donnelly described the property and its location and he gave a breakdown of the areas involved and stated that these had been agreed with the Valuation Office.

Mr. Donnelly indicated that his estimation of the rateable valuation of the property would be £1,440 and he gave a detailed analysis of how this was arrived at as follows:-

Offices	25,400 sq.ft. @ £4.25 p.s.f. =	£107,950
Warehouse	38,578 sq.ft. @ £2.85 p.s.f. =	£109,947
Stores - Ground Floor	1,478 sq.ft. @ £2.20 p.s.f. =	£ 3,251
Offices - First Floor	1,478 sq.ft. @ £3.20 p.s.f. =	£ 4,729
Loft	1,478 sq.ft. @ £1.50 p.s.f. =	£ 2,217
Security Hut	155 sq.ft. @ £3.20 p.s.f. =	<u>£ 496</u>
		£228,590

N.A.V. £228,590 @ 0.63%  
= R.V. £1,440

Mr. Donnelly's submission also included details of four comparable properties in the Tallaght area and he commented on three other properties outlining the levels in the areas, the buildings of which, he stated, are finished to a similar high standard as the subject.

A location map and photographs of both the subject and comparable properties were attached to Mr. Donnelly's submission.

A written submission was received on the 27th July, 1994 from Mr. Eamonn Halpin of the Valuation Office representing the respondent.

Mr. Halpin's submission gave details of the property and its location as set out above and also the valuation history of the property.

Mr. Halpin, in his submission, made comprehensive reference to the main improvements and advantages associated with third generation accommodation and in relation to the subject property, he commented on its additional features such as the full lift service to each floor and the three zone heating system capable of maintaining a uniform floor to roof temperature throughout the warehouse.

Mr. Halpin submitted that in arriving at estimated net annual value, regard should be taken to the third generation nature of this complex, its high specification and standard of finish throughout, premium rentals achieved by similar space when actually let, and he stated that any additional value accruing to this property arising from its location in the Tallaght designated area was ignored in arriving at the net annual value.

He also submitted that the property would attract a premium rental if let on the open market and that the rateable valuation adopted reflects this premium. A breakdown of the rateable valuation of £1,800 was set out by Mr. Halpin as follows:-

Estimated N.A.V.

Offices	25,400 sq.ft.	@ *£5.00 =	£127,000} Devalues @
Warehouse (10m eaves)	38,578 sq.ft.	@ *£3.80 =	£146,596} £4.25 overall
Stores	1,478 sq.ft.	@ £3.00 =	£ 4,434
Works Office	1,478 sq.ft.	@ £3.50 =	£ 5,173
Loft	1,478 sq.ft.	@ £1.00 =	£ 1,478
Security Office:	155 sq.ft.	@ £4.00 =	<u>£ 755</u>
			£285,456 @ 0.63%
			= £1,798

Say £1,800 (to include 5,000 gallon tank)

\* Office rent to reflect 57 car spaces.

\* Warehouse rent to reflect 25,000 square feet concrete yard and 10m eaves height.

Mr. Halpin included in his submission details of four comparable properties in the Tallaght area.

**Oral Hearing:**

At the oral hearing which took place in Dublin on the 5th August, 1994 the appellant was represented by Mr. Tadhg Donnelly of Messrs. Brian Bagnall & Associates. The respondent was represented by Mr. Eamonn Halpin of the Valuation Office.

Mr. Donnelly referred to his written precis and in particular to the comparative evidence detailed therein. He said that the subject property was located beside three other properties, all of which had been agreed with the Valuation Office, and all of which devalued at figures considerably less than those attributed to the subject premises by the respondent.

He submitted that, based on the capital cost, the Gilbeys building devalued at approximately £71 per square foot whereas the subject property devalued at approximately £61 per square foot. Referring to the Mitsubishi building, one of the comparisons put forward by the

respondent, Mr. Donnelly said that this was a "once off" building, that the valuation placed on it was exceptional, and for that reason the property was not a good comparison.

Mr. Halpin submitted that the subject was one of the finest buildings of its type that he had come across in his years as a valuer. He stressed that there was a marked difference between third generation industrial space and earlier properties. He said that regardless of how fine buildings built around 1985/1986 were, they did not command such high rents as third generation buildings.

Mr. Halpin referred in particular to the unusually good facilities of the subject property, in particular the three zone heating system, the full lift service to each floor and the high specification warehouse.

Mr. Halpin said that the subject was a headquarters type building, similar to the Mitsubishi building, and for that reason, would command very high rents if let in the open market.

**Findings:**

The Tribunal accepts the respondent's evidence in relation to the unusually high standard and specifications of the subject hereditament. The location of the building, while some way out from the city, nonetheless, is a popular and thriving area for buildings of this nature.

The Tribunal must, however, have regard to the comparative evidence adduced and in particular to those premises of a similar nature, and in the immediate vicinity, which have been the subject of agreement in recent years.

The Tribunal notes, too, the unusually large area of office space in the subject hereditament, which would be a factor to be taken into account, by a potential tenant.

In the circumstances, and having regard to the submissions and the evidence put forward by both parties, the Tribunal is of the opinion that the correct R.V. of the subject hereditament is £1,650 and so determines.

