

Appeal No. VA94/2/008

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

Autozero Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Cold Store at Map Ref: 2G/4J/28, Townland: Cookstown, E.D. Tallaght - Springfield, R.D.
Dublin - Belgard, Co. Dublin
Quantum - Coldstores, Market conditions

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 4TH DAY OF MAY, 1995

By Notice of Appeal dated the 14th day of July, 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £3,850.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation of the property is excessive and inequitable when the rental value of the property is taken into consideration as of the operative date (i.e. November, 1988)".

The Property:

The property is located in the Cookstown industrial estate off the Belgard Road, Tallaght. The premises comprises a large purpose built cold store complex built at different stages since 1972 on a site of approximately 5 acres. As well as cold stores there are ancillary buildings consisting of office/canteen facilities and plant rooms and a boiler house in addition to stores, platform and canopy, with workshop and loading bay plus water tanks.

Surrounding the buildings, there is a concrete yard with car parking mainly to the front of the main building. The main cold store is of standard construction with eaves height of 30 foot. A new fully automated cold store extension was erected in 1985 with an eaves height of 45 foot.

Tenure:

The property is held freehold.

Services:

All main services are attached to the property.

Valuation History:

The premises was first valued at 1972 Revision when the R.V. was set at £1,700 on the new building. At 1972 First Appeal stage the R.V. was reduced to R.V. £1,100. The next revision was carried out at 1978 revision stage when a large extension was rated and the R.V. was increased to £3,775. At 1978 First Appeal stage the R.V. was reduced to R.V. £3,250. The freezer and ancillary loading area were extended in 1984 at a cost of £1.2m and the R.V. increased to £4,000. Occupiers appealed against this figure and the R.V. was reduced at 1984 First Appeal to £3,850. A further revision took place at 1993/3 revision stage when the R.V. was listed by Brian Bagnall & Associates at the request of the occupiers who felt that the R.V. was excessive. No change was made at revision stage. An appeal was made to the Commissioner of Valuation but no change was made at First Appeal. It is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

Written Submissions:

A written submission was received on the 18th October, 1994 from Mr. Tadhg Donnelly of Brian Bagnall & Associates on behalf of the appellant. In his written submission, Mr.

Donnelly described the property and said that the accommodation areas as follows had been agreed with the Valuation Office:-

Cold Store	124,833 sq.ft.
Offices	5,660 sq.ft.
Canopy	26,236 sq.ft.
Store (old)	2,945 sq.ft.
Store	11,420 sq.ft.
Workshop	3,093 sq.ft.
Works, Offices and Cold Storage Area	1,053 sq.ft.
Security Hut	287 sq.ft.

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

£1,819,000	x	12½%	=	NAV £22,735 p.a.
	x	.63%	=	£1,432
		Say	=	£1,430

He set out in detail the background to the Cold Storage business in Ireland concluding that in calculating rateable valuation regard should be given to the prices achieved in the market place when these properties are being transferred from one owner to another.

A written submission was received on the 11th October, 1994 from Mr. Patrick F. Berkery, a District Valuer with 18 years experience in the Valuation Office on behalf of the respondent. Mr. Berkery gave details of the valuation history, location and description of the premises.

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

Cold Stores (std. height):	112,283 sq.ft	@	£3.75 p.s.f.	=	£421,061
Cold Stores (45' in height):	17,127 sq.ft.	@	£4.00 p.s.f.	=	£ 68,508
Offices:	5,660 sq.ft.	@	£3.50 p.s.f.	=	£ 19,810
Ancillary Buildings:	45,000 sq.ft.	@	£1.85 p.s.f.	=	£ 83,250
Tanks - Water:	2 x 10,000 gal + 3 x 500 gal	=	£	500	
Horsepower:	1,742 Hp	@	0.5p/hp	=	£ 13,500
Concrete Yard & Car Park:	42,410 sq.ft.	@	0.10p p.s.f.	=	<u>£ 4,241</u>
					£610,870

R.V.	£611,000	x	0.63%	=	£3,849.30
			Say	=	£3,850

He set out the factors which he had taken into account in arriving at rateable valuation and these are summarised below:-

- (1) He said that the rateable valuation of £3,850 agreed with Lisney & Son at 1984 First

Appeal was fair and reasonable.

- (2) The figure of £3.00/ft² for cold stores as proposed by the appellant was too low when account is taken of the height, level of finish and cost of construction of cold stores and also when account is taken of the rates of £3.80 to £4.00/ft² applied to comparable cold stores.

He referred to the issue of Intervention and said that beef payments for this premises had increased steadily from 1989 to 1993. He said therefore it was not appropriate to suggest that the Net Annual Value of the premises had decreased in that period.

Mr. Berkery offered comparisons of five cold storage premises which are summarised below:-

- (1) **Eir Freeze Limited**, East Wall Road - VA88/0/189
Cold Stores 45,093 sq.ft. @ £3.80 p.s.f.
- (2) **Irish Cold Stores**, Ballymount Great - 1991 First Appeal. R.V. £910.00
Cold Stores 38,530 sq.ft. @ £3.30 p.s.f.
- (3) (a) **Q. K. Cold Stores Limited**, Lot 26 Maudlings (pt. of), R.D. Naas.
Fixed 1989 First Appeal & VA88/0/272.
Cold Stores 112,860 sq.ft. @ £3.60 p.s.f.
- (b) **Q. K. Cold Stores Limited**, Lot 21B, 27Aa Maudlings (pt. of).
Cold Stores 43,626 sq.ft. @ £4.00 p.s.f.
- (c) **Maudlings Enterprises Limited**, (Subsidiary of Q.K. Cold Stores Limited)
Lot ON 21B, 27Aa Maudlings. Revised 1992.
Cold Stores 57,827 sq.ft. @ £3.80 p.s.f.
- (4) **Tara Meats Limited**, Cookstown Industrial Estate. R.V. £590.00 agreed with consultants Goddard Smith McCable at 1993/3 First Appeal.
Cold Stores, Chill Rooms
and Boning Hall (20' eaves height) 13,034 sq.ft. @ £4.00 p.s.f.

Oral Hearing:

The oral hearing took place on Wednesday 26th October, 1994 in Dublin. Mr. Tadhg Donnelly of Brian Bagnall & Associates represented the appellant. Mr. Patrick F. Berkery and Mr. Patrick Kyne represented the respondent. The valuation of the appellant's premises was primarily argued along the lines that the demand for cold storage space has been substantially reducing over recent years and is likely to be 60% less again in 1995. The respondent stated that in his opinion, the rateable valuation of £3,850, which had been agreed previously with Lisney & Son in 1984 at First Appeal, was fair and reasonable. He was also of the opinion that a rate of £3.00 per square foot, applied by the agent for the appellant, for the cold stores was too low, when account was taken of the height, level, finish and cost of construction of cold stores and also when account was taken of the rates of £3.80 to £4.00 per square foot applied by the Commissioner to comparable cold stores, of which details were included in his submission. The appellant argued that due consideration would have to be given to the substantial reduction occurring in the demand for cold storage space and also made the point that high rise specialised buildings could cost a considerable amount of money to convert back to warehouse use.

Mr. Cyril Houlihan, Financial Controller for Autozero Limited gave a detailed description of their business:-

- (1) Cold Stores are specialised buildings mostly built over the last 4/5 years.
- (2) The overall capacity is about 25,500 tons.
- (3) The buildings cannot be easily converted.

Mr. Clive Bagnell of Autozero Limited, also stated:-

- (1) Cold Storage facilities were now operating at approximately 45% capacity.
- (2) The policy of the EC is to finish Intervention as soon as possible.
- (3) There has been a 40% reduction in capacity over the last few years.

Mr. Berkery pointed out that the valuation date in this case was October/November, 1993 and that in his opinion, at this time, cold storage intervention was still operating at a high level. The case was adjourned until 18th January, 1995 when both appellant and respondent attended the re-convened hearing at the Valuation Tribunal in Dublin.

Mr. Donnelly for the appellant informed the Tribunal that they had been able to lodge an appeal against the revised valuation as published by Commissioner of Valuation in October, 1994 around 10th November, 1994. It was agreed therefore that the substantive issue of Intervention would be dealt with in the appeal against the 1994 revision. Mr. Donnelly

indicated that Comparison No. 2 of the respondent's submission implied that c. £3.00 per square foot would be reasonable for the subject property.

Determination:

The Tribunal have considered the varying approaches and detailed comparisons submitted by both appellant and respondent and have also given due consideration to the substantial reductions in Intervention Subsidies that are occurring over the last year and will most likely continue to reduce in future years. However, having considered all the evidence and all of the comparison details and in particular the fact that this appeal relates to October/November 1993, the Tribunal considers that the rateable valuation should be £3,672 and so determines.