

Appeal No. VA94/2/009

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

**Autozero Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Cold Stores and Land at Map Ref: 6C, Townland: Ballyboggin South, Ward: Cabra West,  
County Borough of 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, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,850 on the above described hereditament.

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

**The Property:**

The property comprises a cold storage complex fronting onto Broombridge Road and adjacent to the Dublin Industrial Estate. The property comprises a large purpose built cold store of 92,655 square feet on a site of seven and three-quarter acres. The cold stores are used to store commercial frozen goods and Intervention meat and butter. The cold stores are kept at a temperature of 24 degrees by using off-peak electricity during night hours. There are five blast freezers which freeze the fresh produce to approximately -30/-35 degrees prior to storage.

The cold stores are high-rise at c.30 feet and are serviced by a single storey office block for administration. The cold rooms are suspended from the roof of the structure except for cold room number 3 which is a special PVC coated insulated panel within the frame work of the cold store. All the cold stores were upgraded in 1985 with the use of "fenox" insulation panels and external white plastical cladding on their facades.

The floors are constructed of insulated reinforced concrete to prevent "frost heave", and the lower riding walls are of reinforced concrete to approximately 3 foot and support the white plastical cladding in the walls.

There is a concrete surfaced yard measuring 45 metres x 35 metres near the main entrance gate used for storage and parking of commercial vehicles.

**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 the written submission, Mr. Donnelly described the premises and set out the accommodation areas that had been agreed with the Valuation Office as follows:-

Cold Stores	59,635 sq.ft.
Canopy	12,512 sq.ft.
Switch Room/Compressor House	1,949 sq.ft.
Blast Freezer	8,670 sq.ft.
Chill Room	506 sq.ft.
Works Offices	1,134 sq.ft.
Main Offices	4,107 sq.ft.
Security Office	144 sq.ft.
Store	372 sq.ft.
Horse Power	900

Mr. Donnelly said that in calculating the rateable valuation he had given consideration to the sale price of Autozero, Tallaght and of the adjacent cold store on Bannow Road. He set out details of the background to the cold storage business in Ireland and concluded by saying that, rateable valuations should be calculated with regard 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 Kyne, B.E., Grad Dip.P & D.Econ. a Valuer with 9 years experience in the Valuation Office on behalf of the respondent. In his written submission, Mr. Kyne set out the valuation history and description of the premises. He said that all services were attached to the property. He said that the buildings were in good condition and that the level of construction was of a standard cold store being much above that normally associated within an ordinary industrial unit. Mr. Kyne set out his estimate of the net annual value and rateable valuation on the subject premises as follows:-

Estimated N.A.V.:-

Offices:	5,380 sq.ft.	@ £3.00 p.s.f.	=	£ 16,140
Cold Stores:	59,635 sq.ft.	@ £3.60 p.s.f.	=	£214,686
Blast Freezers:	9,170 sq.ft.	@ £2.50 p.s.f.	=	£ 22,925
Loading Bays:	11,130 sq.ft.	@ £2.00 p.s.f.	=	£ 22,260
Ancillary Buildings:	7,340 sq.ft.	@ £1.50 p.s.f.	=	£ 11,010
Hp:	900	@ 0.5p /hp	=	<u>£ 7,142</u>
		Total		£294,163

R.V. = 0.63% of N.A.V. = £1,853 Say = £1,850

Concluding, Mr. Kyne said that the agent had made no case at First Appeal stage to support his estimate of a rate per square foot at £3.15. He said that a large differentiation should be made (at least 50%) for the type of finish and construction associated with cold stores. He also said that the situation in relation to Intervention beef storage payment at the valuation date was that it had steadily increased for the subject property between 1989 and 1993 whereas the valuation had remained static.

Mr. Kyne offered a number of comparisons and these are tabulated as follows:-

Area of Cold Stores/ Sq.ft.	Eaves Height ft	Rent Per Sq. Ft.	N.A.V.	R.V.
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Subject Property VA94/2/009	59,635	30ft	£3.60	£293,650	£1,850
Autozero Limited, Tallaght VA94/2/008	129,410 (112,283 17,127)	30ft	£3.75	£611,000	£3,850
Eir Freeze Limited VA88/0/189	45,093	30ft	£3.80	£240,000	£1,500
Irish Cold Stores	38,530	30ft	£3.30	£144,500	£910.00
Q.K. Cold Stores - Part (a)	112,860	30ft	£3.60	£452,000	£2,260
Q.K. Cold Stores - Part (b)	43,626	30ft	£4.00	£186,000	£930.00
Q.K. Cold Stores - Part (c)	57,827	30ft	£3.80	£220,000	£1,100
Q.K. Cold Stores - Totals (a)(b)(c)	214,313	30ft	£3.74	£858,000	£4,290

### **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 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 their 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 11,700 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 the Commissioner of Valuation 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 respondents submission implied that c.£3.00 per square foot would be reasonable for the subject properties.

**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 £1,815 and so determines.