

Appeal No. VA94/3/004

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

Cork Bonded Warehouse Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices and Warehouse at Map Ref: 2U, Townland: Ballytrasna, E.D. Caherlag, R.D. Cork Upper, Co. Cork

Quantum - Passing rent, comparisons

B E F O R E
Mary Devins

Solicitor (Acting Chairman)

Patrick Riney

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

Brid Mimmagh

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF JULY, 1995

By Notice of Appeal dated the 13th day of October, 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £470.00 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 warehousing complex in Little Island Industrial Estate. There are two substantial older warehouse blocks on either side of an entrance gateway. Further in is a lighter 1992 building. At the rear of the site and with an opening on to another road is a hard-core fenced yard of about 98,500 square feet.

Valuation History:

In 1975 the initial valuation on the property which covered one warehouse block, was £360 and reduced to £290 on First Appeal. In 1980 for a one-third extension to the main block and the erection of a second block together with the gravel yard at rear the rateable valuation was increased to £565. It was reduced to £550 on appeal. This remained until the 1992 revision when £30.00 was added for a new inferior block. The valuation was fixed at £575 and reduced to £470 taking account of the changed fraction from 0.63% to 0.5% at First Appeal.

Written Submissions:

A written submission was received on the 4th July, 1995 from Mr. Des Killen, F.R.I.C.S. F.S.C.S., I.R.R.V., a Fellow of the Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited on behalf of the appellant. In his written submission, Mr. Killen set out the background to the subject appeal. In his written submission, Mr. Killen said that agreement had been reached between the parties that the buildings account for £315 of the total rateable valuation of £470. This was amended at hearing to £370. In dispute therefore was the £100 attributed to the yard of the subject premises. He said that the agreed area of the yard is 98,000 square feet. Mr. Killen set out his calculation of rateable valuation on the yard, based on rental income from the yard, as follows:-

"Average Income	<u>27,040</u>		
	4	=	£6,760
<hr/>			
Adjusted to 1988 (C.P.I.)	<u>134.8</u>		
	154.2	=	£5,909
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	Rate in £	=	31.1006
	Divider £	=	1.155
	N.A.V.=		£5,116
	R.V.	=	£26"

Mr. Killen also set out a valuation based on a comparative method as follows:-

Valuation:

98,000 sq.ft. @ 7.5p p.s.f. = £7,350 N.A.V.
£37 R.V.

Mr. Killen gave details of two comparisons as follows:-

(a) Hendrickson Europe Limited, Courtstown Industrial Park, Little Island (VA90/3/021)

Devalues:

Rear Yard 14,000 sq.ft. @ 10p p.s.f.

(b) O'Connell Warehousing. 1992/4 First Appeal

Devalues:

Yard 50,000 sq.ft. @ 10p p.s.f.

Based on the above evidence Mr. Killen suggested that the valuation on the yard should be £26.00 and the total valuation should therefore be fixed at £370 + £26 = £396.

A written submission was received on the 30th June, 1995 from Mr. Terry Dineen, District Valuer with 20 years rating experience in the Valuation Office and the Cork area on behalf of the respondent. Mr. Dineen said that the dispute between the Valuation Office and the appellant related to £100 rateable valuation on the yard.

Mr. Dineen set out his calculation of the rateable valuation on the yard as follows:-

"Yard	98,500 sq.ft.	x	20p	=	£19,700
			x 0.5%	=	£98.50
			Say	=	£100"

Comparisons:

- (1) In 1981 a portion of this yard - 14,250 sq.ft. was rented at 26p per square foot according to Valuation Office records.
- (2) In Tivoli, an industrial/port area on the same side of the city as Little Island, the Harbour Commissioners have a flat rate rent per acre of £9,000p.a. for raw yard space.
- (3) A yard compound on the south side of the city occupied by Extraspace Limited in Ballycurreen Industrial Estate was taken on a 2 year 9 month lease from 1991 at £11,250p.a. for 50,000 square feet (£9,800 per acre).

- (4) A 1992 first appeal agent for the appellant agreed an N.A.V. of 10p per square foot on a 50,000 square foot yard in the O'Connell Warehousing Complex, which is a rural area off the Cork/Fermoy road.

Oral Hearing:

The oral hearing took place in Cork on the 18th day of July 1995. The appellant was represented by Mr. Des Killen of Donal O'Buachalla & Company Limited, also present was Mr. William O'Mahony, Managing Director of the appellant company. The respondent was represented by Mr. Terence Dineen of the Valuation Office.

Mr. Killen submitted that the best evidence of value was provided by the rental income figures which he provided from April 1991 to March 1994. Mr. Killen applied .5% to his estimate of 1988 rental value arriving at an RV of £26 on the yard.

Referring to his comparisons which indicated an NAV of 10p per square foot, Mr. Killen submitted that a quantum reduction should be made in the instant case in view of the fact that the yard comprised some 98,000 square feet in total.

Mr. Dineen referred to his comparisons and stated that an NAV of 21p to 25p was being shown in the Tivoli area where he said land was not as valuable as in the Little Island Industrial Complex. Mr. Dineen said that to allow the reduction sought by the appellant would result in the tone of the list being disturbed.

Mr. O'Mahony gave evidence that since December 1993, the yard had been vacant despite strenuous efforts on his part to find a tenant. He explained that at present a small area of the yard was let even though this was not the ideal economic solution.

Determination:

The Tribunal accepts the appellant's evidence in relation to the income achieved from the letting of the yard in the subject hereditament but is inclined to go behind the passing rent and to look to the comparisons adduced by both parties.

In particular the Tribunal has had regard to comparisons in the immediate area and does not consider it appropriate in the instant case to make a quantum reduction.

In the circumstances and taking into account all of the evidence and the submissions made, the Tribunal is of the opinion that the correct rateable valuation of the yard is £50, giving a total valuation for the subject hereditament of £420 and so determines.