

Appeal No. VA95/1/069

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

Bandon Co-op Agricultural Society

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Stores, Gravel and Land at Map Ref: 1f, Townland: Kilbrogan, E.D. Kilbrogan, R.D.
Bandon, Co. Cork

Quantum - Relevant comparisons

B E F O R E

Fred Devlin

FRICS.ACI Arb. (Acting Chairman)

Brid Mimmagh

Solicitor

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JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 9TH DAY OF FEBRUARY, 1996

By Notice of Appeal dated the 18th day of April, 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £475 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 the headquarters and main depot of Bandon Co-op Agricultural Society. The accommodation consists of shop, offices, warehouse, main stores and ration stores together with grain drying and handling facilities and extensive storage yards. The property is located approximately half a mile outside the town of Bandon.

Title:

The property held in freehold.

Valuation History:

The hereditament was first valued in 1972 as a new purpose built factory with attached office accommodation. Valuation was assessed at £340 and was reduced to £290 at First Appeal. The complex was purchased in 1980 by the present occupier and is used as a bulk grain store. The office accommodation was converted for use as a shop and offices. Grain drying facilities were provided in 1981 and additional grain silos were erected. The work was carried out at a cost of £150,000 but rateable valuation was not altered. At the request of the local authority the property was listed for revision in 1993 to value new developments. The valuation was increased from £290 to £500 and reduced to £475 at First Appeal. This determination of the Commissioner of Valuation is the basis for the present appeal to the Tribunal.

Written Submissions:

A written submission was received on the 17th January, 1996 from Mr. Tadhg Donnelly, MIAVI of Brian Bagnall & Associates on behalf of the appellant. In his written submission Mr. Donnelly described the subject premises as a building comprised of a number of large open plan stores with single skin asbestos roofs, with eaves height varying from 11 to 16 feet. Also included in that section is the shop area from which mainly agri-produces are sold. He said that the area of the subject premises had been agreed with the Valuation Office as follows:-

Shop	1,638 sq.ft.
Main Store	26,469 sq.ft.

Machinery Houses & Plant Room	934 sq.ft.
Extension to side of Main Store	6,073 sq.ft.
Balance of storage areas	21,306 sq.ft.

Mr. Donnelly set out his calculation of rateable valuation as follows:-

"Shop	1,638 sq.ft.	@	£3.50psf	=	5,733
Main Store	26,489 sq.ft.	@	£1.00psf	=	26,489
Machinery Houses & Plant Rooms	934 sq.ft.	@	£0.50psf	=	467
Extension to side of Main Store	6,073 sq.ft.	@	£1.20psf	=	7,287
Balance of Storage Areas	21,306 sq.ft.	@	£1.20psf	=	<u>25,567</u>
					65,543
		@	0.5%	=	£327.71
	Horsepower of Motor			=	£ 17.75
	Silos and Tanks			=	<u>£ 25.00</u>
					<u>£370.46</u>
					Say £370"

Mr. Donnelly gave details of a number of comparisons which are summarised below:-

- (1) **Mid Cork Pallets Limited**, Macroom, Co. Cork
Agreed with Valuation Office 1990 First Appeal.

Stores	41,249 sq.ft.	@	£0.75psf	=	£30,936
Offices	1,649 sq.ft.	@	£2.00psf	=	<u>£ 3,298</u>
					<u>£34,234</u>

@ 0.5% = £171

Add Horsepower of Motors = £175

(2) **Industrial Property**, Drumaleague, Co. Cork

Unit sold for £62,500 in June, 1990. Mr. Donnelly described it as a good industrial unit approximately 25,000 square feet in a similar location to the subject premises.

The sale price equates to £2.50 per square foot.

(3) **Warehouse**, Carrachcannon, Bandon, Co. Cork

A compact 2,000 square foot warehouse half a mile from the main Bandon/Cork Road.

A copy of the lease was enclosed in the written submission indicating the rent was £2,400 per annum.

A written submission was received on the 29th November, 1995 from Mr. Peter Conroy, District Valuer with 25 years experience in the Valuation Office on behalf of the respondent. In his written submission Mr. Conroy described the premises, its location and valuation history. Mr. Conroy assessed rateable valuation on the basis of two methods.

Method 1

Shop:	1,265 sq.ft	@	£3.50	=	£ 4,427}
* New Buildings:	27,404 sq.ft.	@	£1.50	=	£41,106}
* Old Buildings:	26,969 sq.ft.	@	£1.35	=	£36,408} = £88,441
Yard:	65,000	@	.10p	=	£ 6,500}
					Say = £89,000
Buildings N.A.V.	£89,000	@	0.5%	=	£445.00}
Add Horsepower	340	@	.5p	=	£ 17.00}
Add Grain Silos	300 tons	@	2.5p/ton	=	£ 7.50} = £472.60

Add Oil Tanks:	31,000 gals	@	.10p/1,000	=	£ 3.10}
					Say = £475.00
					Rateable Valuation = £475.00

* Amended at Hearing.

Method 2

Overall Buildings:	55,638 sq.ft.	@	£1.50	=	£83,457}
Storage Yards: 65,000		@	.10p	=	£ 6,500} = £89,957
Buildings N.A.V.	£89,957	@	0.5%	=	£449.78
Add sundry items as above				=	£ 27.60 = £477.38
					Rateable Valuation = £477.38
					Say = £475.00

Mr. Conroy gave details of three comparisons which are summarised below:-

(1) **Dairygold Co-op, Ballinhassig.**

1993/4 First Appeal.

Shop:	1,303 sq.ft.	@	£5.00	=	£ 6,515
Stores:	2,595 sq.ft.	@	£1.50	=	£ 3,892
Former Grain Stores:	21,669 sq.ft.	@	£1.40	=	£30,336
First Floor Stores:	2,064 sq.ft.	@	£0.50	=	£ 1,032
Yards:	30,000	@	.10p	=	<u>£ 3,000</u>
					£44,775
N.A.V.:	£45,000	@	0.5%	=	£225.00

(2) **Nutrition Supplies & Services Ireland Limited.**

1993/4 First Appeal.

Main Stores:	12,073 sq.ft.	@	£1.50)	
Sheds:	569 sq.ft.	@	£1.00)	= £21,884
(Portacabin) Offices:	1,603 sq.ft.	@	£2.00)	
Including yard, say £23,000				
N.A.V.:	£23,000	@	0.5%	= £115.00

(3) **Munster Meat Producers Bandon Limited.**

1990 First Appeal.

Offices:	7,470 sq.ft.	@	£3.50	=	£26,145
Cold Stores:	25,176 sq.ft.	@	£3.00	=	£75,528
Factory:	13,669 sq.ft.	@	£2.50	=	£34,172
Factory:	2,594 sq.ft.	@	£2.00	=	£ 5,188
Misc. Buildings:	7,890 sq.ft.	@	£1.50	=	<u>£11,835</u>
					£152,868

Horsepower:	600
Water Reservoir:	115,000 gals
Tanks:	17,000 gals
Gas Tank:	15 Tons

N.A.V.:	£152,868	@	0.5%	=	£764.00
	To include horsepower and tanks			=	<u>£ 36.00</u>
					£800.00
			R.V.	=	£800.00

This complex is located across the road from subject. The factory areas at £2.00 per square foot and £2.50 per square foot are of particular relevance.

Oral Hearing:

The oral hearing was held in the District Courthouse, Anglesea Street, Cork on the 31st day of January, 1996. The appellant was represented by Mr. Tadhg Donnelly, MIAVI of Brian Bagnall & Associates and the respondent was represented by Mr. Peter Conroy, a District Valuer in the Valuation Office. Mr. Michael Galvin, MIPAV also gave evidence in relation to some of the properties given as comparisons by Mr. Donnelly.

At the outset Mr. Donnelly advised the Tribunal that the areas contained in his submission differed somewhat from those in Mr. Conroy's. Having discussed these with Mr. Conroy before the hearing it was agreed that Mr. Conroy's areas should be used. Similarly, it was agreed that the rateable valuation attributable to miscellaneous items such as horsepower, silos and oil tanks should be £30.

Mr. Donnelly's written submission was adopted by him as his evidence in chief. In supplementary oral evidence he drew the Tribunal's attention to the fact that the subject property was originally used for manufacturing purposes and when acquired by Bandon Co-op it was extended to its present size. By virtue of its size and location it would in his opinion be difficult to let on the open market. In arriving at his opinion of net annual value he had relied principally on the agreed assessment placed on the Mid Cork Pallets premises at Macroom. His other comparisons were given in order to provide supporting evidence of rent and capital values in the Cork County area.

Mr. Galvin gave additional evidence in relation to the demand for industrial type premises in Bandon and similarly sized towns in the Cork region. He confirmed that the information contained in Mr. Donnelly's submission in regard to the premises at Drumaleague and Carrachcannon was correct and that he had been involved in both transactions. In his opinion rental values for industrial buildings ranged between £1.50 and £2.50 per square foot depending upon size and location. In regard to the subject premises these suffered from being located on what was a narrow roadway subject to congestion at various times during the day.

Mr. Conroy's written submission was also adopted by him as his evidence in chief and in oral evidence he outlined the history of the hereditament which was acquired by the Co-op in or about 1976 for £210,000. Following acquisition the Co-op spent a further £100,000 in upgrading and adapting the premises for bulk storage purposes and on extending the storage space by adding some 27,000 square feet.

In arriving at his opinion of net annual value he had relied principally upon the assessment of the Dairygold Co-op premises at Ballinhassig. This valuation was agreed at First Appeal stage with another well known rating consultant. The other comparisons he said were of limited assistance to the Tribunal but nonetheless they did give support to his opinion of net annual value and an indication of values in the region.

Mr. Galvin when asked to comment on Mr. Conroy's comparisons said that whilst he had not inspected the various premises he was familiar with them. In his opinion the Dairygold premises were superior to the subject and benefited from being closer to Cork and the airport.

Determination:

Having carefully considered all of the evidence adduced by the valuers, the Tribunal considers the Dairygold Co-op premises at Ballinhassig to be the most helpful. Whilst it is approximately half the size of the Bandon premises it has a broadly similar use and location.

Mr. Donnelly's principal comparison, that is, the Mid Cork Pallets premises in Macroom is significantly different in use and type of construction and this is reflected in the agreed assessment.

Having regard therefore to the Dairygold assessment and using it as the basis of this determination the Tribunal considered that some allowance should be made to reflect the difference in size and accordingly has come to the conclusion that the proper rateable valuation is £430 calculated as set out below:-

Offices	1,265 sq.ft.	@	£3.50	=	£ 4,427
Original Building	26,969 sq.ft.	@	£1.20	=	£32,362
New Building	27,404 sq.ft.	@	£1.40	=	£38,365
Yard	65,000	@	8p	=	<u>£ 5,200</u>
					£80,354
			Say	=	£80,000
Rateable Valuation at 0.5%				=	£400
Add for Miscellaneous items as agreed				=	<u>£ 30</u>
			RV	=	£430
