

Appeal No. VA95/1/105

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

**Healy Manufacturing Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Factory and land at Map Ref: 7B, Townland: Ballywaltrim, Ward: UD, Bray No. 5, UD:  
Bray, Co. Wicklow

Quantum - Relevance of office accomodation all on first floor

**B E F O R E**

**Mary Devins**

**Solicitor (Acting Chairman)**

**Brid Mimmagh**

**Solicitor**

**Barry Smyth**

**FRICS.FSCS**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 27TH DAY OF MARCH, 1996**

By Notice of Appeal dated the 27th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £220 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 purpose built, two storey industrial building situated on Killarney Road, Bray, Co. Wicklow, in a mixed residential and industrial location. The property is unusual for an industrial building being entirely two storey with a manufacturing area on the ground floor level and offices and storage accommodation at first floor.

**Valuation History:**

The premises was first valued in 1992 and was subsequently deleted from the Valuation List at 1992 first appeal as the occupiers of the hereditament had not been notified that their premises had been listed for revision by the Local Authority. Subject property was valued for 1993 revision at £220. No change was made to this valuation at first appeal, decision given in January 1995.

**Written Submissions:**

A written submission was received on the 27th day of February 1996 from Mr. Alan McMillan, a Director of Donal O'Buachalla & Company Limited and an Associate of the Society of Chartered Surveyors.

In his written submission, Mr. McMillan set out the location and description of the premises and his valuation consideration. He prepared an analysis of the rateable valuation of £220 and commented thereon, and provided an estimate of fair rateable valuation of £165 calculated as follows:-

Ground floor	Factory	9,744 sq.ft. @ £1.90 = £18,514
First floor	Factory	8,144 sq.ft. @ £1.25 = £10,180
	Offices	1,600 sq.ft. @ £3.00 = £ 4,800
		Total NAV = £33,494
		RV @ 0.5% = £ 167. <b>Say = £165.</b>

A written submission was received on the 21st day of February 1996 from Mr. Peter Walsh, a Valuer with 9 years experience in the Valuation Office on behalf of the respondent.

In his written submission, Mr. Walsh also set out the valuation history, location and description of the premises itself, gave details of three comparisons and provided two

methods of assessment of the rateable valuation, one based on the net annual value and the other on the development costs as follows:-

**Valuation**

Ground floor		9,744 sq.ft. @ £2.50 psf = £24,360
First floor	Storage area	8,144 sq.ft. @ £1.75 psf = £14,252
	Office area	1,600 sq.ft. @ £3.25 psf = <u>£ 5,200</u>
		Total = <u>£43,812</u>
		@ 0.5% = £220 RV.

**OR**

**Development Costs**

Site cost	£ 40,000
Plus service costs	£ 7,440
Construction costs	£404,044
Total	£451,484
Less 5% to adjust from	
August 1989 to late 1988	<u>£ 22,574</u>
Costs to 1988	<u>£428,910</u>
Yield @ 10% (or NAV)	£42,891
x 0.5%	£214. RV confirmed at £220.

**Oral Hearing:**

The oral hearing took place in Dublin on the 4th day of March 1996. Mr. Alan McMillan of Donal O'Buachalla & Company Limited appeared on behalf of the appellant. Mr. Peter Walsh of the Valuation Office appeared for the respondent.

Both parties agreed on their description of the premises, its floor areas and the nature of its location. It was agreed that it was unusual for a modern industrial unit to be entirely two storey with headroom of 12 feet on the ground floor rather than the more normal 18 to 22 foot range.

The appellant alleged that there was an element of a security problem on the premises.

Comparisons introduced by each side related to single storey premises with 18 to 22 foot headroom and each party made downward adjustments to compensate for the low headroom in the subject premises and the unusual first floor accommodation.

It appears that in relation to one comparison introduced by the respondent and also utilised by the appellant namely, De La Rue Smurfit premises, 7 Pinewood Close, Boghall Road, Bray, Co. Wicklow, that when the rateable valuation of that premises had been fixed, an estimate of the net annual value at £48,716 had been used rather than the actual rent which had commenced on the 1st February 1989 and was £37,000 per annum. It is obvious that the Valuation Office was unaware of the passing rent and in response to Mr. McMillan's question as to what the net annual value would have been if he had been aware of the actual passing rent, Mr. Walsh responded that as it appeared to be out of line with other rents in the locality he would have had to enquire into its background and also that the 'Tone of the list' must be considered.

### **Findings:**

The parties are *ad idem* in their description of the location and nature of the premises, in particular that for industrial premises they are unusual in being two storey and that the rental value of comparisons should be adjusted downwards to allow for the lower than normal ground floor headroom and the unusual first floor accommodation.

The Tribunal notes that in relation to the De La Rue Smurfit premises at 7, Pinewood Close that the rateable valuation was based on an estimated rental value which was higher than the passing rent in respect of the lease.

The parties were, in the Tribunal's view *ad idem* on the ratio of rent between the ground floor and first floor.

The Tribunal is of the view that the fact that the entire of the office accommodation is at first floor level is of little relevance in this case.

Having regard to the foregoing and the evidence adduced by the parties, the Tribunal determines a rateable valuation calculated as follows:-

Ground floor:	9,744 sq.ft. @ £2.00 psf = £19,488
First floor: Warehouse	8,144 sq.ft. @ £1.33 psf = £10,832

Offices	1,600 sq.ft. @ £3.25 psf = £ 5,200
	Total = £35,520
	NAV = £ 35,520
	x 0.5% = £177.60. <b>RV £177.</b>