

Appeal No. VA95/1/132

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

Industrial Packaging Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory and land at Map Ref: 4c, Townland: Oldcourt, Urban District of Bray, Co. Wicklow

Quantum - Relevant comparisons

B E F O R E
Henry Abbott

S.C. Chairman

Paddy Farry

Solicitor

Fred Devlin

FRICS.ACI Arb.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF NOVEMBER, 1995

By Notice of Appeal dated the 26th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £700 (Buildings) 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 having regard to the provisions of the Valuation Acts and on other grounds also".

The Property:

The premises are located in the townland of Oldcourt, on the outskirts of Bray, in an area of housing and industrial units. They lie close to the junction of the Killarney and Boghall Roads.

These are new premises of standard construction, concrete block/metal decking walls with metal decking roof. Floor is of concrete screed with the offices at first floor level being of reasonable quality.

Accommodation:

The accommodation areas have been agreed between parties as follows:-

Warehouse/Stores	48,319 sq.ft.
First floor	2,188 sq.ft.

Title:

The property is held freehold.

Services:

All main services with the exception of gas are connected.

Valuation History:

- 1992 - Premises first valued at rateable valuation £700.
- 1992 - At First Appeal stage revision figure was withdrawn due to lack of notification of impending revision by Local Authority.
- 1993 - Premises revised to rateable valuation £700. Agents for appellant made a formal appeal against the revision on the 24th November 1993.
- 1994 - Premises inspected for First Appeal. No change made.
- 1995 - Appeal lodged to the Tribunal.

Written Submissions:

A written submission was received on the 12th day of September 1995 from Mr. Thomas Davenport ARICS, Chartered Surveyor of Lisney, Surveyors and Estate Agents, 24 St. Stephen's Green, Dublin 2 on behalf of the appellant.

In his written submission, Mr. Davenport set out the description, location and valuation history of the premises. He also said that the accommodation areas had been agreed with the respondent as outlined above.

Commenting on the factors, in his opinion, affecting the net annual value and rateable valuation he said that:-

- (1) The building in question was a basic warehouse building with below average eaves height therefore the marketability of the subject premises was limited and this would have an adverse affect on its rental value.
- (2) The building has minimal internal finishes which would affect the opinion of a hypothetical tenant and the level of rents achieved.
- (3) The building is in a secondary location when compared with industrial premises in locations such as Dublin, Naas Road, Belgard Road and Sandyford Industrial Estate.

Mr. Davenport set out his estimate of the net annual value and rateable valuation on the subject property as follows:-

First Floor:	Warehouse	48,319 sq.ft. x £1.80 psf	=	£86,974
	Offices	2,188 sq.ft. x £3.00 psf	=	£ 6,564
		Total	=	£93,538

Estimated NAV as at November 1988 - £94,000
 Using the factor 0.5% to translate NAV into RV:-
 Rateable Valuation - £94,000 x 0.5% = **£470.**

Mr. Davenport gave details of five comparisons as follows:-

- (1) **A. O. Smith, Electric Motors (Ireland) Limited**
 Property held on a 21 year lease from 1st August 1978 between the IDA and A.O. Smith, Electric Motors (Ireland) Limited. Lease provides for rent reviews every five years. Subject of a recent valuation appeal wherein the rateable valuation was agreed at £615 assessed on an net annual value of £123,000 in line with the passing rent.

Analysis:

Two Storey Office Block	7,400 sq.ft.	@	£3.20 psf
Main Manufacturing Area	29,040 sq.ft.	@	£2.00 psf
High Manufacturing Area	15,716 sq.ft.	@	£2.35 psf
Service Block/Security Building	1,481 sq.ft.	@	£2.00 psf.

- (2) **De La Rue Smurfit, Unit 7 Pinewood Close, Boghall Road, Bray, Co. Wicklow.**
Property held under a 35 year lease from 1st February 1989 at a rent of £37,000pa.
Lease provides for rent reviews every five years.

Analysis:-

Offices	2,669 sq.ft.	@	£3.25 psf
Warehouse	12,680 sq.ft.	@	£2.20 psf.

- (3) **Real Ireland Limited, Unit 27 Beechwood Close, Boghall Road, Bray, Co. Wicklow.**
Held on a thirty five year lease from April 1988 at an initial rent of £17,000pa.
Lease provides for five year rent reviews.

Analysis:

Offices	1,200 sq.ft.	@	£3.50 psf
Warehouse	5,300 sq.ft.	@	£2.40 psf.

- (4) **Marks & Spencer (Ireland) Limited, Airton Road, Tallaght, Dublin 24.**
Held on a thirty five year lease from April 1988 at a rent of £112,000pa. Rateable valuation agreed on 1994/3 appeal at £710.

Analysis:

Net Annual Value	£112,000
Offices	3,635 sq.ft. @ £3.25 psf
Warehouse	45,629 sq.ft. @ £2.20 psf.

- (5) **Lever Brothers, Belgard Road, Tallaght, Dublin 24.**
Held on a thirty five year lease from October 1988 at an initial rent of £98,000pa.
Lease provides for five year rent reviews.

Analysis:

Offices	5,050 sq.ft. @ £3.40 psf
Warehouse	35,425 sq.ft. @ £2.30 psf.

A written submission was received on the 7th day of September 1995 from Mr. Peter Walsh B.Sc, an Associate of the Society of Chartered Surveyors in Ireland and Valuer with 9 years experience in the Valuation Office on behalf of the respondent.

In the written submission, Mr. Walsh set out the description and location of the subject premises as outlined above. He also gave details of the title and accommodation areas as agreed between parties.

Mr. Walsh set out his estimate of the net annual value and rateable valuation as follows:-

Industrial area	-	48,319 sq.ft. x £2.75	=	£132,877
Office space	-	2,188 sq.ft. x £3.50	=	£ 7,658
Total			=	£140,535

NAV = £140,000
x 0.5% = £700.

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

(1) Lot No. 11/8A and Lot No. 11/8B, Townland of Oldcourt (De La Rue Smurfit)

Analysis:-

Lot No. 11/8A Industrial Space	12,680 sq.ft. x £3	=	£38,040
Offices Space	2,669 sq.ft. x £4	=	£10,676.

and

Lot No. 11/8B Industrial Space	27,987 sq.ft. x £3	=	£83,961
Office Space	6,178 sq.ft. x £3.75	=	£23,168
Outside Store	474 sq.ft. x £2.50	=	£ 1,185.

(2) Lot 12A/6, Townland of Oldcourt (Henkel Ecolab Limited)

Analysis:-

<hr/>	Industrial Space	15,834 sq.ft. x £3.25	=	£51,460
	Office Space	3,111 sq.ft. x £4	=	£12,444.

Oral Hearing:

The oral hearing took place in Dublin on the 18th day of September 1995. Mr. Davenport appeared on behalf of the appellant and Mr. Walsh appeared on behalf of the respondent.

Mr. Michael Lee, Managing Director of the appellant gave evidence.

It emerged that the comparison, A.O. Smith, Electric Motors (Ireland) Limited of Boghall Road, Bray was an immediate and striking comparison. Both parties shared the comparison of De La Rue Smurfit premises at Unit 7 Pinewood Close, Boghall Road, Bray. Mr. Walsh

did concede that in relation to De La Rue Smurfit he did not have regard to the passing rent nor was he aware of same when the valuation was agreed. Mr. Davenport submitted that such agreement may have involved a reduction so that actual passing rent did not come into play. In response to a question from the Tribunal, Mr. Walsh said that he certainly would have taken into account the passing rent had it been drawn to his attention by the agents acting for the appellant in the De La Rue Smurfit case.

While the Tribunal is satisfied that the A.O. Smith Electric Motors comparison is an older premises it nevertheless is superior in many ways including eaves height and parking accommodation. The Tribunal is very much constrained to adopt the overall valuation of this premises as a constraint against which the subject is to be valued.

Having regard to the foregoing and consideration of all the other comparisons, the Tribunal determines the rateable valuation as follows:-

Valuation:	48,319 sq.ft. @ £2 psf	=	£ 96,638
	2,188 sq.ft. @ £3 psf	=	£ 6,564
	Total	=	£103,303
	Say	=	£103,000

Applying a percentage of 0.5% the rateable valuation is fixed at £515.