

Appeal No. VA95/4/003

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

Fastnet Mussels Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory at Map Ref: 7Ac, Townland: Gerahies, E.D. Glanlough, R.D. Bantry, Co. Cork
Quantum - New ground of appeal, location

B E F O R E

Liam McKechnie

S.C. Chairman

Con Guiney

Barrister

Joe Carey

PC.DDSc.DBAdm.MIAVI

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 30TH DAY OF JULY, 1996

Fastnet Mussels Limited are the rated occupiers of the premises which is located at Gerahies pier circa 8 miles south west of Bantry, on the north side of the Sheeps Head peninsula, facing north into Bantry Bay. The property consists of a mussel processing factory built in the last few years. The three acre site was purchased for £12,000 in 1984 and the factory cost £200,000 to build and equip.

The accommodation and other rateable items in the submission of the Valuation Office were described as follows:-

Offices on First Floor	1,662 sq.ft.
WC/Canteen/Store on Ground Floor	1,662 sq.ft.

Factory	4,357 sq.ft.
Cold Store	852 sq.ft.
External Store and Pump House	729 sq.ft.
Open concrete Tanks for holding water and mussels	160,000 gallons capacity
Rateable Horse Power on Motors	circa 100 H.P.

Mr. Frank Ryan in his submission for the appellants described the premises as follows:-

Ground Floor: Circa 6,500 sq.ft. net internal area.

First Floor: Circa 1,015 sq.ft. net internal area.

He further described the tanks has having no roof.

The subject premises were inspected and revised in 1994. In November, 1994 the Valuation List was issued and the rateable valuation was assessed at £130. The appellant then appealed to the Commissioner of Valuation and an appeal valuer inspected the property. On 15th September, 1995 the Commissioner of Valuation issued his decision leaving the rateable valuation unchanged. The appellant on 19th September, 1995 appealed to the Tribunal.

Grounds of Appeal:

The grounds of appeal relied on are:-

- (1) the rateable valuation is excessive and inequitable, and
- (2) portion of the operation should be exempted from rating liability.

Mr. O'Connor for the Valuation Office submitted that no claim for exemption had been made in the appeal before the Commissioner of Valuation and that on the basis of previous decisions of the Tribunal it was precluded from making a determination on this issue. Mr. Ryan did not contest these submissions of the Valuation Office. Furthermore Mr. Ryan did not make any submissions of a legal nature to ground an appeal for exemption of any portion of the premises. Mr. Ryan did make a submission that a market valuation would not allocate any valuation specifically to the tanks and the horse power of the machinery.

In any event the Tribunal considers it is unable to consider any issue of exemption from rateability in this appeal. It does so on the basis of its decision in *VA88/0/165 - Ebeltoft Limited t/a "Hunters" Licensed Premises v. Commissioner of Valuation*. In that appeal the Tribunal decided it can only hear an appeal on the grounds which had been advanced before the Commissioner of Valuation. The Tribunal's decision is based on the uncontested

evidence of the Valuation Office that no claim for exemption had been made in the appeal before the Commissioner.

Accordingly, the only issue for determination by the Tribunal is the quantum of rateable valuation for the premises.

The Valuation Office submitted a valuation on the following basis:-

"Offices on 1st Floor/Canteen/WC/			
Store on ground Floor:	3,324 sq.ft.	@ £3.00/sq.ft.	= £ 9,972
Factory:	4,357 sq.ft.	@ £2.00/sq.ft.	= £ 8,714
Cold Store:	852 sq.ft.	@ £2.50/sq.ft.	= £ 2,130
External Store & Pump House:	729 sq.ft.	@ £1.00/sq.ft.	= £ 729
	Buildings NAV		£21,545
			@ 0.5%
	Buildings RV		£108.00

Add:-

Concrete Water Tanks	160,000 @ 10p/1000 gallons	= £16.00 RV
Rateable Horse Power	100 H.P. @ 5p/H.P	= £5.00 RV
	Total RV	= £130"

Mr. Ryan on the basis of his description of the premises submitted a valuation on the following terms:-

"Ground Floor:	6,500 sq.ft.	@ £1.00/sq.ft.	= £6,500
First Floor:	1,015 sq.ft.	@ £0.50/sq.ft.	= £ 500
Tanks			= £ 100
			£7,100

Mr. Ryan therefore calculates the rateable valuation at £35"

Comparisons:

Mr. Ryan did not submit any direct comparisons with respect to the subject premises and he further contended that the Valuation Office failed in this respect as well.

The essence of Mr. Ryan's evidence and submissions were that the subject premises were located in a remote rural area of west Cork. Access to the premises was by means of a narrow country road and the premises were located in rocky sheep grazing country. He

argued that any hypothetical tenant would take this factor into account in paying rent for the premises.

In support of this argument Mr. Ryan submitted details of two premises. Firstly, an IDA factory had been constructed in 1981/82 consisting of 20,000 square feet. This premises had been constructed in the better commercial location of Bantry town but an occupier had not been secured for it until October, 1995. This indicated according to Mr. Ryan the lack of commercial activity in the area.

The second premises was a factory at Gortnagrough 2 miles north of Ballydehob. This property contains gross area of 8,242 square feet and was sold in 1994 for £76,000. Mr. Ryan contended that a sale price of £9.20 per square foot justified a market rental of £1.00 per square foot in rural west Cork in November, 1988.

Mr. O'Connor in his comparative evidence gave details of a number of industrial premises in west Cork. Under cross-examination by Mr. Ryan, Mr. O'Connor admitted that his preferred comparison was the valuation of the Castletownbere Fisherman's Co-op. In this comparison the factory area had been valued at £1.50/square foot and the office area at £3/square foot. Mr. O'Connor further admitted that the reason he had put a valuation of £1.50/square foot on the Castletownbere premises factory area was because of its large size. He contended that smaller areas rent at better prices than larger areas. Mr. O'Connor admitted under cross-examination by Mr. Ryan that the Castletownbere premises is located in the centre of the town. Castletownbere being a major fishing town with a local and an international fishing fleet.

Mr. O'Connor further stated that the valuation placed on the tanks was a minimal one and the horse power of the machinery was rateable at a nominal amount. He made the point as well that the tanks in the subject premises were specifically used for holding mussels whereas the tank at the Ballydehob premises was similar to the tanks used in most factories to hold water for fire fighting purposes.

Determination:

The Tribunal accepts that there is some merit in Mr. Ryan's argument that the isolated and remote nature of the subject premises would influence the rental which a hypothetical tenant would pay for the premises. Accordingly using the description the Valuation Office submitted of the premises the Tribunal has decided as follows, that the offices on first floor,

canteen, wc's and store on ground floor would be assessed at £2.50/square foot and the factory area at £1.75/square foot. All the other areas and related assessments by the Valuation Office remain unchanged. The terms of the valuation therefore are:-

"Offices on 1st floor/canteen/wc's/ store on ground floor:	3,324 sq.ft.	@ £2.50/sq.ft.	= £ 8,310
Factory:	4,357 sq.ft.	@ £1.75/sq.ft.	= £ 7,625
Cold Store:	852 sq.ft.	@ £2.50/sq.ft.	= £ 2,130
External store & Pump house	729 sq.ft.	@ £1.00/sq.ft.	= <u>£ 729</u>
	Buildings NAV		£18,794
			<u>@ 0.5%</u>
	Buildings RV		£94.00

Add:-

Concrete water tanks:	160,000 gals @ 10p/1000 gals	= £16.00 RV
Rateable Horsepower:	100 H.P @ 5p/HP	= £5.00 RV
	Total RV	= £115.00"

The hearing before the Tribunal took place in the District Courthouse, Anglesea Street, Cork on the 4th day of June, 1996.