

Appeal No. VA95/4/004 &
VA95/4/005

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

Denis & Ann Buckley and L.P. Plastics Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices and Stores at Map Ref: 1g/2, Townland: Kilvealatan West, ED: Dromore, Co. Cork

Quantum - Old premises renovated

B E F O R E

Liam McKechnie S.C.

Chairman

Con Guiney Barrister at Law

Deputy Chairman

Joe Carey PC.DDSc.DBAdm.MIAVI

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF MARCH, 1997

1. By Notices of Appeal dated the 19th and the 20th day of September 1995 respectively the Appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £70 on the above described hereditament.

The grounds of Appeal as set out in the said Notices are:-

Per Denis & Ann Buckley

"Prior to purchase the premises concerned was inhabited by the Travelling Community, horses, dogs, scrap etc.. We have spent a considerable amount of bank borrowings to bring area up to a decent acceptable state, rates on your valuation would put us out of business and result in unemployment".

Per L. P. Plastics

"the rateable valuation is excessive and inequitable".

2. This case proceeded by way of an oral hearing which took place in Cork at which Mr. Frank Ryan, FRICS MIAVI, appeared on behalf of the Appellants and Mr. Frank O'Connor, ARICS BSc. (Surveying) appeared on behalf of the Commissioner. Having taken the Oath both Valuers adopted as their evidence in chief their respective précis which, in accordance with practice, had previously been exchanged and submitted to this Tribunal. Arising from the evidence so given the following are the relevant facts, so agreed or found, which in our view are material for the purposes of this appeal.
3. The above identified unit of valuation comprises a portion of a factory premises formerly used and occupied by Erin Foods and constructed some 30 or more years ago. This premises in its original condition had an area of about 43,000 sq.ft., designated and used as the main processing building, with an additional 7,000 sq.ft. of offices on the first floor. Following a cessation of business and a withdrawal from this location these factory premises remained unoccupied for a number of years. In 1993 the same were purchased for a figure variously numbered at between £120,000 and £150,000. Following a complete refurbishment at a cost of approximately £100,000 the intention and object of the owner was to have four separate and self-contained units varying in both area and use. One such unit is that identified by Map Ref. 1g/2. This comprises a main workshop/factory of 7,493 sq.ft. with office accommodation of 4,411 sq.ft. which is described as being old. In all there is about 11,900 sq.ft. involved.
4. In its refurbished and redesigned state this property was first listed for revision in 1994. A valuation of £70 was placed thereon. The Appellants were unsuccessful at First Appeal stage and hence the appeal to this Tribunal.
5. During the course of the hearing we heard evidence as to the works of refurbishment carried out and as to the nature, type and standard of the resulting unit. In this regard it might be thought that some conflict existed between the witnesses but in our opinion on a true or correct assessment of the evidence there was, if any divergence, one of emphasis only and not one of materiality. Accordingly we are of the view that the following is a reasonable description of the executed works and the resulting unit which of course is the subject matter of this appeal:-

Following acquisition the purchaser/developer removed much of the old partitioning which existed as well as some steel works associated with old machinery. The roofs and doors were extensively repaired with many new partitions added. Single skin asbestos was used. The original walls of the main building were of concrete block and steel decking construction with a steel decking roof.

6. In the table following we set out the approach to rateable valuation as adopted by Mr. Ryan on behalf of the Appellants and as adopted by Mr. O'Connor on behalf of the Commissioner.

Mr. Ryan:

"Unit 1g/2:

12,000 sq.ft. X 0.60p	=	£ 7,200
Adjust to 1988 values	=	<u>£ 1,440</u>
Deemed Rental:		<u>£ 5,760</u>
RV £28.80	Say =	£29.00RV"

Mr. O'Connor:

"Workshop/Factory	7,493 sq.ft. @ £1.30/sq.ft. =	£ 9,741
Old Offices	4,411 sq.ft. @ £1.00/sq.ft. =	<u>£ 4,411</u>
	NAV =	<u>£14,152</u>
	@ 0.5% RV =	£ 70.00"

It should be noted that no comparative evidence is offered on behalf of the ratepayer whereas we have been referred to six in number by Mr. O'Connor on behalf of the Commissioner.

7. The Appellants Valuer forcibly urged upon us a view that a rental of 0.48p psf, as of 1988, was reasonable given the purchase price paid and the expenditure incurred in refurbishment, given that even with this expenditure the resulting condition of the unit could be described as satisfactory only and given what he termed were the distinguishing features between this case and the various comparisons offered on behalf of the Commissioner. In particular a purchase price of £120,000 would, for 50,000 sq.ft. give a rate of £2.40 psf which converts to a rental value of 0.60p psf. The disposal of this unit, when analysed produces a similar result. On behalf of the Commissioner we have been referred to the premises of the Castletownbere

Fisherman's Co-op which at 1992 revision, had £1.50 psf placed on over 14,000 sq.ft. of factory accommodation, had £3 psf placed on 2,200 sq.ft. of office accommodation with the balance describable as being miscellaneous. In our view the Co-op premises are undoubtedly of much better quality than the subject premises. It is a purpose built food factory with double skinned covering and is used in the processing part of the fisherman's enterprise. It could not be equated with the unit in question.

8. The second comparison is the Mark Eire B.V. premises at Macroom in the County of Cork. For almost 13,000 sq.ft. of old factory accommodation a figure of £1.25 psf was agreed with Lisney at 1993 First Appeal stage. On a new warehouse of almost 20,000 sq.ft. the figure was £1.45 psf. Subject to obvious adjustments, these rates can be at least looked upon, in order to determine whether the range applicable in this case should be or should be approximate to 0.40p or the £1.15 as contended for on behalf of the Commissioner.

9. The third comparison, namely the Alps Electric factory in Millstreet is in our view quite different. The area, including factory and offices is almost 60,000 sq.ft., it is a purpose built modern and high specification building with double skin attachments. It was constructed by the IDA. The premises of Advanced Tyre, in Mallow, is also quite different and quite distinct from the subject premises. Firstly its location on the main Cork/Limerick Road. Secondly its retail use, thirdly its area and fourthly its standard, quality, fit and finish. Finally given the type of business which Dairygold carries on in its store at Ballyclogh we are satisfied that in order to comply with the very stringent statutory rules and regulations which are applicable to their business, their premises must be constructed and maintained at a standard significantly better than the subject premises.

10. We do not believe that the hypothetical tenant would in respect of the workshop/factory accommodation pay £1.30 psf for the 7,493 sq.ft. thereof. As we said in the appeal dealing with the unit comprised in Map Ref. 1g/1 we are satisfied that despite the extensive renovations and refurbishments carried out to this once old building, nevertheless many of its retained characteristics would have quite a depressive effect on what might otherwise be obtained for this unit by way of rent.

These remarks apply equally to both the workshop/factory and to the old offices. We are also satisfied that some differentiation must be made between the value attaching to the old offices and the workshop/factory. In our opinion a rate of 0.95p psf should

be applied to the 7,493 sq.ft of workshop/factory with a rate of 0.60p psf attaching to the office accommodation. The end result is that the net annual value of the workshop is £7,118.35 and that for the offices is £2,646.60. Applying the 0.5% fraction to the total NAV of £9,764.95 that gives a resulting rateable valuation of £48.82. Say £49.

11. Accordingly, we determine that the correct rateable valuation on this unit is £49.