

Appeal No. VA95/5/001

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

Irish Agricultural Machinery Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Workshop, Showroom and Yard at Map Ref: 6A/15, Townland: Leggetsrath West (part of),
E.D. Kilkenny Rural, R.D. Kilkenny, Co. Kilkenny
Quantum - Treatment of display/storage yards

B E F O R E

Liam McKechnie

S.C. Chairman

Mary Devins

Solicitor

Fred Devlin

FRICS.ACI Arb.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF NOVEMBER, 1996

By Notice of Appeal dated the 25th day of September, 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £375 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 and other factors are taken into consideration".

Oral Hearing:

This appeal was heard by way of an oral hearing which took place in Kilkenny on the 3rd day of April, 1996. Mr. Tadhg Donnelly, MIAVI of Brian Bagnall & Associates appeared on behalf of the appellant. Mr. Kevin Heery, B.Comm. MIAVI of the Valuation Office appeared on behalf of the respondent with Mr. Frank Gregg of the Valuation Office. Mr. Ned Brennan, Staff Officer with Kilkenny County Council appeared on behalf of Kilkenny County Council, as an observer to this appeal. Having taken the oath both valuers adopted as their evidence in chief their respective written submissions which previously had been exchanged between them and received by this Tribunal. From the evidence so tendered the following relevant facts emerged as being material to this appeal.

The Property:

The property under appeal is an industrial unit located in the Hebron Road Industrial Estate at the edge of Kilkenny city about ½ mile from the main Carlow/Dublin Road. The property consists of offices, part store, workshop and a large yard used for the display/storage of agricultural machinery of all sizes. The building as erected consists of a steel portal frame, a steel deck insulated roof with an overall eaves height of 18 feet. There are concrete block infill walls rising to 8 foot and steel cladding from there to the eaves. The office, canteen and reception areas are located to the front of the building and are double storied. The rear of the building is in use as stores and workshops. The storage area has an overhead racking system for the storage of small parts, which is completely demountable. The workshop makes up the balance of the covered area and is devoted to the repair and maintenance of farm machinery. The yard is mostly hard-core with tarmac display areas to the front.

The property is held freehold.

Valuation History:

The property was first valued in 1982 and had a rateable valuation of £80 placed on it. The property was next listed in a 1992 revision but no change was made as the proposed extensions had not yet been built. In 1993 the valuation was increased to £500 to take account of the major extensions and developments which had taken place. The rateable valuation was reduced at First Appeal to £375. It is against this determination of the Commissioner of Valuation that an appeal was brought to the Tribunal.

The Essential Evidence and Submissions of Both Parties:

In evidence Mr. Tadhg Donnelly on behalf of the ratepayer set out the location and description of the premises and stated his valuation considerations. He set out his calculation of the rateable valuation on the subject premises on a comparative basis as follows:-

"Offices	5,508 sq.ft.	@ £2.20 psf	= £12,117.60
Workshop	12,194 sq.ft.	@ £1.50 psf	= £18,291.00
1st Floor Canteen	817 sq.ft.	@ £1.75 psf	= £ 1,429.00
Yards	84,993 sq.ft.	@ £0.20 psf	= <u>£16,998.00</u>
			£48,835.60
		@ 0.5%	= £244.18
			Say £245"

He supported his proposed valuation with a number of comparisons which are summarised below:-

- (1) **VA94/3/026 - Duggan Steel (Ireland) Limited v. Commissioner of Valuation**
Tribunal decision.
- (2) **Kilkenny Textiles, Purcellsinch, Kilkenny.**
1993/4 First Appeal. Rateable valuation £2,100.
- (3) **W. & G. Steel & Roofing Systems, Castlecomer, Co. Kilkenny.**
Rateable Valuation £300. 1993/1 Revision.

Mr. Kevin Heery on behalf of the Commissioner of Valuation also described the subject premises and also used the comparative basis to ground his proposed valuation. His suggested breakdown was as follows:-

"Offices	5,508 ft ²	@ £3.00 per ft ²	= £16,524
Parts Store/Workshop	12,194 ft ²	@ £2.50 per ft ²	= £30,485
Mezzanine Store	817 ft ²	@ £1.50 per ft ²	= £ 1,226
Display/Storage yard at back	55,714 ft ²	@ £0.30 per ft ²	= £16,714
Display areas at Front (less car parking area)	9,279 ft ²	@ £1.00 per ft ²	= <u>£ 9,279</u>
			£74,228
		N.A.V. Say	= £75,000
		R.V. @ 0.5%	= £375"

In support of these figures Mr. Heery offered the Tribunal four comparisons:-

- (1) **Telecom Eireann, 6e.8c/62 - 67, Leggetsrath West, Hebron Road Industrial Estate, E.D. Kilkenny Rural, Kilkenny.**
Rateable Valuation £290 - 1993/4 First Appeal.

Offices, warehouse and yard.

- (2) **Stainless Steel Fabrications Limited, 4 Leggetsrath West, Hebron Industrial Estate, E.D. Kilkenny Rural, Kilkenny.**
Rateable Valuation £675 - 1993/4 First Appeal.
Factory, office and yard.
- (3) **Kelly Machinery Kilkenny Limited, 26a Leggetsrath West, Hebron Industrial Estate, E.D. Kilkenny Rural, Kilkenny.**
Rateable Valuation £300 - 1993 Revision - No appeal.
Office, showrooms, workshop and yard.
- (4) **Kilkenny Textiles Limited, 1AB/3, 1ABbch Purcellsinch, I.D.A. Industrial Estate, E.D. Kilkenny Rural, Kilkenny.**
Rateable Valuation £2,100 - 1993/4 First Appeal.
Factory and car park.

Determination of Tribunal:

Apart from the rate per square foot which should be applied to the component parts of this hereditament the only difference of approach between Mr. Donnelly on the one hand and Mr. Heery on the other hand related to their treatment of the display/storage yards at back and front. Mr. Donnelly grouped both together and arrived at a valuation of 20p for the total yard areas, on the other hand Mr. Heery separately analysed the areas between front and back giving an area of 55,714 square feet at the back and 9,279 square feet at the front. We prefer this approach and we propose also to adopt the areas, as given by Mr. Heery which may in turn be somewhat in ease of the appellant.

We are satisfied that the comparisons offered which are located within the Hebron Industrial Estate itself are of sufficient evidential quality and material so as to enable this Tribunal to make a determination on what should be the correct rateable valuation on the subject premises. In all there are three. Namely, Telecom Eireann, Stainless Steel Fabrications Limited and Kelly Machinery (Kilkenny) Limited. Whilst Mr. Donnelly referred the Tribunal to a decision of its own in the case of Duggan Steel (Ireland) Limited, Kilkenny, we are satisfied that the location of this last mentioned property is significantly different to that of the subject premises. So therefore whilst regard must be had to it, we are of the view that greater weight and greater reliance should be placed on the other three comparisons above mentioned.

Having considered the evidence as adduced and having given due weight to the submissions as made, we are satisfied that the Commissioner's figure on the warehouse area and display area to the front are too high and that an adjustment downwards must be made to.

Accordingly, the Tribunal is of the view that the net annual value is that as set out below:-

Offices	5,508 sq.ft.	@ £3.00	=	£16, 524
Mezzanine/Store	817 sq.ft.	@ £1.50	=	£ 1,226
Part Store/Workshop	12,194 sq.ft.	@ £2.25	=	£27, 436
Display/Storage Yard at Rear	55,714 sq.ft.	@ £0.30p	=	£16,714
Display Area at Front	9,279 sq.ft.	@ £0.50p	=	<u>£ 4,640</u>
	Total NAV			£66,540
	Say			£67,000
	@ 0.5%		=	£335RV

Accordingly the Tribunal so determines.