

Appeal No. VA95/6/007

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

Irish Express Cargo Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices at Map Ref: 1D/1, Airport Industrial Estate, Townland: Santry, ED: Airport, Co. Dublin
Quantum

B E F O R E
Mary Devins

Solicitor (Acting Chairman)

Marie Connellan

Solicitor

Patrick Riney

FRICS.MIAVI

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 26TH DAY OF APRIL, 1996

By Notice of Appeal dated the 2nd day of November 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £130 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 account."

Mr. Donnelly in the written submission said that the industrial estate was a secondary industrial estate lacking circulation and with constant car parking problems. He said that the subject was an old style two storey office "stuck on" to the front of an older style warehouse. He said that the property is held under a lease for 35 years from the 11th October 1977. The rent was reviewed in 1987 to £21,000 per annum which shows a rate per square foot of £4.60.

Mr. Donnelly gave details of four comparisons in the Airport Industrial Estate in support of his assessment of rateable valuation. These comparisons are set out as Appendix 1 to this judgment.

A written submission was received on the 28th day of February 1996 from Mr. Noel Lyons, B.Comm. a District Valuer with over 22 years experience in the Valuation Office.

In his written submission, Mr. Lyons described the subject premises, gave details of its tenure and valuation history. He set out his opinion of rateable valuation based on the passing rent of the subject premises as follows:-

"1(a) In arriving at the rateable valuation on the offices regard was had for the passing rent which was increased from £20,000 fixed on 19/10/82 to an agreed interim rent of £21,000 on assignment in January 1989 and to £23,000 at review in October 1992.

(b) *Analysis of passing rents at 1987, 1989 and 1992.*

19/10/87 - area 4,554 sq.ft. @ £4.39 psf = £19,992. Say £20,000.

27/01/89 - area 4,554 sq.ft. @ £4.61 psf = £ 20,994. Say £21,000.

19/10/92 - area 4,554 sq.ft. @ £5.05 psf = £ 22,998. Say £23,000.

2 *Estimate of net annual value*

(i) Passing rent at January 1989.

= 4,554 sq.ft. @ £4.61 psf = £20,994. Say £21,000.

(ii) Estimate of net annual value at November 1988.

4,554 sq.ft @ £4.50 psf = £20,493. Say £20,500.

3 *Rateable valuation*

NAV £20,500 x 0.63% = £129.15

Say £130.

Mr. Lyons said that in regard to comparisons that the evidence of the rent agreed in 1989 and which was £1,000 per annum greater than the rent fixed at the 1982 review was taken as the most suitable comparison for net annual value at November 1988.

Oral Hearing:

The oral hearing took place in Dublin on the 27th day of March 1996. Mr. Brian Bagnall of Messrs. Brian Bagnall & Associates appeared on behalf of the appellant. The respondent was represented by Mr. Noel Lyons of the Valuation Office.

Mr. Bagnall referred to his written submission and stated that the Industrial Estate in which the subject property is located is inferior to the Airways Industrial Estate which is on the other side of the road and has always been considered to be a much better location.

Mr. Bagnall stressed that while there is evidence of rent passing in relation to the subject premises, that rent should not alone decide the rateable valuation in view of the fact that the rent was agreed as part of an overall deal and apportioned between the warehouses and the subject offices.

Mr. Bagnall referred to what he described as the accepted practice to differentiate between office content and warehouse content at the rate of £1 per square foot unless there is a significant difference in the standard between the warehouse and the offices. In this regard he submitted that there is no such difference in standard between the subject property and the adjoining warehouse.

Mr. Lyons gave evidence in relation to the rent agreed for the subject property at review in October 1992 and confirmed that his estimate of net annual value as of November 1988 was based thereon.

Replying to questions from Mr. Bagnall, Mr. Lyons seemed to accept that the differential between offices and warehouse content was in the region of £1 per square foot. He conceded that the external offices forming part of Unit C in the Airport Industrial Estate which had been put forward as one of the appellant's comparisons, were smaller and superior in finish and layout to the subject property.

Determination:

The Tribunal has had regard initially to the evidence in relation to passing rent. It has had regard also, however to the comparisons adduced by the appellant, as would the hypothetical tenant.

The Tribunal accepts the appellant's evidence in relation to the condition of the subject property and is satisfied that these offices are somewhat inferior to those attached to Unit C in the Airport Industrial Estate.

The Tribunal notes too that in warehouse properties generally, there is a differential between office content and warehouse content at a rate of £1 per square foot approximately and is satisfied that in the instant case there is nothing to indicate that the offices differ substantially from the warehouse.

In the circumstances and in light of all of the evidence adduced the Tribunal determines the correct rateable valuation of the subject premises at £105.