

Appeal No. VA95/6/016 to
VA95/6/018

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

Atlantic Mills Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

- RE: (1) Factory (part of) and Land at Map Ref: 1B2.23B.33C.34B.35B.37B,
Townland: Srah, Urban District of Tullamore (VA95/6/016)
- (2) Factory (part of) and Land at Map Ref: 19B, Townland: Ballyduff,
E.D. Durrow, R.D. Tullamore (VA95/6/017)
- (3) Factory (part of) and Land at Map Ref: 4, Townland: Ballydrohid,
E.D. Tullamore Rural, R.D. Tullamore (VA95/6/018)
Co. Offaly
Quantum - Allowance

B E F O R E
Fred Devlin

FRICS.ACI Arb. (Acting Chairman)

Con Guiney

Barrister

Rita Tynan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 1ST DAY OF NOVEMBER, 1996

By Notices of Appeal dated the 7th day of November, 1995 the appellant appealed against the determinations of the Commissioner of Valuation in fixing the following rateable valuations on the above described hereditaments:- (1) RV £1,540 (2) RV £520 and (3) RV £240.

The grounds of appeal as set out in the Notices of Appeal are that "the valuation is excessive and inequitable when rental levels and other factors are taken into consideration".

1. The appeal proceeded by way of an oral hearing held in Dublin on the 14th day of June, 1996. The appellant was represented by Mr. Tadhg Donnelly of Brian Bagnall & Associates. The respondent was represented by Mr. Malachy Oakes, a District Valuer in the Valuation Office with over 20 years experience accompanied by Mr. Peter Conlon, Staff Valuer in the Valuation Office. Mr. Tony Flanagan, a developer in Tullamore also gave evidence on behalf of the appellant. After taking the oath both valuers adopted their written submissions and valuations previously exchanged and forwarded to the Registrar as being their evidence in chief.

2. The property comprises three lots of a textile factory located on an industrial estate north west of Tullamore town. The main building is of portal frame construction with brick elevations and offices to the front. Finishing in the main production area is to a high standard. The floor areas have been agreed between parties as follows:-

Factory/Warehouse/Canteen	216,170 ft ²
Offices	5,000 ft ²

Rateable plant has been agreed at £105 rateable valuation.

3. The factory was first valued in 1979, 1980 revision and Circuit Court appeal at a total rateable valuation of £2,450.

On 1994 Revision the valuation was increased from £2,450 to £2761 as follows:-

U.D. Tullamore RV £1,871 unchanged

R.D. Tullamore RV £393 increased to £605

R.D. Tullamore RV £186 increased to £285.

In 1994 First Appeal the valuation was reduced to £2,300 as follows:-

U.D. Tullamore RV £1,871 reduced to £1,540

R.D. Tullamore RV £605 reduced to £520

R.D. Tullamore RV £285 reduced to £240.

It is against this total rateable valuation of £2,300 that appeals lie to the Tribunal.

4. Mr. Donnelly made the following comments in relation to the subject property:-
- (1) The property is a large plain industrial building located on the periphery of a provincial town in the midlands.
 - (2) The site of the property backs onto the Srah Industrial Estate in which there are a number of prestigious industrial facilities located. Sherwood Medical Limited and Isotron Ireland Limited to name two.

Mr. Donnelly referred the Tribunal to two other sister factory premises built by Burlington Industries - Klopman International Limited, Tralee, Co. Kerry and Atlantic Mills Limited, Clondra, Co. Longford. Mr. Donnelly said that while these were built to very similar standard there was a difference in size between the factories. Mr. Donnelly set out the following figures in relation to these premises:-

- (1) **Klopman International Limited**
Area 432,298 sq.ft. agreed at £1.15 per square foot.
- (2) **Atlantic Mills Limited**
Factory area 301,198 sq.ft. at £1.23 per square foot.

5. Mr. Donnelly using the above figures set out his estimate of the net annual value and rateable valuation of the subject premises as follows:-

"Offices	5,000 sq.ft.	@ £2.00 psf =	£ 10,000
Factory	216,170 sq.ft.	@ £1.20 psf =	<u>£259,404</u>
			£269,404
		@ .5%	= £1,347
		Plant Agreed =	<u>£ 105</u>
		Total =	£1,452

Say = £1,450

Apportioned between the three lots as follows:-

Lot 1B.2.23B.33C.34B.35B.37B, Townland: Srah, UD Tullamore	-	RV£970
Lot 19B, Townland: Ballyduff	-	RV£330
Lot 4, Townland: Ballydrohid	-	RV£150"

Mr. Donnelly gave two other comparisons in support of his assessment.

6. In supplementary oral submission Mr. Donnelly made the following contentions:-
- (a) The comparisons relied upon by Mr. Oakes are to be distinguished by virtue of the fact that they were built to meet the requirements necessary for the manufacture of medical and chemical products.
 - (b) The subject property on the other hand is used for the weaving of cotton thread for the manufacture of denim fabric. The building is of basic construction and specification and cannot be considered similar in any way to the Sherwood Plant.
 - (c) The subject property is one of three similarly sized factories built in the late 1970's by Burlington Industries. The other buildings are in Tralee, Co. Kerry and Clondra, Co. Longford and these buildings are presently occupied by Klopman and Atlantic Mills Limited respectively. Both of these properties have been subject to recent revision for rating purposes and regard should be had to these assessments in arriving at the valuation of the subject property.
7. Mr. Tom Flanagan having taken the oath told the Tribunal that he was a property developer active in the Tullamore area. Over the past several years he had developed some 60 units in size ranging from 1,500 square feet to 20,000 square feet. In his opinion there was a very limited demand for buildings of the size of the subject property and if available on the market it would be extremely difficult to let.

In his opinion the likely rental value would be in the order of £1.35 to £1.40 per square foot compared with £2.50 per square foot which was attainable for units of 3,000 square feet or thereabouts.

Mr. Flanagan in reference to the Sherwood factory said that this could not be compared with the subject due to the differences in specification and finish. Under questioning from Mr. Oakes he agreed that he had arrived at this opinion on the basis of a somewhat cursory inspection of the Sherwood building.

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

"Factory/Warehouse/Canteen	216,170ft ²	
Office	5,000ft ²	@ £2.00 per ft ² = £442,340
RV @ 0.5%	£2,211	
Add Rateable Plant	<u>£ 105</u> (agreed)	
	£2,316	Say £2,300

Apportioned between the three lots as follows:-

U.D. Tullamore	£1,540
R.D. Tullamore (Ballyduff)	£ 520
R.D. Tullamore (Ballydrohid)	<u>£ 240</u>
Total	£2,300"

Mr. Oakes also gave details of two comparisons, Sherwood Medical Industries and Isotron Ireland Limited which are summarised below:-

- (1) **Sherwood Medical Industries.**

Lot No. 22AaBD.26AB.30B, Townland: Srah, U.D. Tullamore, Co. Offaly.

Factory including offices, canteen and store 200,554ft² @ £2.25.

(2) **Isotron Ireland Limited.**

Lot No. 23C, Townland: Srah, U.D. Tullamore, Co. Offaly.

Agreed on 1994/3 First Appeal.

Factory 33,972ft² @ £2.25

9. Mr. Oakes further contended as follows:-

- (a) The specification of the subject property was not as basic as that stated by Mr. Donnelly.
- (b) The Sherwood factory was close by, of a similar size and had its valuation revised on the same date as the subject property. Under these circumstances the valuation attributable to the factory could not be ignored.
- (c) In arriving at his opinion of value he had made an adjustment to reflect the difference in the specification of the two buildings.

10. The Tribunal has carefully considered all the evidence and arguments adduced and makes the following findings:-

1. By any criteria the subject property is a large manufacturing facility and in a town of Tullamore the demand for a factory of this size is limited.
2. Of all the comparisons introduced the Tribunal finds the Sherwood premises to be the most relevant.
3. Generally speaking evidence of comparisons located a distance from the subject hereditament is of limited assistance. Little weight is attached to this evidence other than in exceptional circumstances which do not pertain in this instance. Nonetheless regard has been given to the evidence in relation to the assessments of Klopman and the Atlantic Mills premises in Clondra.
4. Whilst the most relevant comparison is the assessment of the Sherwood premises some adjustment must be made to reflect the somewhat higher

specification and finish which was acknowledged by both valuers in their evidence.

5. Making the best judgement it can the Tribunal considers a reduction of 50p per square foot on the overall rate applied to the Sherwood premises to be appropriate.
6. Mr. Oakes in his evidence values the subject property at an overall rate per square foot and likewise he devalues the Sherwood premises in a similar manner. Mr. Donnelly on the other hand applies different rates to the offices and the factory and processing areas. In this instance the Tribunal proposes to adopt the method used by Mr. Oakes and accordingly determines the rateable valuation to be £2,045 calculated as set out below:-

"Net Annual Value

Factory & Offices	221,170 sq.ft. @ £1.75psf	=	£387,975
Rateable Valuation	@ 0.5%	=	£1,940
Rateable Plant as agreed		=	<u>£ 105</u>
			£2,045"

7. The above valuation is to be apportioned between the three lots as follows:-
 VA95/6/016 - Map Ref: 1B2.23B.33C.34B.35B.37B,
 Townland: Srah, Urban District of Tullamore - RV
 £1,370
- VA95/6/017 - Map Ref: 19B, Townland: Ballyduff,
 ED: Durrow, RD: Tullamore - RV£462
- VA95/6/018 - Map Ref: 4, Townland: Ballydrohid,
 ED: Tullamore Rural, RD: Tullamore -

RV£213

