

Appeal No. VA97/5/004

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

Moyglare Holdings Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Warehouse at Map Ref: 2C, Townland: Ballybricken, ED Carrigaline, RD: Cork Lower,
Co. Cork

Quantum - Valuation of central access area

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Anita Geraghty - Solicitor

Member

George McDonnell - F.C.A.

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 14TH DAY OF JULY, 1998

By Notice of Appeal dated the 8th day of August 1997 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,265 on the above described hereditament.

The grounds of appeal as set out in the said Notice are:-

- "(i) The valuation is excessive and inequitable
- (ii) The valuation is bad in law."

The relevant valuation history is that the property was first valued in 1996/4 at £1,265. Pursuant to an appeal the Commissioner of Valuation made no change in the rateable valuation. The decision of the Commissioner was issued on 7th July 1997.

A written submission prepared by Mr. Desmond Killen FRICS, FSCS, IRRV a fellow of the Society of Chartered Surveyors in the Republic of Ireland and a director of Donal O’Buachalla & Company Ltd., on behalf of the appellant was received by the Tribunal on 17th February 1998. Mr. Killen has 35 years experience as a valuer.

Mr. Killen’s written submission stated that the rateable valuation for the subject premises should be £970. The written submission contained details of three comparisons each of which had been the subject of a Tribunal decision, Moyglare Holdings Limited premises in Dublin VA96/4/018, Unigrain International VA92/6/028 and VA92/6/038 and R. and H. Hall VA92/3/001; the latter two are local comparisons.

A written submission prepared by Mr. Peter Conroy, a district valuer in the Valuation Office, on behalf of the Respondent was received by the Tribunal on 17th February 1998. Mr. Conroy’s written submission contained the same two local comparisons referred to by Mr. Killen, namely R. and H. Hall Ltd. and Unigrain International Ltd.

The premises have the following areas which are agreed between the parties;

Office	864 sq.ft.
Warehouse	100,038 sq.ft.
Weighbridge	

Arising from the written submissions there is no dispute between the parties as to the valuation of the offices and there is only an insignificant difference as to the valuation of the weighbridge.

The crucial difference between the parties is in the valuation of the warehouse. Mr. Killen's written submission values this at £1.90 p.s.f. whereas Mr. Conroy's written submission has a value of £2.50 p.s.f.

Additionally in Mr. Killen's written submission there is a reference to what he calls the central access area within the warehouse building. This comprises 38,933 sq.ft., that is 39% of the total covered area.

The appeal proceeded by way of an oral hearing which took place in the District Court Office, Angelsea Street, Cork on the 4th day of March 1998. The Appellant was represented by Mr. Desmond M. Killen. The Respondent was represented by Mr. Peter Conroy. Mr. Ronan Fitzpatrick, owner and Managing Director of the Appellant Company also gave evidence. Having taken the oath both Valuers adopted as their evidence in chief their respective written submissions.

In his sworn testimony Mr. Killen referred to the central access area in the warehouse and how this contributed to the loss of usable space in the warehouse. This arose because goods for storage had to be conveyed through this central access area and deposited to either side of it in storage areas.

Mr. Killen also referred to the two local comparisons in his written submission. In Unigrain there was no internal access area in the warehouse but it did not have a conveyor loading system. In the case of R and H Hall Ltd. again there was no central access area but it did have a conveyor loading system operating in the warehouse. The difference in valuation between these two warehouses was £0.50, being £2.50 in the former and £3.00 in the latter.

In his sworn testimony Mr. Ronan Fitzpatrick gave details of the restrictive covenants which affected the usage of the premises. These covenants were contained in the copy lease of the subject premises which had been received by the Tribunal on 17th February 1998. Mr. Fitzpatrick also gave evidence that the premises complied with high environmental standards in preventing pollution of the neighbourhood.

In cross examination by Mr. Conroy it was put to Mr. Fitzpatrick that the neighbouring warehouses had to operate under similar restrictive covenants as the subject premises.

In his sworn testimony Mr. Conroy adverted to the Dublin Moyglare decision VA96/4/018 and his interpretation of that decision was that local comparisons were most appropriate in arriving at a valuation. He further stated for that reason he was advancing the two local comparisons of R. and H. Hall and Unigrain International Limited. In this case there were in effect two storage buildings divided by a central access area. For that reason R. and H. Hall and Unigrain International were good comparisons because while both were considerably smaller in area than the total gross area of the subject premises they are comparable when the subject premises is looked at as two buildings of approximately equal size.

This Tribunal has considered the written submissions and the evidence produced both by the Appellant and Respondent and it determines as follows:

Firstly, the Tribunal considers that the approach to this case adopted in what is called the Dublin Moyglare case (VA96/4/018) should be used as guidance in reference to the central access area which has formed an important part of the matters in contention in this appeal. The Tribunal has decided that it will follow the approach adopted in that case in that the central access area should be subsumed into the overall valuation of the subject hereditament. However, the Tribunal considers when arriving at a valuation that local comparisons are of primary guidance. Therefore the Tribunal believes that in this particular case, the most appropriate valuation is the Unigrain premises. In this case there is no dispute about the offices and the weighbridge. Therefore the only issue in contention is the warehouse. Taking the figure of £2.50 in the Unigrain warehouse, the Tribunal has adopted that valuation as a starting point. The subject premises is a new modern facility, and it operates to high environmental standards. On the positive side this is an enhancing aspect to the subject hereditament. On the negative side there is a lack of availability of the central access area for storage, amounting to 39% of the subject hereditament and this has not been disputed in the evidence before the Tribunal. This negative factor which would effect a hypothetical tenant

must be taken into account. The Tribunal has decided that some allowance must also be given for quantum.

Accordingly, the Tribunal has decided to put a valuation of £2.14 on the warehouse premises as follows:

Warehouse	100,038 sq.ft. @ £2.14 =	£214,081.32
Offices (agreed)	864 sq.ft. @ £3.00 =	£ 2,592.00
Weighbridge (agreed)		£ 1,000.00

NAV £217,673.32 @ 0.5% = £1,088.36. Say £1,088

Therefore the Tribunal determines the rateable valuation on the subject premises to be £1,088.