

Appeal No. VA97/6/003

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

Aircell Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory and land at Map Reference 18A.19.32B, Townland: Lough Gowna, ED: Scrabby,
RD: Mullaghoran, Co. Cavan

Quantum - Correct method of valuation for boilers

B E F O R E

Liam McKechnie - Senior Counsel

Chairman

Barry Smyth - FRICS.FSCS

Member

Finian Brannigan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 27TH DAY OF OCTOBER, 1999

By Notice of Appeal dated the 30th September 1997 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £320 on the above described hereditament.

The Grounds of Appeal, as set out in the Notice thereof are that;

- "1. The valuation is excessive and inequitable.
2. The valuation is bad in law".

1. This appeal, heard in the Court House in Cavan, proceeded by way of an oral hearing at which Mr. Alan McMillan ASCS ARICS MIAVI of Donal O’Buachalla & Company Limited appeared on behalf of Aircell Ltd. with Mr. Raymond Sweeney, a Valuer in the Valuation Office appearing on behalf of the Commissioner. Having exchanged their written précis and having submitted the same to this Tribunal, both valuers, having taken the oath adopted their said précis as being and as constituting their evidence in chief. This evidence was supplemented by additional evidence obtained either directly or via cross-examination. Submissions then followed. From the above, the following essential facts emerged as being both material and relevant to the issues, the subject matter of this appeal;
2.
 - (a) The hereditament above mentioned, which is a detached factory premises, is used essentially in the manufacture of polystyrene. It can be described as comprising a main factory section, some office accommodation, a warehouse portion and also some ancillary buildings.
 - (b) The main factory section is of steel portal frame construction with part concrete block walls completed with asbestos cladding to the eaves and under insulated corrugated asbestos sheeted roof. Floors are of concrete and this building has a sprinkler system. The eaves height is about 11 to 12 feet.
 - (c) The office portion, which is to the front, is of rough cast concrete block walls with an unsophisticated finish.
 - (d) The detached warehouse is a twin-bay steel portal framed structure with a concrete floor. Walls are of unrendered concrete block construction to a height of about five feet, thereafter to the eaves, these are sheeted in uninsulated metal cladding. The roof is finished with insulated corrugated asbestos sheeting. The eaves height is about 16 to 17 feet.

- (e) Adjoining this warehouse is a steel frame lean-to store roofed and clad in corrugated iron. Finally to the rear of the factory there is a variety of plant and utility structures of unrendered concrete block construction with mainly monopitched corrugated iron sheeted roofs.
3. The property in question is located in the townland of Lough Gowna, just on the outskirts of the village of Gowna. It is about 14 miles from Cavan town and is close to the Cavan/Longford border. It has adequate road frontage with two access points therefrom. There is reasonable circulation within its surfaced yard for large vehicles. The rear of the site slopes downwards to a small lake known as Swan Lake.
4. The agreed accommodation areas are as follows;
- | | | |
|-------|---|---------------------|
| (i) | Offices | 1,725 sq.ft. |
| (ii) | Factory | 19,580 sq.ft |
| (iii) | Warehouse (including lean to extension) | 12,660 sq.ft. |
| (iv) | Ancillary buildings | <u>1,940 sq.ft.</u> |
| | | 35,905 sq.ft. |
5. In 1975 the property as it then was had a rateable valuation of £140 placed thereon. Following its rebuilding that sum was increased to £158 in 1980, this following a successful appeal to the circuit court. In 1995 the subject property was listed for revision in order to value extensions. The revising valuer placed £390 thereon. Subsequent to negotiations between the rating consultant and the appeal valuer, the Commissioner, at first appeal, reduced this figure to £320. Being still dissatisfied with this amount the appellant company through its consultants has now appealed to this Tribunal.
6. On behalf of the Commissioner of Valuation, Mr. Sweeney suggests that the following N.A.V. and thus R.V. should be placed on and is appropriate to the various elements constituting the rateable hereditament in question. His figures are as follows;

Office	1,725 sq.ft. @ £2.50
Warehouse	12,660 sq.ft. @ £2.00
Factory/ancillary buildings	21,520 sq.ft. @ £1.60

This gives a total N.A.V. of £64,064 which when the agreed fraction of 0.5% is applied gives the resulting R.V. of £320.

7. On behalf of the appellant company Mr. McMillan makes no distinction between the various components of the subject property and suggests that a figure of £0.85 p.s.f. should be placed on the total of the floor area namely 35,905 sq.ft. This gives an N.A.V. of £30,519. He adds to that for motive power a sum of £750 and for a boiler the sum of £455. Both of these items come to £1,205. There is thus a total N.A.V. of £31,724 which when converted gives a suggested R.V. of £160, half that of the Commissioner's figure. Mr. McMillan indicated that the figure for horsepower should have been £0.05 and not £0.025 as stated in the written precis and that his figure would require a small adjustment as a result.

8. This appeal was one of three appeals held on the same day involving the same rating consultant in each case. The other two were *Cavan MacLellan Ltd. – VA97/6/004* and *Boxmore Plastics Limited – VA97/6/005*. This Tribunal has earlier issued judgment in the case of Cavan MacLellan Ltd. Reference thereto should be made. In particular that judgment is relevant to this appeal in at least two respects, firstly both the appeal valuer and the rating consultant referred to and relied upon identical comparisons as they did in the subject case and secondly the issue as to the correct manner in which boilers should be valued was also dealt with and commented upon. Accordingly it is unnecessary, for the purposes of this determination, to repeat in any detail the arguments advanced and the conclusions reached under either of these headings and therefore the following are the only additional comments required for the purposes of giving judgment in this the instant appeal.

9. As will be evident from the recital of the evidence above mentioned, the Commissioner of Valuation did not purport to place any separate valuation on the items of plant referred to by Mr. McMillan. These items, in addition to motive power and a boiler with an output of 10,000 lbs/hour also include a vertical tank of unknown capacity described as being in very poor condition. This latter item was not separately valued by the rating consultant, but as indicated previously, a separate N.A.V. on both the motive power and the boiler was so placed. By reason of the approach adopted by the appeal valuer nothing in our view turns on any of these individual items of plant. The tank has been disregarded by both. There is and can be no issue on motive power. Since no individual figure was placed on the boiler by Mr. Sweeney we propose to adopt that as suggested by Mr. McMillan. Our comments, in the Cavan MacLellan Ltd. case, however dealing with this item of plant, would apply equally here if these were relevant.

10. For ease of reference we have set forth in Appendix I the comparisons produced on behalf of the Commissioner and in Appendix II Mr. McMillan's comparisons. Our comments, on both the appropriateness and applicability of these comparisons as given in the MacLellan judgment, apply equally in this case.

11. In summary therefore we are satisfied that comparison number seven in the appellant's list being comparison number one in the appeal valuers list, is the most appropriate comparison for the purposes of the subject property. On 65,500 sq.ft. overall, which includes 7,250 sq.ft. offices, there is a rate of £1.40 p.s.f. placed thereon and this following a decision of the Valuation Tribunal in 1992.

12. In Cavan MacLellan Limited case, mentioned above, this Tribunal has placed an overall rate of £1.30 p.s.f. on a total area of 76,340 sq.ft. which included an office portion of 4,656 sq.ft. We are satisfied that the subject property is inferior to that of the premises last mentioned but is of course less than half of its size. The Aircell property in terms of appearance, would seem, from the photographs furnished, to be, perhaps somewhat more

akin to the property of Flair International Ltd. In our opinion a rate of £1.30 p.s.f. should be placed on the entire accommodation of 35,905 sq.ft.

That gives an N.A.V. of £46,676.50 @ 0.5% = R.V. £233.38

Add: Motive Power 150 hp @ £0.05/hp = R.V. £7.50

Boiler £7,000 @ 6.5% @ 0.5% = R.V. £2.28

Total = £243.16

Say = £243.00 R.V.

Marie,

Could I ask you kindly to proof read the above. Could I also ask you to check whether or not in Cavan MacLellan we added to the N.A.V. on the buildings the motive power and boiler value placed on these items by Alan McMillan. What I mean is. On the overall area on this case, we have as I have said an N.A.V. of £46,676.50. McMillan for motive power and boiler has a total N.A.V. of £12.05. We would be inclined to add this figure if it is not inconsistent with what we did in Cavan MacLellan. If we add the £12.05 it gives a total N.A.V. of £47,881.50 which equals £239.40 R.V. Say £240. The final point on this note is to remind me to refer to comparison No. 3 of Alan McMillan which obviously supports a figure of £1.30 but given my views on where the tone of the list should start and stop I am not certain whether we should in fact refer to this comparison at all.

In conclusion really we can consider dates for delivery of this. There is very little tidy up.

Mr. McMillan amended his figures for hp

