

Appeal No. VA97/6/008

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

Drinagh Co-Op Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory, stores and land at Map Ref: 8Cab.8H, Townland: Toughbaun, ED: Drinagh, RD: Skibbereen, Co. Cork
Quantum

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Rita Tynan - Solicitor

Member

George McDonnell - F.C.A.

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 16TH DAY OF SEPTEMBER, 1998

By Notice of Appeal dated the 2nd day of October 1997 the Appellant Company appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £570 on the above described hereditament.

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

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

Valuation History

The subject premises was revised in May 1997 when the R.V. of £510 was increased to £580. At first appeal in September 1997 the valuation was reduced to £570, apportioned as to £455 (buildings) and £115 (miscellaneous).

The written submission prepared by Ms. Sheelagh O’Buachalla, B.A., an associate of the Society of Chartered Surveyors and a director of Donal O’Buachalla & Co. Ltd. was received by the Tribunal on 28 May 1998, and proposed an R.V. of £370 on the subject premises.

A written submission prepared by Mr. Frank O’Connor, District Valuer with eighteen years experience in the Valuation Office, was received by the Tribunal on 17 February ‘98.

The Property

The property comprises a complex of buildings containing a supermarket, administrative offices, mill, stores and workshops located to the south west of Drinagh village, 11 miles from Skibbereen and 10 miles from Dunmanway. The agreed areas are as follows :

<u>Description</u>	<u>Sq. Ft.</u>
Shop and Shop Store	4,735
Loft Store over Shop	2,704
Offices	4,741
Mill/Feed Store	23,614
Creamery/Store	8,583
Good Quality Workshops	7,822
Poor Quality Workshops	<u>24,082</u>
	<u>76,281</u>

In addition, the following miscellaneous areas have been agreed at a total R.V. of £115 :

Petrol and Diesel Tanks

Grain Bins

Water Tank

Weighbridge Pit

Boilers

2 Skim Milk Tanks (total capacity of 40,000 gallons)

400 Horsepower

The appeal proceeded by way of an oral hearing which took place at the District Court Offices, Anglesea St., Cork on 11 June 1998. The Appellant was represented by Ms. Sheelagh O’Buachalla, with the Respondent represented by Mr. Frank O’Connor. In accordance with the rules of the Tribunal and following established practice the parties had, prior to the hearing, exchanged their written submissions. At the oral hearing both valuers, having taken the oath, adopted their written submissions respectively as their evidence-in-chief. Ms. O’Buachalla was accompanied by Mr. Tom Ryan, Financial Controller of Drinagh Co-Op.

Ms. O’Buachalla’s Evidence

Ms. O’Buachalla gave details of her estimate of N. A.V./R.V., as follows :

<u>Description</u>	<u>Area (Sq.Ft.)</u>	<u>Rate p.s.ft.</u>	<u>Total</u>
		£	£
Offices	4,741	2.00	9,482
Creamery	8,583	0.70	6,008
Mill	7,463	1.00	7,463
Feed Store	16,151	0.80	12,920
Drier	3,142	0.70	2,200
Old Shop/Office area	1,500	2.00	3,000
New Shop	2,853	2.25	6,419
Store	382	1.00	382

Loft/Lean-to-Shed	5,359	0.20	1,071
Workshops/Garage	26,107	Nominal	2,000
	-----		-----
	76,281	N.A.V. =	50,945
	-----		-----
		@ 0.5%	255
		Add : miscellaneous items	115

		Total R.V.	£370
			=====

Ms. O’Buachalla submitted that as Drinagh Co-Op now owns 39% of Carbery Milk products, little milk processing takes place on the Drinagh Co-Op site and the Creamery buildings are used for the production of a reducing volume of butter. She explained that the amount of milk used for making butter has declined over the past ten years from 20 million gallons in 1987 to 10 million gallons in 1997. Due to the downsizing of the operation, part of the buildings are surplus to requirements. While the shop area was extended and part refurbished for health regulation purposes, it has only succeeded in retaining its existing business. However as the facility is partly viewed in terms of providing a service to the community, closure of same would be strongly resisted at local level.

Mr. Tom Ryan (Financial Controller of Drinagh Co-Op) explained that the subject property is located in an area of declining population and if the facility was to be viewed as a stand alone operation, it would not be economically viable to continue in business. He explained that the Co-Op is now basically a collector of milk for Carbery Milk Products and is no longer a significant manufacturer of butter. As comparative evidence, Ms. O’Buachalla submitted valuations in respect of Spillane’s Agricultural Services, Dairygold Co-Op Dunmanway and Bandon and Wexford Farmers Co-Op.

Mr. O’Connor on behalf of the Commissioner of Valuation, submitted details of N.A.V./R.V., as follows :

<u>Description</u>	<u>Area</u>	<u>Rate p.sq.ft.</u> £	<u>Total</u> £
Shop & Shop Store	4,735	2.50	11,837
Loft Store over Shop	2,704	0.50	1,352
Offices	4,741	2.25	10,667
Mill	23,614	1.50	35,421
Creamery/Store	8,583	1.25	10,729
Good Quality Workshop	7,822	1.25	9,777
Poor Quality Workshop	24,082	0.50	12,041
	-----		-----
	76,281	N.A.V. =	£91,824

		@ 0.5%	459
		Add : miscellaneous items	115

		Total R.V.	£574

		<u>Say</u>	<u>£570</u>

While Mr. O'Connor, in his submission accepted that some of the buildings date back to the 1950's and are in poor condition (particularly the stores and workshop located across the road from the main complex), nevertheless he contended the majority of the buildings are in reasonable order and recent additions include an extension to the supermarket and offices. The shop and offices are of concrete block or rubble and masonry construction with pitched roof and flat asphalt roof respectively. The other buildings are industrial in nature and their construction varies from concrete walls with steel deck roofs to corrugated iron sheds which are the poorest of the buildings. In order to substantiate the valuation, Mr. O'Connor submitted comparative evidence in respect of Boherbue Co-Op, Dairygold Ltd. (Lombardstown) and Newmarket Co-Op.

Findings and Determination

The Tribunal has considered the written submissions and the evidence adduced and matters raised at the oral hearing by both the Appellant and the Respondent. Both parties have relied

substantially on comparative evidence as the basis for their valuations and the Tribunal has had regard to same.

While the Tribunal accepts that the property is in a remote area, we consider that the premises are functional and note that recent additions included extensions to the supermarket and office areas. With regard to the comparative evidence provided by the Appellant, a number of the valuations were not directly comparable to the subject property. In the case of Spillane's Agricultural Services, the business was mainly involved in the sale of fertilisers. With regard to the two comparisons with Dairygold Co-Op, the areas were substantially less than the subject property. The fourth comparison was with the Wexford Farmers Co-Op. The nature of this business did not compare directly and was geographically well removed from the subject.

As regards the comparisons provided by the Valuation Office, the Tribunal finds the comparison with Newmarket Co-Op the most appropriate. However some allowance must be granted in respect of the subject property, given that Newmarket Co-Op is located near a large town and in a relatively strong agricultural area. The size of the first two comparisons provided by Mr. O'Connor are substantially smaller than the subject and in the case of Dairygold Ltd. (Lombardstown), the main activity is the processing of feed.

There is agreement between both parties on the R.V. of the miscellaneous areas and no adjustment has been made to same. In the circumstances and in the light of the evidence provided, the Tribunal determines the R.V. of the subject property at £540 calculated as follows :

Description	Area (sq.ft.)	Rate p.sq. ft.	Total
	£	£	£
Loft Store over Shop	2,704	0.50	1,352

Offices	4,741	2.25	10,667
Mill/Feed Store	23,614	1.25	29,518
Creamery/Store } Good Quality Workshop }	16,405	1.25	20,506
Poor Quality workshop	24,082	0.50	12,041
	-----		-----
	76,281	N.A.V. =	85,448
	-----		-----
		@ 0.5%	427
Add : miscellaneous items (as agreed)			115

		Total R.V.	£542

		Say	£540
