

Appeal No. VA97/6/045

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

Eddie O'Connell

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Warehouse at Lot No. 2Y/1, Townland: Ballytrasna, ED: Caherlag, RD: Cork Upper Co.
Cork

Quantum - Appropriate comparisons

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Barry Smyth - FRICS.FSCS

Member

George McDonnell - F.C.A.

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF MARCH, 1999

By Notice of Appeal dated the 17th day of October 1997 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £121.00 on the above described hereditament.

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

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

The Appeal proceeded by way of an oral hearing that took place at the Cork County Council Offices, County Hall, Victoria Cross, Cork on the 10th day of February '99. The Appellant was represented by Ms. Sheelagh O'Buachalla BA ARICS ASCS, a director of Donal O'Buachalla & Company Limited and the Respondent was represented by Mr. Terry Dineen, a District Valuer in the Valuation Office with 23 years rating experience. Mr. Bosco Creed, Warehouse Manager with the appellant company, also gave evidence to the Tribunal on behalf of the appellant. 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. From the evidence so tendered the following facts either agreed or so found were considered by the Tribunal to be relevant to this appeal.

The Property

The subject premises is located in a new industrial estate known as, OC Commercial Park, which is at the entrance to Sitecast Industrial Estate, Little Island, Cork. Little Island lies approx. 6 km. East of Cork City, just off the M25 Cork/Waterford road and East of its junction with the N.8, Dublin road.

The property consists of an end-of-terrace warehouse unit without offices. It is a modern purpose-built warehouse facility with single bay steel portal frame, concrete floor and insulated steel deck roof. There is a large front roller shutter door (4.8m. x 4.8m.) for vehicle access together with a separate door for pedestrian access. Eaves height is approx. 22 ft. To the front of the property is a large tarmac yard held in common and used for vehicular access. The area of the premises was agreed between the parties at 10,744 sq.ft.

Valuation History

The subject premises was valued for the first time in May '97 when the R.V. was fixed at £125. On first appeal, this valuation was reduced from an R.V. of £125 to an R.V. of £121.

Submissions of the Parties

Ms. O’Buachalla amended her estimate of rateable valuation to reflect a revised area of 10,744 sq. ft., by substituting an N.A.V. of £21,488 and a revised R.V. of £107, which she contended was a fair rateable valuation for the subject.

Ms. O’Buachalla put forward a schedule of four comparisons for consideration. These consisted of three warehouse properties within the OC Commercial Park but located across the road from the subject. The other comparison was Unit No. 2, which is located adjacent to the subject property. Ms. O’Buachalla explained that at time of revision only two warehouse units within that Estate were constructed, the other eight units being built subsequently. Unit No. 1 is the subject property while Unit No. 2 (the other unit in place at time of revision) is adjacent thereto and in the Appellant’s opinion is the most appropriate comparison. This consists of a warehouse facility of 10,094 sq.ft. and office space of 1,453 sq.ft. The R.V. fixed on this property at first Appeal in ‘97/2 was £125.

Mr. Bosco Creed (Warehouse Manager for the Appellant Company), also gave evidence and stated that the rent on the subject property was an open-market amount negotiated at arms-length which represented the very maximum the landlord could obtain from the tenant.

Mr. Dineen, on behalf of the Commissioner of Valuation, put forward four properties as comparisons. All of these were within the O.C. Commercial Park and related to Unit No.’s 2, 7, 8 and 9. He produced a summary of comparisons, which in his opinion, supported his contention that the rent passing on the subject premises did not reflect a fair open-market value. He provided the following schedule :

| <u>Unit No.</u> | <u>Date</u> | <u>Warehouse Rent As Analysed</u> |
|-----------------|-------------|---------------------------------------|
| 2 | 3/97 | 3.25 |
| 7 | 4/97 | 3.15 |
| 8 | 5/97 | 2.80 |
| 9 | 9/97 | 3.75 |
| Subject | 3/97 | 1.65 |

In Mr. Dineen's opinion, there is a discontinuity and lack of logic to the rent on the subject premises with that of the other units mentioned. Mr. Dineen explained that the landlord (Mr. Eddie O'Connell) had a large transport company as well as extensive warehousing interests in the Cork area and in his opinion, it was likely there was an intertwining of these interests and hence the reason for the relatively low rent in the subject case.

He stated that the subject was superior to the older factories/warehouses in Little Island as it was of more recent construction meeting modern standards interalia fire regulations, good access and circulation room in front, no asbestos, clear span and good access door.

However, as his main comparison, Mr. Dineen put forward the I.W.T. Unit across the road from the subject. This property was constructed in 1978 and is leased from 1/97 at £17,930 p.a. It consists of office space of 2,165 sq.ft. (£3.40 p.sq.ft.) and warehouse space of 4,633 sq.ft. (£2.30 p.sq.ft.).

The R.V. was fixed on the above by the Tribunal at £2.00 p.sq.ft. Mr. Dineen produced a further schedule analysing the 1997 rent for the warehouse section only (as there is no office space in the subject). On the I.W.T. unit he put forward an amount of £2.30 sq.ft. (while the average for

units 2, 7, 8 and 9 of the O.C. Commercial Park was £3.25 p.sq.ft.). Taking 1988 N.A.V.s, these produced amounts of £2.00 p.sq.ft. for the I.W.T. unit and £2.25 p.sq.ft. on average for units 2, 7, 8 and 9. He also mentioned that the I.W.T. unit has a corrugated asbestos roof, which is considered inferior to the corrugated steel of the subject. He explained the subject had an eaves height of 22 ft. which is approx. 4 ft. higher than Units 2 or 3 and approx. 8 ft. higher than Unit 4 within the same Estate.

Findings and Determination

The Tribunal has considered the submissions and the evidence submitted 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.

The Tribunal considers that it must first look at comparison No. 1, offered by Ms. O’Buachalla, which would prima facie seem to be the most appropriate comparison (unit no. 2 of the O.C. Commercial Park). However in considering this comparison, the Tribunal is mindful that there were no offices in the building at the revision stage. The offices had not been constructed at the time of inspection by the revising valuer. However when the revision valuation lists were issued, the offices had been constructed. The Tribunal considers that in the circumstances it cannot rely on this comparison exclusively.

The Tribunal considers that the best and the most appropriate comparisons are in the adjoining properties within the O.C. Commercial Park which include the subject property. In addition, the Tribunal has looked at the comparison offered by Mr. Dineen in respect of I.W.T. Ltd. The Tribunal has taken into account the fact that the passing rent on the other units mentioned within the Estate are greater than the passing rent in I.W.T. Ltd. In the latter case, the passing rent was shown to be around £2.30 p.sq.ft. and the Tribunal determined in that instance an N.A.V. of £2.00 p.sq. ft.

The Tribunal therefore considers that it is reasonable to put a higher figure on the subject of £2.25 p.sq.ft. and it affirms the decision of the Commission of Valuation in placing an R.V. of £121 on the subject hereditament.

