

Appeal No. VA98/3/008

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

Dromone Engineering Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory at Map Reference 22Aa, Townland: Gortloney, ED: Crosskeys, RD: Oldcastle,
County Meath

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Ann Hargaden - FRICS.FSCS

Member

Marie Connellan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 8TH DAY OF JUNE, 2000

By Notice of Appeal dated the 23rd day of July 1998 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £110 on the above described hereditament.

The Grounds of the Appeal as set out in the Notice of Appeal are that "the rateable valuation is excessive and inequitable and bad in law"

The appeal proceeded by way of an oral hearing which took place on the Monday the 21st day of June, 1999 at the Tribunal Offices in Dublin. Mr. Alan McMillan ASCS ARICS MIAVI, a Director of GVA Donal O'Buachalla & Co Limited appeared on behalf of the appellant. Mr. Desmond Doyle, B. Comm, an Appeal Valuer in the Valuation Office appeared on behalf of the Commissioner of Valuation.

In accordance with the practice and as required by the rules of this Tribunal the parties had prior to commencement of the hearing exchanged their précis of evidence and submitted same to the Tribunal. Having taken the oath, Mr. McMillan adopted as his evidence in chief his précis subject to amendment of the area to include a basic office section comprising a portion of the lower sheds with adjusted estimate of rateable valuation of £83.

Material facts agreed or found by the Tribunal

1. This property is in a rural location approximately one mile from the village of Dromone, 10 kilometres south of Oldcastle and 90 kilometres north east of Dublin.
2. The agreed floor area is 2897 sq. m. (31,185 sq. ft.) comprising a series of buildings on a sloping site and on different floor levels incorporating the following:
 - 1) A two story building consisting of administrative offices containing 2,739 sq. ft. converted from a workshop in reasonably good condition having been re-roofed with new windows and central heating;
 - 2) Basic office block consisting of 900 sq. ft. in poor condition;
 - 3) Workshops comprising lower and middle sheds consisting of a number of buildings of mainly agricultural type construction on different levels containing 18,859 sq. ft.;
 - 4) Top sheds or rear stores which are old hay barn type sheds in a yard to the rear of the factory/workshops on a significantly higher level accessed by a steep sloping concrete paved service road with an area of 8,687 sq. ft.
3. It was accepted the buildings are of a piecemeal nature and are lacking unity.
4. It was agreed that the service road which is made of paved concrete is steep but usable.
5. It was further agreed that the top sheds or rear stores are of little use and limited value.

The Appellant's Case

At the outset Mr. Alan McMillan described the buildings, the area and the location as a rural area on the Meath/Westmeath border. It was his view that the buildings exhibited functional obsolescence because of their age, condition and location and particularly because they were developed in a piecemeal fashion and the use thereof was restricted. He pointed out that a new modern factory premises was located on an adjoining level site which meant that the subject buildings were partially disused and for the most part under-utilised. He considered that as a single hereditament its availability to let was not attractive because of its lack of unity. He also considered the size of the offices as too large relative to the operation. He referred to his comparisons and indicated that rental evidence is scarce because of lack of rural tenants but that capital values were somewhat more in evidence and would indicate values of £2 to £2.50 per sq. ft. He considered comparison No. 5 (Dennis Brady) as similar to the subject in that it comprises a series of basic old workshops formerly old farm buildings partially used for engineering works, but it is more remote than the subject and is all on one level and has a superior layout. In his opinion a reasonable estimate of RV is as follows:

Office:	2,739 sq. ft.	@	£1.50p	=	£4,108
Poor Offices:	900 sq. ft.	@	£ 1.00p	=	£900
Lower Sheds:	8,931 sq. ft.	@	£ 0.50p	=	£4,465
Middle Sheds:	9,928 sq. ft.	@	£ 0.40p	=	£3,971
Top Sheds:	8,687 sq. ft.	@	£ 0.35p	=	£3,040
			NAV	=	£16,484
			RV @ 0.5%	=	£82.42
			Say £83		

On cross-examination he confirmed that the subject is used in conjunction with the new factory adjoining and the offices serve the new factory and are utilised. He agreed his comparison No. 4 (Baillieborough Foundry) consists of very poor buildings with very rough internal floors but would not agree that they were semi-derelict or that the buildings in this comparison were inferior to the subject. He further agreed that comparison No. 5 (Denis Brady) is somewhat

similar to the subject but more remote and has one singular advantage in that all buildings are on a level site and can be accessed from each other and operate as a single unit unlike the subject.

Respondent's Case

Mr. Des Doyle for the respondent having taken the oath adopted his précis as his evidence in chief. He did not disagree that the buildings are fragmented and stated that he had made allowance for this in determining the valuation. He referred to his comparisons which are in the general vicinity. Comparison No.1 (P. Carney Ltd) is about five miles from the subject and reflects buildings which are quite poor. Comparison No. 2 (Oliver Gibney Ironworks Ltd.) manufactures agricultural implements and is only two miles from the subject. The offices in this property are not as good as the subject. He further confirmed that within the subject the offices referred to as Block 4 were poor and were only used to some extent.

In cross examination Mr. Doyle was asked if he considered the subject somewhat unusual in that it is located on a series of sloping terraces. He accepted that it was not on one level and that he had taken this factor into account. He agreed that the adjoining property was a large new modern factory and devalued at £1.25p per sq. ft. He did not agree the amount of office space 2,730 sq. ft. was somewhat incongruous in the context of the subject. He agreed that the service road from the middle to the top sheds is steep but not unworkable. He accepted comparison No.1 (P. Carney Ltd) was a more normal layout and not terraced and had a better sense of unity than the subject. Regarding comparison No. 2 (Oliver Gibney Ironworks Ltd.) he accepted that the buildings were in the main better than the subject and on a level site. When questioned as to the convenience of the subject from a letting point of view Mr. Doyle accepted that the buildings were disjointed but said that they served their purpose.

Submissions

Mr. Doyle stated that taking into account the location and layout of the buildings he considered comparison No. 5 (Denis Brady) as the most relevant one. Mr. McMillan submitted that in determining the RV the subject must be capable of being let as a single unit in November 1988

and is quite unsuitable as such. He also considered comparison No. 5 (Denis Brady) as relevant but not strictly comparable to the subject as it is on a level site.

Determination

The Tribunal has taken into account all the material facts which are agreed and found as set out heretofore, and in particular, the location, the uneven level of the site, the fragmented nature of the buildings, their condition and usage.

The Tribunal has had regard to the comparative evidence adduced and considers comparison No. 5 (Denis Brady) as the most relevant one. The Tribunal therefore determines that the subject property, by virtue of its buildings, area, location and topographical features and other characteristics, should have a rateable valuation of £90 calculated as set out hereunder;-

Offices:	2,739 sq. ft. @ £1.50p	=	£4,108.50
Poor offices:	900 sq. ft. @ £1.00p	=	£900.00
Workshops (lower sheds and middle sheds)			
	18,859 sq. ft. @ £0.50p	=	£9,429.5
Rear stores/ Top sheds			
	8,687 sq. ft. @ £0.40p	=	<u>£3,474.80</u>
			£17,912.80
	£17,912.80 @ 0.5% = £89.56		
	Say £90		