

Appeal No: VA19/5/1045, VA19/5/1037, VA19/5/1043, VA19/5/1052, VA19/5/1272

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**NA hACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

Crossvale Management

APPELLANT

and

Commissioner of Valuation

RESPONDENT

In relation to the valuation of

Property No's. 5019379, 2194608, 1281334, 5019376, 1281337 Warehouse/Warerooms at
Coes Road Industrial Estate Dundalk Co Louth

B E F O R E

Majella Twomey - BL

Deputy Chairperson

Gerard O'Callaghan - MRICS, MSCSI

Member

Peter Stapleton - FSCSI, FRICS, Dip Arb

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 12th DAY OF APRIL, 2023

1. THE APPEAL

1.1 By Notice of Appeal received on the 14th day of October, 2019 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value '(the NAV)' of the above relevant Properties were fixed in the sums of €16,220, €133,100, €91,800, €79,500 & €92,700.

1.2 The sole ground of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 19 (5) of the Act because :

"The valuation is excessive for the following reasons;

- i. The Commissioner of Valuation does not have appeared to have taken into account the rental levels achieved for individual units in this old industrial complex.*

- ii. *The area of the property is incorrect and,*
- iii. *The valuation levels are excessive in comparison to the tone of the list.”*

1.3 The Appellant considers that the valuations of the Properties ought to have been determined in the sums as set out in the table below;

Unit No.	Property No.	Tribunal Ref	Rateable Valuation
1	2194608	VA 19/5/1037	€209,600
2	1281337	VA19/5/1272	€60,000
6	5019376	VA19/5/1052	€40,000
7	1281334	VA19/5/1043	€40,000
8	5019379	VA19/5/1045	€6,000

2. REVALUATION HISTORY

2.1 On the 15th day of March, 2019 copies of valuation certificates proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Properties were sent to the Appellant.

2.2 Being dissatisfied with the valuations proposed, representations were made to the valuation manager in relation to the valuations. Following consideration of those representations, the valuation of the Properties was amended with final certs issued with the following valuations;

Unit No.	Property No.	Rateable Valuation
1	2194608	€133,100
2	1281337	€92,700
6	5019376	€79,500
7	1281334	€91,800
8	5019379	€16,220

2.3 The date by reference to which the value of the properties, the subject of these appeals, was determined is the 15th day of September, 2017.

3. THE HEARING

3.1 The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 12th day of October, 2022. At the hearing the Appellant was represented by Mr. Martin O'Donnell FRICS, FSCSI of CBRE and the Respondent was represented by Ms. Tanya Vasileva of the Valuation Office.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. FACTS

From the evidence adduced by the parties, the Tribunal finds the following facts.

4.1 The subject properties form part of the former United Beverage Facility which were subdivided for letting purposes when the original occupier ceased to trade from the facility.

4.2 The subject properties of this Judgement are all sub divisions of the original main warehouse.

4.3 The buildings are steel frame buildings with double skin insulated panel roofs and external block walls. The units are subdivided internally with concrete block walls.

4.4 The subject properties are located off the eastern bypass in Coes Road Industrial Estate, circa 2.5km east of Dundalk town center and 5km from the M1 motorway.

4.5 The floor areas have been agreed as follows;

Unit No.	Property No.	Tribunal Ref	Ground M²	Mezz M²	Total M²
1	2194608	VA 19/5/1037	5726.8	243.54	5970.34
2	1281337	VA19/5/1272	2034+ 69		2103.23
6	5019376	VA19/5/1052	933.13		933.13
7	1281334	VA19/5/1043	2283.81	14.8 (office)	2298.61

8	5019379	VA19/5/1045	413.24		413.34
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5. ISSUES

In determining these Appeals the Tribunal is required to decide whether the Rateable Valuations, as set in the table below, determined by the Commissioner of Valuation for the relevant date of September 15th, 2017 have been shown to be excessive and if so by how much.

Unit No.	Property No.	Tribunal Ref	Rateable Valuation
1	2194608	VA 19/5/1037	€133,100
2	1281337	VA19/5/1272	€92,700
6	5019376	VA19/5/1052	€79,500
7	1281334	VA19/5/1043	€91,800
8	5019379	VA19/5/1045	€16,220

6. RELEVANT STATUTORY PROVISIONS:

6.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably be expected to let from year to year, on the assumption that the probable annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

7. APPELLANT'S CASE

7.1 Mr. Martin O'Donnell of CBRE set out the case for the Appellant, Crossvale Management Ltd.

7.2 Mr. O'Donnell provided background information on the properties that were originally developed in the late 1960's, early 1970's as a manufacturing and bottling plant for United Beverages. United Beverages ceased operations at the facility in 2005 and the plant was subsequently sub divided for letting purposes.

7.3 The buildings are of steel frame construction with PVC double skin insulated panel roofs. The units are subdivided internally by concrete block walls. Externally, the buildings are clad in a mixture of rendered block walls and PVC coated cladding.

7.4 Mr. O'Donnell stated that the Coes Industrial Estate in which the subject properties are located is a predominantly industrial area and the location does not benefit from significant visibility or passing trade.

7.5 Mr. O'Donnell stated that the Coes Road Industrial Estate was approximately 50% vacant at the Valuation date and that the industrial estate experienced high vacancy rates since it was sub divided for letting purposes circa 2006.

7.6 In the opinion of Mr. O'Donnell, the Commissioner failed to take appropriate account of the passing rents and the high vacancy rates when undertaking their assessment of NAV's for the subject units. Units 1 and 8 were vacant at the valuation date and Units 2,6 and 7 were all rented for significantly less than the NAV per square meter of €41 to €50 placed on the subject properties by the Commissioner. Please see Appendix 1 (N/A to the public) for schedule of rental details of the various units in Coes Road Industrial Estate

7.7 Mr. O'Donnell cited three NAV comparisons. Comparison no.1 was Unit 5 Coes Industrial Estate (PN 2194610) which was determined by the Valuation Tribunal (Appeal ref. VA19/5/1061) whereby a Rateable Valuation of €25,000 or €45 per square meter was set. Mr. O'Donnell stated that this unit was a workshop extending to circa 553 sq.m, which was significantly more lettable and valuable than the subject properties due to its size, being a

detached unit with access from 2 sides and also having the benefit of ancillary yard with extensive parking and circulation space.

7.8 Comparison no.2 was Unit 27 North Link Business Park, Coes Road East, Dundalk (PN 2188850) which is located a short distance from the subject properties but with the benefit of a good profile on Coes Road at the entrance to North link Business Park. This was a modern warehouse/ showroom unit with extensive glazing and high quality cladding system. The showroom here had been assessed at €60 per square meter and the storage areas at €50. Mr. O'Donnell stated that his proposed valuation at €36 per sq.m for the subject properties was reasonable and proportionate when compared to this comparison which was a superior purpose-built property in a more high profile location with the benefit of extensive carparking.

7.9 Comparison No.3 was Old Stable, Blackthorn Business Park, Coes Road, Dundalk (PN 5019308). This property is also located on the Old Coes Road north of Coes Industrial Estate. Mr. O'Donnell stated that the property was a modern warehouse currently occupied by a tyre retailer which was of superior construction to the subject properties and benefitted from a higher profile location onto Coes Road. This property was assessed at €55 per square meter which according to Appellant supported the proposed valuation of €36 per square meter for the subject properties.

8. RESPONDENT'S CASE

8.1 Ms. Tanya Vasileva of the Valuation Office presented the case for the Commissioner of Valuation.

8.2 Ms. Vasileva described the subject properties single storey warehouses with some mezzanine storage. The units are constructed with concrete block walls and single skin cladding.

8.3 Ms. Vasileva outlined two key rental transactions which supported the valuation applied by the Commissioner. Details set out in Appendix 1 (N/A to the public).The first is located in Greenhills Business Park in Drogheda. This was a modern warehouse premises which had Net Effective Rent of €32 per square meter and was assessed by the Commissioner at €50 per square meter. The premises was a large warehouse with cold storage section with ancillary offices on two floors. Ms. Vasileva stated that the unit had been assessed as a modern unit in

an industrial estate with size range between 1001 m² to 3000 m² and that the adopted level per square meter adopted by the Commissioner for this category is €50 per square meter. Ms. Vasileva stated that the level of €45 per square meter was appropriate adjustment for the subject property given its age when compared to this KRT.

Ms. Vasileva second KRT comparable was an older warehouse situated in Greenhills Industrial Estate located circa 2km from Drogheda Town Center. This property was assessed at €45 per square meter and was similar to the subject properties in being an older property.

No representations or appeals on the Rateable Valuations were made on both the KRT's.

8.4 In support of the Valuation applied to the subject properties, Ms. Vasileva set out 12 NAV comparisons of which 1 to 4 inclusive were relevant to the subject property Unit 1 and NAV comparisons 5-8 inclusive relevant for subject properties Units 2,6 and 7. NAV comparisons 9-12 are cited as comparisons for the subject, Unit 8.

The NAV comparisons are set out in the table below.

	Property No.	Description	Location	Valuation	NAV SQ.M
1	1282739	Older industrial unit with workshop use.	Coes Road Industrial Estate, Dundalk, Co. Louth.	€90,900	€45
2	2198270	Older industrial unit with warehouse use.	Drogheda Industrial Estate, Drogheda, Co. Louth.	€71,800	€45
3	1281352	Older industrial unit with warehouse use.	Coes Road Industrial Estate, Dundalk, Co. Louth.	€54,700	€45
4	1281372	Older industrial unit with warehouse use.	Coes Road Industrial Estate, Dundalk, Co. Louth.	€110,400	€45
5	1281324	Older industrial unit with factory use.	Coes Road Industrial Estate, Dundalk, Co. Louth.	€133,600	€41
6	1281354	Older industrial unit with factory use.	Aiken Business Park, Dundalk, Co. Louth.	€197,600	€41
7	1282726	Modern industrial unit with factory use.	Ardee Road, Dundalk, Co. Louth.	€245,000	€45
8	1281522	Modern industrial unit with factory use.	Finnabair Industrial Estate, Dundalk, Co. Louth.	€317,000	€45
9	1281325	Older industrial unit with workshop use.	Coes Road Industrial Estate, Dundalk, Co. Louth.	€16,640	€50
10	1281376	Older industrial unit with store use.	North Link Business Park, Dundalk, Co. Louth	€11,520	€50
11	2107545	Modern industrial unit with warehouse use.	Coes Road Industrial Estate, Dundalk, Co. Louth.	€39,000	€55
12	1278699	Older industrial unit with warehouse use.	Drogheda Industrial Estate, Drogheda, Co. Louth	€24,300	€50

8.5 Ms. Vasileva commented on the Appellant's Comparison No.1 which was adjudicated by the Valuation Tribunal in Appeal No.VA19/5/1061. The property was described as being of basic specification, single skin asbestos roof and lacking profile. Ms. Vasileva also stated the Appellant's Comparison No.1 was significantly smaller than the subject properties.

8.6 Ms. Vasileva summed up by stating that the levels adapted by the Commissioner were appropriate for the age, size and condition of the subject properties and were supported by the relevant NAV's and KRT's cited.

9. SUBMISSIONS

9.1 There were no Legal submissions by either party.

10. FINDINGS AND CONCLUSIONS

10.1 On this appeal the Tribunal has to determine the value of the subject Properties so as to achieve, insofar as is reasonably practical, valuations that are correct and equitable so that the valuation of the Properties as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Louth County Council.

10.2 The Tribunal is cognisant of the fact that the subject properties were a subdivision of a former large bottling plant and distribution centre and were therefore different in nature and specification to the properties proposed as comparisons by both parties. The numerous comparisons cited were generally all purpose-built or stand-alone properties that were occupied in the same format and size as originally constructed and not sub-divided as was the case with the subject properties. The possible exception was the Respondents KRT 2 which had a Net Effective Rent of €38.80 and was situated in a superior location in Greenhills Industrial Estate in Drogheda. The Tribunal accepts the evidence of the Appellant that the nature of the properties being a subdivision of larger industrial premises places them at a disadvantage for letting purposes when compared to purpose-built or stand-alone properties.

10.3 The Tribunal finds that the high rate of vacancy in the Coes Road Industrial Estate and amongst the subject properties was supportive of the Appellant's case in appealing against the levels set by the Commissioner. Three of the five subject properties were vacant on the date of

the hearing, and it was stated that there was a high rate of vacancy since United Beverage ceased operation and the subject properties were subdivided.

10.4 Similarly, the Tribunal is of the opinion that the Rental evidence for the subject properties set out by the Appellant, which showed rents ranging from €29.03 to €32.84 per square meter, was supportive of the Appellant's case, notwithstanding that Mr. O'Donnell was unable to confirm the passing rent of Unit 7, which was recently reviewed.

10.5 The Tribunal accepted the Appellant's Comparison no.1, Unit 5 Coes Industrial Estate (PN 2194610) as determined by the Valuation Tribunal (Appeal ref. VA19/5/1061), whereby a Rateable Valuation of €25,000 or €45 per square meter was set, was a more lettable property than the subject properties, being a detached unit with the benefit of ancillary yard.

10.6 The Tribunal considered that the Comparisons provided by the Commissioner were generally superior to the subject properties as they were originally constructed, in their present form or that they were of superior specification or location than the subject properties.

10.7 In seeking to achieve correctness of value for the subject properties in Coes Road Industrial Estate, the Tribunal has given due regard to the anomalous and individual characteristics of the subject properties and value each individually making allowances for the quantum of the subject properties size.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the subject Properties as stated in the Valuation Certificates as follows;

Unit 1- PN 2194608

Floor	Use	SQ.M	€/ SQ.M	NAV
Ground Floor	Warehouse	5726.8	€36	€206,164.80
Mezzanine	Office	243.54	€16.40	€3994.06
			Total	€210,158.86

Rounded say €210,000

Unit 2 – PN 1281337 – VA/19/5/1272

Floor	Use	SQ.M	€/ SQ.M	NAV
Ground Floor	Warehouse	2034.28	€36	€73,234.08
Portacabin	Office	69	€18	€1242
			Total	€74,476.08

Rounded say €75,000

Unit 6 – PN 5019376 - VA19/5/1052

Floor	Use	SQ.M	€/ SQ.M	NAV
Ground Floor	Warehouse	933.13	€38	€35,458.94
			Total	€35,458.94

Rounded say €35,500

Unit 7 – PN 1281334 - VA19/5/1043

Floor	Use	SQ.M	€/ SQ.M	NAV
Ground Floor	Warehouse	2283.81	€36	€82,217.16
Ground Floor	Office	14.8	€45	€666
			Total	€82,883.16

Rounded say €83,000

Unit 8 – PN 5019379 - VA19/5/1045

Floor	Use	SQ.M	€/ SQ.M	NAV
Ground Floor	Warehouse	413.43	€40	€16,537.20
			Total	€16,537.20

Rounded say €16,500

And the Tribunal so determines.