

Appeal No: VA23/5/0994

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

ARAN BIOMEDICAL TEORANTA

APPELLANT

and

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 5026889, Office(s) at Gteic Building, Udaras na Gaeltachta, Ionad Gnó na bhForbacha, Furbo, County Galway.

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 3RD DAY OF JUNE, 2025**

BEFORE

Mema Byrne – BL

Member

1. THE APPEAL

1.1 By Notice of Appeal received on the 18th day of October, 2023 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value ‘(the NAV’) of the above relevant Property was fixed in the sum of €21,800.

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: “ *In the section regarding the valuation calculation, a breakdown of the different areas of the site are listed (e.g. between cleanroom areas, laboratory areas and store areas) areas). Our appeal is on the basis that the stated floor areas are correct but the rates applied differ for the same types of space and also the rates are up to 350% higher for the exact same area-type in another building we utilise. I am not clear who*

are how these figures were developed we have valuation certificates for a nearby facility which also has a cleanroom and the rate clearly states €34 per m². This building has two cleanrooms (one cleanroom is referred to as a laboratory but it is still a cleanroom) yet these two areas are not valued at €34 per m² but at €120 per m² and €60 per m² whereas all other cleanrooms appear to be valued at just €34 per m². In addition, we have a store area in a nearby building for which the certificate received states a valuation of €17 per m² but this building on this certificate also has a store area but is it not valued at €17 per m² but at an increased rate of €60 per m². (This is a higher rate for a store room in this building than the rate for a cleanroom in another one of our buildings).

In the section regarding the valuation calculation, a breakdown of the different areas of the site are listed (e.g. between cleanroom areas, laboratory areas and store areas) areas). Our appeal is on the basis that the stated floor areas are correct but the rates applied differ for the same types of space and also the rates are up to 350% higher for the exact same area-type in another building we utilise. I am not clear who are how these figures were developed we have valuation certificates for a nearby facility which also has a cleanroom and the rate clearly states €34 per m². This building has two cleanrooms (one cleanroom is referred to as a laboratory but it is still a cleanroom) yet these two areas are not valued at €34 per m² but at €120 per m² and €60 per m² whereas all other cleanrooms appear to be valued at just €34 per m². In addition, we have a store area in a nearby building for which the certificate received states a valuation of €17 per m² but this building on this certificate also has a store area but is it not valued at €17 per m² but at an increased rate of €60 per m². (This is a higher rate for a store room in this building than the rate for a cleanroom in another one of our buildings)."

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of **€7,753.70**.

2. RE-VALUATION HISTORY

2.1 On the 25th day of May, 2023 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 ("the Act") in relation to the Property was sent to the Appellant indicating a valuation of **€21,800**.

2.2 A Final Valuation Certificate issued on the 15th day of September, 2023 stating a valuation of €21,800.

2.3 The date by reference to which the value of the Property, the subject of this appeal, was determined is 1st day of February, 2022.

3. DOCUMENT BASED APPEAL

3.1 The Tribunal considered it appropriate that this appeal be determined on the basis of documents without the need for an oral hearing and, on the agreement of the parties, the Chairperson assigned the appeal to one member of the Tribunal for determination.

3.2 In accordance with the Tribunal's directions, the parties exchanged their respective summaries of evidence and submitted them to the Tribunal.

4. FACTS

4.1 No facts were agreed between the Parties as the appeals was decided as a document based appeal.

4.2 The Property is located in Na Forbacha Business Centre, Na Forbacha, Co. Galway. Na Forbacha is located between Bearna and Spiddle on the R336 road between Galway City and Connemara Gaeltacht. It is only 12km from Galway City. The Property is in the Forbacha Business Park.

4.3 The Appellant holds the Property under a 10 year lease which commenced on the 5 August 2022 and is paying €33,670 per annum in rent. There is a break clause in year 5 in the lease. The Property comprises of part of a ground floor of a two-storey office building in the Business Centre. The Property incorporates laboratory space, cleanrooms, office space and stores.

4.4 The Appellant designs and develops coated implant devices for procedures for many different areas of the body, the business requires the use of cleanrooms.

4.5 The cleanroom areas in blocks 9 and 12 used for building clean prototypes devises. Blocks 13 & 14 are gowning rooms which are often referred to as anterooms. The rooms are normally divided into dirty and clean side. The laboratory in blocks 5 – 8 are equipped with laboratory equipment for mixing and testing unique coating solutions before application onto different devices.

- 4.6 The floor areas of the property were agreed with Kieron Moloney, Senior Manager with Aran Biomedical Teoranta on the 25th January 2025 as follows:

Clean Room	94.08 m2
Laboratory	105.82 m2
Store	56.30 m2
Plant	14.03 m2
Total	256.20 m2

5. ISSUES

- 5.1 Whether the valuation of the Property is a determination that accords with that required to be achieved by section 19 (5) of the Valuation Act, 2001 which provides:

“ The valuation list as referred to in this section shall be drawn up and compiled by reference to relevant market data and other relevant data available on or before the date of issue of the valuation certificates concerned, and shall achieve both (insofar as is reasonably practicable)—

(a) correctness of value, and

(b) equity and uniformity of value between properties on that valuation list,

and so that (as regards the matters referred to in paragraph (b)) the value of each property on that valuation list is relative to the value of other properties comparable to that property on that valuation list in the rating authority area concerned or, if no such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area”.

- 5.2 The Tribunal must decide whether the Appellant has discharged the onus of proof in showing that the Valuation Certificate of indicating a valuation of €21,800 is incorrect.

6. RELEVANT STATUTORY PROVISIONS:

- 6.1 Whether the valuation of the Property is a determination that accords with that required to be achieved by section 19 (5) of the Valuation Act, 2001 which provides:

“ The valuation list as referred to in this section shall be drawn up and compiled by reference to relevant market data and other relevant data available on or before the date of issue of the valuation certificates concerned, and shall achieve both (insofar as is reasonably practicable)—

(a) correctness of value, and

(b) equity and uniformity of value between properties on that valuation list, and so that (as regards the matters referred to in paragraph (b)) the value of each property on that valuation list is relative to the value of other properties comparable to that property on that valuation list in the rating authority area concerned or, if no such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area.

- 6.2 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.”

- 6.3 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 The Appellant is a medical device manufacturer with cleanroom, laboratory-areas and warehousing spaces being a key element of their building designs. The Appellant is appealing the valuation given on the basis that the stated floor areas at the Property are correct but the rates applied differ from rates applied to a second building that they occupy, that is not the subject of the appeal.

- 7.2 The Appellant submits that the Property is the exact same as another property it occupies (“PN1119153”), which is 5 mins away, and performs the same medical device manufacturing function. Effectively the Appellant is using PN1119153 as a comparator.
- 7.3 The Appellant submitted that the cleanroom in PN1119153, is valued at €34 per m2.
- 7.4 The Property has two cleanrooms (one cleanroom is referred to as a laboratory but it is a cleanroom) one is valued at €120 per m2 and one valued at €60 per m2, which is more than PN1119153 which is valued at €34 per m2.
- 7.5 The store area in the subject property is valued at a rate of €60/sqm and in PN1119153 the store areas are valued at a rate of €17/sqm.

8. RESPONDENT’S CASE

- 8.1 The Respondent submitted that the Property is in a Business Park and bench marked and valued to similar type properties.
- 8.2 The property is linked to Tier 5 – All other Towns and Villages, Office Business Park Type 34 and valued therefore valued @ €60/sqm.
- 8.3 The Respondent submitted that the specification and costs associated with cleanroom space is reflected in the level applied which in the case of the Property is per €120 m2. The inherent value of the Property is reflected in the passing rent currently being paid by the occupier.
- 8.4 In relation to Property PN1119153, the Respondent submitted that it is categorised as industrial and linked to Tier 4 - Industrial units in all other towns and villages, which are modern industrial units located outside an Industrial Estate and measuring between 1001 - 3000sqm and valued @ €17 per m2. The cleanroom space in Property PN1119153 has been valued at twice the prevailing industrial level, in this case €34/sqm.
- 8.5 The Respondent submitted that the Appellant provided a copy of their current lease agreement which was signed on the 4th of August 2022 which is 6 months after the valuation date of the 1st of February 2022. The lease provides for a rent of €33,670 p.a, a 10 year term, and a break option in favour of the Appellant in year 5. It was submitted that the letting is to an open market letting between a willing landlord and willing tenant.

- 8.6 The Respondent submitted that the Property is linked to Tier 5 – All other Towns and Villages, Type 34- Office Business Park, which is valued @ €60/sqm, with cleanroom space valued at €120/sqm, twice the prevailing office business park rate.
- 8.7 The Respondent submitted that the evidence provided by the Appellant as a comparator for the appeal is for PN1119153, which is a property which is categorised as industrial and linked to Tier 4 - Industrial units in all other towns and villages, which are modern industrial units located outside an Industrial Estate and measuring between 1001 - 3000sqm and valued @ €17/sqm. The cleanrooms in this property are valued at €34/sqm which is twice the prevailing industrial level.
- 8.8 The Respondent submitted that the Appellant is comparing properties that are not categorised the same, one classified as “office business park” and other classified as “industrial”.
- 8.9 The Respondent provided comparators:

Comparator 1:

Property Number: 1111981

Address: Furbogh, Co. Galway.

Total Floor Area 3284 sq.m (Office Space)

NAV per m2: €60

NAV: €197,000

Commentary on NAV Comparison 1:

1. These are just basic office properties. The subject property has been fitted out to a much higher specification with laboratory space with specifically fitted cleanrooms which are classified by the International Standards Organisation (ISO) Class 8 which warrant a higher rate per sq metre.

Comparator 2:

Property Number: 1111982

Address: Furbogh, Co. Galway,

Total Floor Area 187.42 sq.m (Office Space)

NAV per m2: €60

NAV: €11,240

Commentary on NAV Comparator 2:

These are just basic office properties. The subject property has been fitted out to a much higher specification with laboratory space with specifically fitted cleanrooms which are classified by the International Standards Organisation (ISO) Class 8 which warrant a higher rate per sq metre.

Comparator 3

Property Number: 1112009

Address: Furbogh, Co. Galway, H91NHT4.

Total Floor Area 420.75sq.m (Office Space)

NAV per m2: €60

NAV € 25,200

Commentary on NAV Comparator 3

These are just basic office properties. The subject property has been fitted out to a much higher specification with laboratory space with specifically fitted cleanrooms which are classified by the International Standards Organisation (ISO) Class 8 which warrant a higher rate per sq metre.

- 8.10 The Respondent submitted that the cleanrooms in the Property have a much higher specification, and are therefore valued at double the rate per sq metre than the rate applied to standard office accommodation in the business park.

9. FINDINGS AND CONCLUSIONS

- 9.1 On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the Property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Galway County Council.
- 9.2 That the onus of proof is on the Appellant to prove that the NAV is incorrect.
- 9.3 That the Appellant failed to discharge the onus of proof.
- 9.4 In using a comparator that is classified industrial and linked to Tier 4 - Industrial units in all other towns and villages, which are modern industrial units located outside an Industrial Estate and measuring between 1001 - 3000sqm the Appellant did not

compare like with like, as the Property is classified Tier 5 – All other Towns and Villages, Type 34- Office Business Park, which is valued @ €60/sqm.

- 9.5 It is accepted that cleanroom spaces are of high specification and would attract a higher rent than office space as is evidenced by the lease entered into by the Appellant in respect of the Property which was entered into within 6 months of the valuation date.
- 9.6 The Appellant's comparator PN1119153, did show that cleanroom spaces are valued at double the valuation of office spaces due to their high specification, supporting the contention of the Respondent that cleanroom spaces are valued at double that of office spaces.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal disallows the appeal and confirms the decision of the Respondent.

RIGHT OF APPEAL:

In accordance with section 39 of the Valuation Act 2001 any party who is dissatisfied with the Tribunal's determination as being erroneous in point of law may declare such dissatisfaction and require the Tribunal to state and sign a case for the opinion of the High Court

This right of appeal may be exercised only if a party makes a declaration of dissatisfaction in writing to the Tribunal so that it is received within 21 days from the date of the Tribunal's Determination and having declared dissatisfaction, by notice in writing addressed to the Chairperson of the Tribunal within 28 days from the date of the said Determination, requires the Tribunal to state and sign a case for the opinion of the High Court thereon within 3 months from the date of receipt of such notice.