

Appeal No. VA11/4/024

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Ballingly Joinery 2000 Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2009239 Office(s), Store, Workshop, Yard at Lot No. 4D, Rock of Ballingly, Harristown, Wexford, County Wexford.

B E F O R E

Maurice Ahern - Valuer, IPAV

Deputy Chairperson

Mairead Hughes - Hotelier

Member

Thomas Collins - PC, FIPAV, NAEA, MCEI, CFO

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 28TH DAY OF JUNE, 2012

By Notice of Appeal dated the 29th day of December, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €736 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal are:

"On the basis that the RV as assessed is excessive and inequitable and not in keeping with the established tone for comparable properties already in the list." "The main workshops (original section) are very basic single skin structures and this has not been reflected. Greater allowances need to be made for the size and quality of the building together with their rural location."

The appeal proceeded by way of oral hearing held in the offices of the Valuation Tribunal, 3rd Floor, Holbrook House, Holles Street, Dublin 2 on the 16th day of April 2012. At the hearing the appellant was represented by Mr. Eamonn S. Halpin BSc (Surveying) ASCS, MRICS, MIAVI. The respondent was represented by Ms. Fidelma Malone BSc (Hons) Estate Management, MIAVI.

In accordance with the Rules of the Tribunal, the parties had exchanged their respective précis of evidence prior to the commencement of the hearing and submitted same to this Tribunal. At the oral hearing, both parties, having taken the oath, adopted their précis as being their evidence-in-chief. This evidence was supplemented by additional evidence given either directly at the hearing or via cross-examination. From the evidence so tendered, the following emerged as being the facts relevant and material to these appeals.

At Issue

Quantum.

The Property

The subject property is a joinery facility. The facility was built piecemeal from *circa* 1981 to *circa* 2007/2008. The property consists of a two-storey office building, workshop and stores. The original offices and timber stores were extended over time and a modern workshop built which were valued at a 2002 revision. The property was further extended in 2007/2008 consisting of a rear extension to an existing workshop and a small open store.

Location

The property is located at Ballingly, County Wexford. This is a rural townland, 3.5 km from Wellingtonbridge and *circa* 22 km from Wexford Town.

Tenure

It is believed that the property is held freehold.

Floor Areas

The subject property was measured on a Gross External Area (GEA) basis. The agreed areas are as follows:

Office Ground & 1 st Floor (2002 Revision)	793.11 sq. metres
Stores (2002 Revision)	97.58 sq. metres
Workshops/Timber Stores (2002 Revision)	2,417.20 sq. metres
Yard (2002 Revision)	3,700 sq. metres
Workshop ht 5.4m (extension built 07/08)	1438.78 sq. metres
Workshop ht 4.8m (extension built 07/08)	79.80 sq. metres
Store (built 07/08)	29.20 sq. metres

The subject property floor areas were agreed between the parties.

Valuation History

- 2002 – Rateable Valuation (RV) €300
- 2006 – No material change of circumstances
- 4th April 2011 – Draft Certificate for the subject issued with a valuation of €41
- 3rd May 2011 – Representations received by the Commissioner of Valuation
- 10th May 2011 – Final Certificate issued for the subject with a valuation of €740
- 10th June 2011 – Appeal submitted to the Commissioner of Valuation
- 8th December 2011 – The Appeal Officer reduced the valuation to €736. This was due to a reduction in the areas. Valuation levels remained unchanged
- 29th December 2011 – Appeal lodged with the Valuation Tribunal

Appellant's Case

Mr. Halpin adopted his précis as evidence-in-chief, with two amendments. One amendment was in respect of the area of the ground floor offices of the subject property. The second amendment was that the RV being contended for by the appellant is €349 and not €335, as stated in his précis. Mr Halpin then commenced his evidence. He stated that the subject property is located in a rural area, was developed over many years in a piecemeal fashion and that there are no other commercial activities in the immediate area. The original workshops on the site are, he said, of very modest structure being constructed in the main of iron post and single skin corrugated iron on the walls and roof. The modern workshop addition is of a higher quality but, he stated, a hypothetical tenant would have to take the property in its

entirety and its overall size reduces its relative attractiveness and hence its relative value. He further stated that the levels suggested by the Commissioner for the subject property are at variance with the broad tone of the list for comparable properties in County Wexford. Mr. Halpin believed that a significant quantum allowance would be required in terms of the local market.

Mr. Halpin contended for the following valuation of the subject property:

Estimated NAV of 1988 Basis:

Offices	391 sq. metres @ €22 per sq. metre	=	€ 8,602
(ground floor – reduced headroom)			
Porch	11.10 sq. metres @ €20.50 per metre	=	€ 228
Offices (First Floor)	391 sq. metres @ €27.34 per sq. metre	=	€10,690
Old single skin Workshops (4-4.5m eaves – Corrugated Iron – Blocks 6-9)	1,511.95 sq. metres @ €13.67 per sq. metre	=	€20,668
Workshops (+ Block 10)	905.25 sq. metres @ €17.08 per sq. metre	=	€15,461
New Workshop (New – 4.8m eaves)	1,518.58 sq. metres @ €17.08 per sq. metre	=	€25,937
Outside Stores (low eaves)	66 sq. metres @ €10.25 per sq. metre	=	€ 676
ESB	31.58 sq. metres @		Nil
Disused Wood Burner Bldg	29.2 sq. metres @		Nil
** Yard 3700 sq. metres	@		Nil
Total			<u>€82,262</u>
Less 15% Quantum Allowance			<u>-€12,339</u>
			€69,923

@ 0.5% = €349.62

Say, RV €349

**** Note:** No addition for Yard 3700 sq. metres, in this case due to the size of the buildings in line with the principles for yard valuation laid down in VA00/1/026 (page 4 – judgment), “We, the Tribunal, are of the view that the standard situation with industrial warehouse buildings is that a building occupies approximately fifty per cent of the site area, in other words, an equivalent amount of site value would not be valued separately. Only site areas in excess of that would be valued and we have followed that line of thinking here.”

Mr. Halpin put forward 12 comparisons and commented on them as follows:

1. Patrick Slye Property No: 2008282 RV: €79.99

Workshops 645.67 sq. metres @ €13.67 per sq. metre

Stores 267.5 sq. metres @ €3.41 - €10.25 per sq. metre

Offices 32.98 sq. metres @ €27.34 per sq. metre

The property is a joinery workshop complex in a rural area about 12 km from Enniscorthy.

2. Tom Doyle Supplies Ltd. Property No: 2185991 RV: €162 (2011)

Warehouse Block C 645 sq. metres @ €13.66 per sq. metre

Warehouse Block D 666 sq. metres @ €13.66 per sq. metre

Warehouse Block E 740 sq. metres @ €13.66 per sq. metre

Warehouse Block F 244 sq. metres @ €13.66 per sq. metre

Yard 555 sq. metres @ €1.37 per sq. metre

Oil Store 17.04 sq. metres @ €6.83 per sq. metre

These units are located 5 km north of Camolin in a similar rural location to that of the subject.

3. F & M Whelan Engineering Property No: 2009249 RV: €325
(2006 1st Appeal)

Workshops 776 sq. metres @ €17.05 and €13.67 per sq. metre

Offices 80 sq. metres @ €27.33 per sq. metre

Shop @ €41 per sq. metre

Yard @ €35

This property is in a similar type rural location but not as remote. The RV was reduced to €260 in 2009.

4. O' Leary Transport Property No: 2200247 RV: €235
(VA10/1/029)

Offices 346.04 sq. metres @ €30.75 per sq. metre

Workshop 1,370 sq. metres @ €25 per sq. metre

Wash house 15.2 sq. metres @ €20.50 per sq. metre

Loft Stores 145 sq. metres @ €6.83 per sq. metre

Hardcore Yard 1,200 sq. metres @ €0.68 per sq. metre

Concrete Yard 1,200 sq. metres @ Nil

This is a top quality industrial spec workshop and office complex built in 2008 at Marches Lower, outside New Ross.

5. Weatherglaze, Gorey

Property No: 2008378

RV: €630

(Agreed 2009 Revision)

Factory 4,534 sq. metres @ €20.50 per sq. metre

Warehouse 947sq. metres @ €20.50 per sq. metre

Offices & Showroom 446 sq. metres @ €27.34 per sq. metre

Mezzanine 213sq. metres @ €6.83 per sq. metre

These are IDA-backed factory/warehouse units which were built in the 1980s and have a modern extension. Better location for the comparable property on the outskirts of Gorey. It is a much superior construction and is at a much superior location to the subject property.

6. Kehoe Brothers

Property No: 2008358

RV: €200

(VA09/3/027)

Reception/Office 85.40 sq. metres @ €34.18 per sq. metre

Part Store and Sales 289.10 sq. metres @ €17.09 per sq. metre

Loft 76.40 sq. metres @ €3.42 per sq. metre

Workshop (New) 352.20 sq. metres @ €17.09 per sq. metre & 32 @ €8.55 per sq. metre

Yard (Old) 1,000 sq. metres @ €1.367 per sq. metre

Workshop (new & including gantry) 670 sq. metres @ €21.36 per sq. metre

Offices (new) 66 sq. metres @ €22 per sq. metre

Training/canteen 91.1 sq. metres @ €22 per sq. metre

Workshop (low) 60.4 sq. metres @ €16.87 per sq. metre

Workshop (new) 146.6 sq. metres @ €16.87 per sq. metre

Hardcore Yard (new) 5,750 sq. metres @ €0.50 per sq. metre

This comparison is a rural workshop and machinery complex about 1 mile from Camolin, recently the subject of a decision by the Tribunal.

7A. Gerry Larkin

Property No: 2007921

RV: €20.32

(1996 1st Appeal)

Workshop 242.47 sq. metres @ €17.08 per sq. metre

7B. Simon Kavenagh **Property No: 2007918** **RV: €11.43**
(1996 1st Appeal)

Workshop/store 132.85sq. metres @ €17.08 per sq. metre

7C. Roche & Cleary Ltd. **Property No: 2007920** **RV: €63.49**
(1996 1st Appeal)

Offices 35.95 sq. metres @ €27.34 per sq. metre

Stores 169.45 sq. metres @ €20.05 per sq. metre

Showroom/Store 99.31 sq. metres @ €27.34 per sq. metre

Workshop 124.58 sq. metres @ €17.08 per sq. metre

Workshop/Stores 288.36 sq. metres @ €13.67 per sq. metre

These three small workshop units were reconstructed (recladded and upgraded) at the time of the 1996 first appeal and valued separately as they were let separately at the time.

8. Stokestown Port Services **Property No: 2008935** **RV: €609.47**
(VA91/1/4 & 1991 1st Appeal)

1,995.6 sq. metres + 3,585 sq. metres @ €21.87 per sq. metre

These warehouses adjoin a private jetty and are close to New Ross. The premises were agreed prior to the Tribunal in 1991. [OR: The valuation was agreed prior to the Tribunal hearing in 1991.]

9. Units @ Gorey Business Park **Property No. Various**

Various units of 465 metres or smaller @ €20.50 per sq. metre

[These are] Modern workshop/units built since 2000 in a business park.

10. Paddy Denby Engineering, Ferns **Property No: 2008024** **RV: €60.95**
(1991 & 1999 Revisions)

Sales area & offices 141.3 sq. metres @ €27.34 per sq. metre

Workshops 393 sq. metres @ €17.08 per sq. metre

Stores 72.8 sq. metres @ €6.83 per sq. metre

Front & Side Yard 650 sq. metres @ €1.27 per sq. metre

Rear Yard 525 sq. metres @ €0.63 per sq. metre

This comparison was a former school with modern workshop additions, converted to engineering works. The property is located fronting the main Dublin to Wexford road at Ferns.

11. Wexford Co-op Mart **Property No: 2009134** **RV: €253.95**
(VA95/1/014)

Disused Stores 369.75 sq. metres @ €3.57 per sq. metre

Shop 236.62 sq. metres @ €0.75 per sq. metre

Grain Stores & workshops 2,815.22 sq. metres @ €8.57 per sq. metre

Miscellaneous Items (tanks, yard, motive power)

NAV total €15,714

The location of this complex is superior to that of the subject property being in a more populated area, close to Wexford Town.

12. Rochefreight Ireland Ltd. **Property No: 2179790** **RV: €1,035**
(VA 10/3/025)

Warehouse 7,381.40 sq. metres @ €7.34 per sq. metre

Loading Bay 690 sq. metres @ €6.83 per sq. metre

Offices 738 sq. metres @ €4.17 per sq. metre

Garages/Workshop 437 sq. metres @ €5 per sq. metre

Mezzanine 95 sq. metres @ €6.83 per sq. metre

Security Office 13.23 sq. metres @ €4.17 per sq. metre

All less 15% for quantum.

This property is a top quality warehouse and industrial complex adjoining Rosslare Harbour. A discount of 15% for quantum was granted by the Tribunal.

Cross-Examination

Prior to cross-examination of Mr. Halpin, Ms. Malone referred to the 2002 revision report in respect of the subject property. She stated that the RV calculated on the subject property was €00, but that due to an error the RV in the list for the subject property was €300. After much debate and discussion between Mr. Halpin and Ms. Malone, Mr. Halpin accepted that this had been an error. In response to questioning by Ms. Malone, Mr. Halpin accepted that apart from ageing, the buildings comprising the original subject property had not changed since 2002. Mr. Halpin would not agree with Ms. Malone when she put it to him that the valuation levels

established in 2002 for the subject property were the best evidence for the present valuation of the subject property.

The Respondent's Case

Ms. Malone took the oath and adopted her précis as her evidence-in-chief. She outlined the location, description, accommodation and floor areas of the subject property. She stated that the extension to Block 10 of the subject property was carried out in 2007/2008. She then outlined her opinion of value in respect of the subject property, as follows:

Property	Block	Sq. metres	€/sq.metre	NAV	Total NAV
Office	1,2	793.11	€41.00	€32,517.51	
Stores	3,4, 5	97.58	€27.34	€ 2,667.84	
Workshop/ Timber Stores Eaves c.5m	6,7,8,9	1,511.95	€1.26	€32,144.05	
Workshop Eaves 5.2m	10	905.25	€30.75	€7,836.43	
Yard		c.3,700	€1.36	€ 5,032.00	€100,197.29 rounded to €100,000.00
2010 additions					
Workshop Eaves 5.4m 1438.78sq.m 4.8m 79.80 sq.m.	Extension to 10 (1,2)	1518.58	€30.75	€46,696.34	
Store	11 (3)	29.2	€17.08	€ 498.74	€ 47,195.08
Total		8,555.65			€147,195.08

Rateable Valuation = Total NAV €147,195.08 x 0.5% = €735.97 say €736

Ms Malone put forward the following comparisons:

1. Subject property. Property No. 2009239 (2002 Revision)

Property	Block	Sq. metres	€sq.metre	NAV
Office	1,2	793.11	€41.00	€2,517.51
Stores	3,4, 5	97.58	€27.34	€ 2,667.84
Workshop/ Timber Stores Eaves c.5m	6,7,8,9	1,511.95	€21.26	€32,144.05
Workshop Eaves 5.2m	10	905.25	€30.75	€27,836.43
Yard		c.3,700	€1.36	€ 5,032.00
Total		7,007.89		€100,197.83

Ms. Malone stated that the RV of €300 entered on the valuation list for the subject property was due to a computation error.

2. Baku GLS Ltd, Kilrane, Rosslare Harbour, Co. Wexford. Property No. 2198733

Property	Sq. metres	€sq.metre	NAV
Offices	247.00	€41.00	€10,127.00
Warehouse (ht 8m)	1,876.10	€34.17	€64,106.34
Control Area	113.90	€6.83	€ 777.94
Loading Bay	476.80	€6.84	€3,261.31
Yard	3,480	€2.05	€ 7,134.00
Less end allowance			- €3,000.00
Total	6,193.8		€82,406.59

Rateable valuation = NAV €82,406.59 x 0.005 = €412.03 Rounded to €412

3. Goff Ltd, Kilrane, Rosslare Harbour, Co. Wexford. Property No. 2198734

Property	Sq. metres	€sq.metre	NAV
Warehouse (ht 8m)	837.24	€34.17	€28,608.49
Loading Bay	203.50	€13.67	€2,781.84
Yard			€1,500.00
Total	1,040.74		€32,890.33

Rateable valuation = NAV €32,890.33 x 0.005 = €164.45 Rounded to €164

In conclusion, Ms. Malone stated that there appeared to be no grounds to adjust the valuation levels applied to the subject property. She stated that the subject property was valued by reference to section 49(1) of the Valuation Act, 2001, the “tone of the list”. She believed that the issues raised by the appellant had been adequately reflected in her opinion of value. She believed that a rateable valuation of €736 was fair and reasonable.

Cross-Examination

Mr. Halpin questioned Ms. Malone regarding the Section 30 appeal documentation. He referred to page 6 of the Consideration of Appeal, wherein is stated that the subject property was valued by reference to section 49(1) of the Valuation Act, 2001, i.e. the “tone of the list”. Mr Halpin asked why the appellant’s comparisons had been dismissed. Ms Malone said that all comparisons had been considered. She stated further that the 2002 revision of the subject property was the most persuasive comparison. She believed that the appellant’s comparisons were not comparable to the subject property.

Findings

The Tribunal having carefully considered all the evidence and arguments produced by the parties makes the following findings:

1. The Tribunal finds the respondent’s evidence in respect of the 2002 revision of the subject property to be of particular assistance and is of the view that the ‘bolt on’ approach to the valuation of the subject property taken by the respondent is appropriate in this case.
2. However, given the increase in the size of the Block 10 Workshop arising from the extension, the Tribunal feels it is appropriate to make a quantum allowance in respect of this building. Furthermore, the Tribunal is also of the view that the remote rural location of this type of property reduces its attractiveness to the hypothetical tenant.
3. The Tribunal accepts the appellant’s evidence that stores area measuring 29.2 sq. metres is a disused wood burner building. Consequently, the Tribunal considers it appropriate to value this area at nil.

Determination

Having regard to the foregoing, the Tribunal determines the rateable valuation of the property concerned as follows:

Property	Block	Sq. metres	€per sq.metre	NAV
Office	1,2	793.11	€41.00	€32,517.51
Stores	3,4, 5	97.58	€27.34	€ 2,667.84
Workshop/ Timber Stores Eaves c.5m	6,7,8,9	1,511.95	€1.26	€32,144.05
Workshop Eaves 5.2m	10	905.25	€17.08	€15,461.67
Yard		3,700.00	€1.36	€ 5,032.00
Workshop (Eaves 5.4m 1438.78sq.m 4.8m 79.80 sq.m)	Extension to 10 (1,2)	1,518.58	€17.08	€25,937.35
Store	11 (3)	29.2	€0	€0
Total		8,555.67		€13,760.42

Total NAV = €13,760.42 x 0.5% = €68.80

RV say €69

And the Tribunal so determines.