

Appeal No. VA96/4/040

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

**Motorolla (Ireland) Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices at Map Ref: 32E.F. Townland: Ballinure, Ward: Mahon, County Borough of Cork  
Quantum

**B E F O R E**

**Mary Devins - Solicitor**

**Deputy Chairman**

**Fred Devlin - FRICS.ACI Arb.**

**Deputy Chairman**

**Michael Coghlan - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 23RD DAY OF JULY, 1997**

By Notice of Appeal dated the 28th day of August 1996 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,000 on the above described hereditament.

The ground of appeal as set out in the Notice of Appeal is that "the valuation is excessive."

**The Property:**

The property comprises a purpose built research and development facility constructed for research into mobile phones. It is located on Bessboro Road, c. 3 miles east of Cork city centre, adjacent to Mahon Industrial Estate. The main building is constructed of concrete block walls with red brick and metal deck facade with insulated metal deck roof. The windows are double glazed in aluminium, the building is air conditioned with a sprinkler system and gas fired central heating.

There are prefabricated offices attached to the main building with air conditioning. The internal accommodation comprises (agreed areas):-

Main building	30,547 sq.ft. (2,838.1 sq.m.)
Prefabricated offices	4,018 sq.ft. (373.3 sq.m.)
Tarmac car spaces	152.

**Valuation History:**

In 1990 revision an RV of £570 was fixed on the facility. No change was made to this valuation at first appeal. Arising from alterations and extensions the property was revised again in 1995 and an RV of £1,000 determined. No change was made to this figure at first appeal.

**Written Submissions:**

A written submission was received from Mr. Edward Hanafin, BSc. (Surv), ARICS, ASCS, MIAVI, Lisney, Chartered Surveyors on behalf of the Appellant.

In his written submission, Mr. Hanafin described the subject premises and gave his opinion of net annual value as follows:-

**" Opinion of Net Annual Value**

In our opinion the net annual value of the property at November 1988 is £115,000 pa.

This is calculated as follows:

<i>Description</i>	<i>Sq.ft.</i>	<i>£psf</i>	<i>Total</i>
Main building	30,547	£3.50	£106,914
Prefab cabins	4,018	£2.00	<u>£ 8,036</u>
			<u>£114,950</u> Say £115,000.

### **Rateable Valuation**

Applying the agreed fraction of 0.63% implies a rateable valuation of £724."

Mr. Hanafin said that the following points were relevant.

1. The location is predominantly a residential area.
2. The size of the building in relation to the site with restricted and congested external circulation and inadequate car parking facilities.
3. A quantum allowance should be applied in the light of the large scale of the building.

In support of his valuation, Mr. Hanafin supplied the Tribunal with five comparisons which are summarised below.

#### **1. Cork Technology Park**

Model Farm Road (Summit Technology)

Let on a 35 year lease from 1992 at a rent of £83,700 pa

Production, offices                      25,000 sq.ft. @ £3.35 psf

Superior location to the subject property.

#### **2. Lehenaghmore Industrial Estate**

Togher (Sensormatic)

Let on a 2 year lease from December 1, 1995 at a rent of £65,976 pa

Production, offices                      16,494 sq.ft. @ £3.15 psf

Superior location to the subject property.

**3. Unit at Kilbarry Industrial Estate**

Dublin Hill (Tech Source)

Let on a 35 year lease from June 1990 at a rent of £125,214 pa

*Devalues*

Ground floor	Production area, offices & service accommodation	39,738 sq.ft. @ £3 psf
First floor	Offices	2,000 sq.ft. @ £3 psf.

**4. VA92/3/029 - Moog Limited**

Ringaskiddy Co. Cork

Judgment of the Tribunal delivered 20th October 1992

RV £500. NAV £79,365

*Devalues*

Production area, offices	14,165 sq.ft. @ £3.50 psf
Warehouse, workshop	9,234 sq.ft. @ £2.25 psf
Modern production building, similar to subject.	

**5. Marina Commercial Park**

Centre Park Road (Concurrent Computers)

Subject of 1993 first appeal

RV agreed at £50 (ground floor) and £235 (first floor)

*Devalues*

Ground floor	Warehouse	4,800 sq.ft. @ £1.65 psf
First floor	Production	9,600 sq.ft. @ £2.88 psf
	Offices	3,200 sq.ft. @ £3.00 psf.

A written submission was received on the 18th day of June 1997 from Mr. Frank O'Connor, ARICS, BSc. (Surv), a District Valuer with 16 years experience in the Valuation Office.

In his written submission, Mr. O'Connor set out the grounds of appeal and a description of the subject premises. He set out the valuation history as set out above. Mr. O'Connor assessed rateable valuation on the subject premises using both the comparative method and the investment method. Mr. O'Connor's estimate of RV on these bases are set out below.

### **Method 1 - Comparative Basis**

Main building	30,547 sq.ft. @ £4.50 psf =	£137,461
Prefab offices	4,018 sq.ft. @ £3.50 psf =	£ 14,063
Car spaces	152 @ £50 each	<u>£ 7,600</u>
Total NAV		<u>£159,124</u>

NAV £159,124 @ 0.63% = £1,000 RV.

### **Method 2 - Investment/Cost Basis**

At November 1988

Site Cost £300,000 in 1989	£0.275 m
Construction cost 1989-1990 - £1.36 m x (100 ÷ 108) S.C.S. construction	£1.260 m
Construction cost 1994	£1.30 m x (100 ÷ 125) £1.040 m
Total investment = £2.96m	£2.570 m
NAV @ 10% yield	£0.257 m

NAV £257,000 @ 0.63% = £1,600 RV.

Mr. O'Connor offered three comparisons in support of his rateable valuation.

#### **1. Jacobs Engineering Inc.**

36efgh Ballinure, Mahon Ward, C.B. Cork

Offices valued 1996 revision. RV £1,305 *devalues*

41,831 sq.ft. @ £4.50 psf

Stores 5,459 sq.ft. @ £2.50 psf.

#### **2. D.D.C. Ireland Limited**

1B/9, Ballygaggin, Bishopstown Ward, C.B. Cork

Valued 1991 first appeal

RV £750 *devalues*

Offices/Production                      25,540 sq.ft. @ £4.20 psf

Services building                        2,654 sq.ft. @ £2.45 psf

Stores                                        753 sq.ft. @ £1.50 psf.

### 3. **Q.C. Data Limited**

1B/11 Ballygaggin, Bishopstown Ward, C.B. Cork

Valued 1991 first appeal

RV £450 *devalues*

Offices on ground floor                11,161 sq.ft. @ £4.50 psf

Workshop                                    5,580 sq.ft. @ £3.75 psf.

#### **Oral Hearing:**

At the oral hearing which took place in Cork on the 16th day of July 1997 Mr. Edward Hanafin of Lisney appeared on behalf of the Appellant and Mr. Frank O'Connor of the Valuation Office appeared for the Respondent. Both Valuers adopted their written submissions as their evidence in chief given under oath.

Mr. Hanafin identified the premises which was located in a residential area but with an industrial estate nearby. He said that it was a modern building constructed originally in 1990 at a cost of £1.3m and subsequently enlarged in 1995 at a further cost of £1.95m.

Mr. Hanafin went to cite comparisons which he suggested gave justification for his valuation for the main building at £3.50 psf and for the prefab cabins, to include car park at £2 psf.

Mr. O'Connor, for the Commissioner, stated that there were a number of light industrial users nearby. He stated that the premises was fitted out to a higher standard more equivalent to office facilities elsewhere. He stated that his valuation was based on an office standard and not on a production standard.

There was dispute between the parties as to whether there was an extra value for car park space in the Cork area. Mr. Hanafin contended that there was no precedent for a separate value for car park space in Cork. Mr. O'Connor contended that as car parking space was restricted both within the premises and the surrounding area it should be separately valued.

**Determination:**

The Tribunal has noted the comparisons offered by both the Appellant and the Respondent in this case and is of the view that none of the same are of direct relevance to the present case which concerns premises purpose built for high technology servicing/research and development.

The Tribunal is of the view that while the main building within the premises is fitted out to a higher standard than would be associated with a normal high tech electronic production area it falls short of high quality office standards. Accordingly, this Tribunal is disposed to devalue the main building at £4 psf.

Again, the prefab offices that are air conditioned are not of the highest standard. Accordingly, the Tribunal determines that this area be valued at £2.50 psf.

The Tribunal accepts the contention that within the Cork area there is no extra value for car park space and makes no separate assessment in respect of same in this instance.

Accordingly, the Tribunal determines a rateable valuation at 0.63% of £832 for the main building and prefab offices.