

Appeal No. VA98/3/042

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

Lucent Technologies (Irl) Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Factory and Land at Map Reference 2J, D.E.D. Townland: Cork Great, Shankill - Shanganagh, R.D. Rathmichael, (Dun Laoghaire-Rathdown County Council), Co. Dublin

B E F O R E

Liam McKechnie - Senior Counsel

Chairman

Barry Smyth - FRICS.FSCS

Member

Finian Brannigan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF DECEMBER, 1999

By Notice of Appeal dated the 4th day of August 1998, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £2,720 on the above described hereditament.

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

The appeal proceeded by way of an oral hearing, which took place on 14th June 1999 at the offices of the Valuation Tribunal, Dublin. The appellant was represented by Mr. Owen Hickey B.L. with Mr. Frank O'Donnell B.Agr.Sc. FIAVI MIREF, Principal of Frank O'Donnell & Company, Valuation, Rating & Property Consultants. The Respondent was represented by Mr. Damien Curran ARICS ASCS B.S.c Surveying, a District Valuer with nineteen years experience in the Valuation Office and Mr. Patrick McMorrogh also a valuer in the Valuation Office gave evidence.

Having taken the oath each valuer adopted as his evidence in chief his written submission, which had previously been exchanged with the other valuer and submitted to the Tribunal.

Material facts agreed or found by the Tribunal

1. Valuation History

The property was listed for revision in 1989 and following an appeal the rateable valuation was agreed at £990. In 1991 the property was again listed for revision but no change was made in the rateable valuation and there was no appeal. The property was again revised in August 1992 and following an appeal the rateable valuation was agreed at £1,165. In November 1996 the rateable valuation was increased to £2,765 and following an appeal the valuation was reduced to £2,720. It is this figure that is the subject of this appeal to the Tribunal.

2. Situation

The property is situated at Corke Abbey, Bray, Co. Wicklow on the northern outskirts of the town off the Dublin Road, which is parallel to the N11. This is a mixed residential and industrial area.

3. The Property

The property comprises a substantial factory and warehouse complex with offices and ancillary facilities constructed in phases over a number of years the original accommodation being constructed in 1978 and extended in 1988/9. A further extension was constructed in 1991 and yet further accommodation was completed in February 1996. There is a high office content.

4. Accommodation

Phase 1

Offices	20,677 sq.ft.
Production & Warehouse	28,954 sq.ft.
Car Spaces	30

Phase 2

Offices/Canteen (in a system built building)	8,690 sq.ft.
Passage Way/Hallway	690 sq.ft.
First Floor Offices	890 sq.ft.

Phase 3

Production Area & Warehousing	44,202 sq.ft.
Loading Areas	4,560 sq.ft.
Two-storey Production & Warehouse	13,563 sq.ft.
1 st Floor	11,137 sq.ft.
Corridor or Passageway	3,388 sq.ft.
Extension to Canteen	117 sq.ft.
Compound	1,900 sq.ft.
Eaves height	Approx. 25 feet
Site area	Approx. 8 acres

5. Construction Costs

The 1996 phase 3 extension cost approximately £2.86 million or £37 p.s.f.

The 1991 extension cost approximately £32 p.s.f. to construct.

6. Title

Freehold

The Appellant's Case

Mr. O'Donnell in his evidence stated *inter alia*;

1. "Since the appeal in relation to this property in 1989 and 1992/3 there have been a number of decisions issued by the Valuation Tribunal in relation to properties in surrounding locations that are very comparable to the subject and that to maintain the

“tone of the list” the rates per square foot adopted in relation to this particular property and at previous appeals should be reviewed”.

2. The property is located in a residential area and large trucks have difficulty with access.
3. Some prefabricated offices included in the 1992 valuation have since been removed.

Mr. O’Donnell provided four comparisons in the Bray area details of which are appended to this judgment. These indicate the following rates p.s.f.

Warehouses/Factories	£2.00/£2.35
Offices	£3.00/£3.25

Mr. O’Donnell proposed a rateable valuation of £1,870 calculated as follows;

Details	Area (Sq.ft.)	Rate /Sq.ft.	N.A.V.
<u>Phase 1 – 1989 F.A.</u>			
Offices	20,677	£3.00	£62,031
Production & Warehouse	28,954	£2.00	£57,908
<u>Phase 2 – 1992/3 F.A.</u>			
New Extension (Pre-fab)	8,690	£2.25	£19,552.50
Passage	690	£1.50	£ 1,035.00
1 st Flr. Office	890	£1.50	£ 1,230.00
<u>Phase 3 – 1996/4 F.A. – VA98/3/042</u>			
Production & Warehouse	44,202	£2.00	£88,404.00
Loading Areas	4,560	£1.50	£ 6,840.00
Two-Storey Production & W/H. (Ground & 1 st Flrs.)	24,700	£1.75	£43,225.00
Corridor	3,388	£1.50	£ 5,082.00
Compound	1,900	£0.50	£ 950.00
Extension to Canteen	117	£3.00	£ 351.00
			£286,608.50
		R.V. @ 0.63%	£ 1,805.63

Add

3 Silos @ 50 tonnes – 150 tonnes @ £0.025	£ 3.75
2 Water tanks 120,000 gals	
<u>83,590 gals</u>	
203,590 gals @ £0.10/1,000 gals	£20.36
Motive Power – 539 KW = 728 HP @ £0.05	<u>£36.40</u>

Total R.V. **£1,866.14**

Under cross-examination Mr. O'Donnell provided the following information;

1. That he had agreed the rateable valuation for phases 1 and 2 and that the figure agreed with Mr. Hicks of the Valuation Office in 1990 had been offices at £4.00 p.s.f. and production at £2.70 p.s.f.
2. That Phase 3 provides superior accommodation to part of phase 2 extension.
3. That the eave's height in phase 1 is only 16 feet compared with approximately 25 feet in phase 3.
4. That his comparison number 3 Nypro is a refurbished factory in three sections two dating from the 1940's and 1960's with a modern extension linking these two sections and that the Nypro building has a very limited car park.

Respondent's Case

Mr. Patrick McMorrow having taken the oath gave evidence that there was no reference to portacabins in the 1989/1 revision when he dealt with the 1992/3 revision. Of that later valuation £175 referred only to single storey canteen area and the property was valued at 9,380 sq.ft. at £3.00 p.s.f., i.e. N.A.V. £28,140 and thus an R.V. of £177 and this was added to the existing R.V. of £990 giving a total of £1,167 but say £1,165. He also stated that the first floor of 890 sq.ft. referred to in Mr. O'Donnell's valuation was part of the phase 1 structure.

Mr. Curran in his evidence stated *interalia*;

1. That the 1989/2 first appeal agreed valuation of £990 and the 1992/3 first appeal agreed valuation of £175 making a total of £1,165 agreed should not be altered and was primary evidence in assessing the N.A.V. and R.V. of the completed development including phase 3.
2. For his comparisons he relied upon the agreed valuations for phase 1 and phase 2 and the premises of Alert Packaging Limited at Bray Industrial Park, the details of which are appended to this judgment and analyses as offices at £3.75 p.s.f. and production space at £3.33 p.s.f. A further comparison also appended to this judgment is the premises of Maxtor at Bray Industrial Park, which analyses as offices at £3.50 p.s.f. and warehouse at £2.75 p.s.f.

3. Mr. Curran proposed a rateable valuation of £2,720 calculated as follows;

1989/2	First Appeal	Agreed Valuation	£990.00
1992/3	First Appeal	Agreed Valuation	£175.00 + £990.00 = £1,165.00

Deduct Portacabins demolished 3,670 sq.ft. @ £1.00 = £3,670

<i>Note:</i> Included in 1989 Valuation	0.63%	=	<u>£ 23.00</u>
		=	£1,142.00

	<i>Sq.ft.</i>	<i>p.s.f.</i>		
Production	44,202 @	£3.25	=	£143,919
Loading Area	4,560 @	£2.75	=	£ 12,540
Offices:	11,137 @	£3.25	=	£ 36,195
Two Storey				
Production	13,563 @	£3.00	=	£ 40,689
Passageway	3,388 @	£2.00	=	£ 4,556
Extension to Canteen	117 @	£2.00	=	£ 351
Compound	1,900 @	£1.00	=	<u>£ 1,900</u>
				£240,150
		0.63%	=	£ 1,513

3 Silos @ 50 tonnes each	150 tonnes @ £0.025	£	3.75	
Motive Power	728 HP @ £0.05 HP	£	36.40	
Water Tank 120,000 gallons @ £0.20/1,000 gallons		£	<u>24.00</u>	
				= £1,577.15
				Total = £2,719.15
				Say = £2,720.00

Note: Additional Water tank (83,590 gallons) in existence prior to 1989 overlooked and agreed as being included in 1989 valuation.

Determination

The existing rateable valuations on phase 1 and phase 2 were agreed on appeal between the Commissioner and the occupant represented by the same consultant as in the subject case. In view of the relatively recent dates of these appeals namely in 1989 and 1992/3 and the fact that in 1991 revision the 1989 valuation was issued unchanged at revision and not appealed against, the Tribunal is of the opinion that they should not be altered except to reflect any alteration to the premises and the only alteration of which there is evidence is the removal of approximately 3,677 sq.ft. of portacabins.

To this adjusted rateable valuation must be added the phase 3 development and the question for consideration by this Tribunal is the appropriate rates p.s.f. to apply to this extension. From the evidence of the rateable valuations of phase 1 and 2 it is apparent that in phase 1 the offices were valued at £3.80 p.s.f. and the factory space at £2.60 p.s.f. and in phase 2 the offices were valued at £3.00 p.s.f. It was accepted by Mr. O'Donnell in cross-examination that phase 3 provides superior accommodation to phase 2.

The Tribunal determines the rateable valuation calculated as follows;

Phase 1	Agreed valuation	£ 990	
Phase 2	Agreed valuation	£ 175	
Total		£1,165	
Deduct for portacabins demolished 3,670 sq.ft. @ £2.60 p.s.f.			
The minimum figure applied to either the 1989/2FA or 1992/3 FA			
N.A.V. £9,542 @ 0.63% = £60.00			
Revised R.V. for Phase 1 & 2			= £ 1,105
Phase 3 – Production			
44,202 sq.ft. @ £3.00 p.s.f. (Better than Phases 1 & 2 but allowances			
made for quantum).			= £132,606
Loading Bay	4,560 sq.ft. @ £2.50 p.s.f.	= £11,400	
Offices	11,137 sq.ft. @ £3.25 p.s.f.	= £36,195	
Production	13,563 sq.ft. (First Floor) £2.50 p.s.f.	= £33,907	
Passageway	3,388 sq.ft. @ £1.50	= £ 5,082	
Extension to canteen	117 sq.ft. @ £2.00	= £ 234	
Compound	1,900 sq.ft. @ £0.50	= <u>£ 950</u>	
			£220,374
Total £220,374 @ 0.63%			= £ 1,388
Adding that to £1,105 from above			= £ 2,493
<i>Add:</i>			
3 Silos @ 50 tonnes R.V. £ 3.75 agreed			
Motive Power 728 HP R.V. £36.40 agreed			
Water Tanks R.V.		<u>£22.00</u>	
			£62.15

Total R.V. £2,555