

Appeal No. VA15/5/050

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

**Greaney Concrete Products Ltd**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

**In Relation to the Issue of Quantum of Valuation in Respect of:**

Property No. 1273010, Concrete Works at 17 Robertstown, Shanagolden, County Limerick.

BEFORE:

**Dearbhla Cunningham - BL**

**Deputy Chairperson**

**Rory Hanniffy - BL**

**Member**

**Eoin McDermott – FSCSI, FRICS, ACI Arb**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 6<sup>TH</sup> DAY OF MARCH, 2018**

The Appellant appeals the determination of the Commissioner of Valuation fixing a net annual value of €108,900 on the relevant property. The grounds of appeal are set out in the Notice of Appeal, a copy of which is attached at **Appendix I** to this judgment.

The appeal proceeded by way of an oral hearing on the 3<sup>rd</sup> July 2017 during which oral and written evidence was given by Mr Eamonn Halpin of Eamonn Halpin & Co Ltd who appeared on behalf of the Appellant and by Ms Triona McPartlan of the Valuation Office who appeared on behalf of the Respondent.

**The issue on appeal**

The relevant property is a concrete works comprising a purpose-built workshop for manufacturing concrete products which was constructed circa 2004 (“**the New Workshop**”),

various older workshops and stores constructed in the 1960s/1970s (“**the Old Workshops and Stores**”), a small office and a large yard. It is situated in west County Limerick in a rural area off the local Foynes - Shanagolden road and approximately 5 km from Foynes and 40 km from Limerick city.

The New Workshop was constructed of a basic steel portal frame with a single skin (non-insulated) panelled roof and was the subject of a determination in a previous appeal bearing the number VA05/4/013. The Tribunal’s attention was drawn to this determination by the Appellant. The Old Workshops and Stores were constructed in 1960s/1970s and consist of basic single-skin, open-sided and/or ended structures which the Appellant submits, and it was not disputed by the Respondent, are now beyond their expected life-span.

The Appellant contended for a rateable valuation of €39,400 and the Respondent contended for a rateable valuation of €69,891 (as amended downwards from €108,900 by the Respondent at the opening of the hearing). The area measurements were not in issue on appeal. For the purposes of the appeal, the valuation of the plant was agreed between the parties at €5,490 and so was not in issue in the appeal.

### **Appellant’s case**

The main grounds on which the Appellant sought to rely are that the buildings are unsuitable for anything other than concrete works and the most appropriate comparator is the concrete works operated by Croom Concrete which is valued at a significantly lower level.

The Appellant gave evidence that the property is a concrete works and is unsuitable for other uses. The property has no mains water or sewage instead relying on a well and septic tank for water and sanitation respectively. The Appellant contended that even the newer structure would not be comparable with a purpose built industrial premises such that it would not be suitable for use for industrial warehousing or storage.

The Appellant adduced evidence of the tone of the list by reference to a number of properties within the same rating area including four concrete works together with four other properties of varying types. In so doing, the Appellant contended in summary that its concrete works has the poorest quality structures and has the most rural location when compared with the other four concrete works in the area. In particular, the Appellant relied on the valuation of a concrete works operated by Croom Concrete as the most relevant comparison on the basis that it is the most similar in size, in the nature of its business and in its rural location.

The Appellant made further submissions regarding the approach to including a value for the yard and weighbridge and contended that both should be excluded from the valuation.

The Appellant emphasised the depressed state of the property market at the time of the relevant Valuation Date of 1<sup>st</sup> March 2012.

### **Respondent’s evidence and submissions**

The Respondent adduced evidence of the tone of the list relying on one comparator concrete works and five industrial units in the rating area.

In the case of the comparator concrete works operated by McGraths Ready Mix, the Respondent noted that it was a ready-mix concrete works situated on a minor road approximately 20 kms from Limerick. It was also pointed out that in the case of that comparator the yard was valued on the basis of 10% of the value of the buildings and that a value was attributed to the weighbridge.

## **Determination**

The onus of proof is on the Appellant to demonstrate that the valuation of the property concerned as it appears in the Valuation List is incorrect.

Section 48 Valuation Act 2001 is the key section relating to the basis for valuation and provides as follows (inter alia):

*“(1) 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”.*

However, this is without prejudice to Section 49 Valuation Act 2001 which provides for the determination to be made:

*“...by reference to the values, as appearing in the valuation list relating to the same rating authority are as that property is situate in, of other properties comparable to that property”.*

The Tribunal is satisfied that the valuation of the subject property would be relatively lower than the industrial buildings comparisons adduced in evidence by the Respondent in circumstances where the buildings are not suitable for use as industrial buildings by virtue of their basic construction and further by reference to their location in urban areas.

The Tribunal finds that the Croom Concrete comparator, a concrete works situated on the main N20 Cork to Limerick Road and almost identical in size, to be the most persuasive comparison. While another comparator, McGraths Ready Mix, was relied on by the Respondent in support of a higher valuation, the latter is a modern ready-mix concrete plant which comprises a significantly smaller building and significantly more expensive plant. It is also located considerably closer to Limerick city. On the basis of the foregoing, the Tribunal applies the same values as those used in Croom Concrete. This approach found further support in evidence adduced by the Appellant regarding comparators in the area including a sales ring building in Rathkeale.

In relation to the yard, the Appellant contended that concrete works by its nature require a significant yard and that taking that, the rural location and poor quality of the adjacent buildings into account, the yard should be disregarded. The Appellant submitted that the rating area did not apply a consistent approach to the valuation of yards and contrasted for example the apparent exclusion of the yards in Croom Concrete and their inclusion in McGraths. While the appellant did not accept the principle that the yard should be rated, it was contended that if it were to be included, the 7,000 Sq. M. of yard area suggested by the Respondent should be rated at €0.50 per Sq. M., based on 10% of the value of the poorest buildings on site. The Respondent argued that the yard, at 24,300 Sq. M. (out of a site of

28,300 Sq. M.) was significantly larger than one would normally expect and that a portion - in this case 7,000 Sq. M - should be rateable at €1.50 per Sq. M., a rate equivalent to 10% of the value of the New Workshop. The Tribunal accepts the Respondents view and determines that the yard should be valued at a rate per Sq. M. equivalent to 10% of that applied to the New Workshop.

The Appellant contended that it was only the weighbridge pit that is rateable. The Appellant referred to an extract from Rating Manual Volume 5, Section 113: Vehicle Testing Centres, UK Valuation Office which at paragraph 6B states that:

*“Weighbridges are not rateable but an addition should be made for the setting (pit.....) in which it sits with an allowance for age and obsolescence on the plant allowance table. The air mains and compressor are rateable and should also be included in the valuation”.*

The Tribunal observes this publication is a UK publication and is expressed to apply to premises associated with the testing of automotive vehicles or components.

The Respondent submitted that weighbridges are rateable and contended for a value of €1,800. In support of this, the Respondent relied on the comparison at McGraths Concrete. In this regard, the Tribunal is not satisfied that the Appellant has discharged its onus and accordingly, the Tribunal determines that the Respondent’s valuation of the weighbridge to be in accordance with that in McGraths and its valuation of the weighbridge should accordingly stand.

Both the Appellant and Respondent adduced evidence of rentals but noted that most concrete works are owner-operated so that there is a paucity of relevant evidence of rents.

The Tribunal’s determination was reached on the basis of the evidence adduced regarding the tone of the list. The Tribunal determines the net annual value of the property concerned as at the relevant valuation date of 1<sup>st</sup> Mary 2012 to be **€46,500** which comprises the following:

New Workshop	2,379 square metres	At €10 per square metre	€23,790.00
Old Workshops	986.24 square metres	At €5 per square metre	€4,931.20
Offices	67.45 square metres	At €10 per square metre	€674.50
Stores	563.48 square metres	At €5 per square metre	€2,817.40
Yard	7,000 square metres	At €1 per square metre	€7,000.00
Weighbridge			€1,800.00
Plant (agreed)			€5,490.00
<b>Total</b>			<b>€46,503.10</b>
<b>NAV</b>			<b>€46,500</b>

And the Tribunal so determines.