

**Appeal No: VA17/5/012**

**AN BINSE LUACHÁLA  
VALUATION TRIBUNAL**

**AN tACHTANNA LUACHÁLA, 2001 - 2015  
VALUATION ACTS, 2001 - 2015**

**PATRICK MCDERMOTT**

**APPELLANT**

**AND**

**COMMISSIONER OF VALUATION**

**RESPONDENT**

**In relation to the valuation of**

Property No. 1514221, Office(s), Warehouse/Warerooms at 37BaCa 46B 72A 2E Cappincur Industrial Estate, Daingean Road, Tullamore, County Offaly.

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 26<sup>TH</sup> DAY OF JULY, 2018**

**BEFORE**

**John Stewart – FSCSI, FRICS, MCI Arb**

**Deputy Chairperson**

**1. THE APPEAL**

1.1 By Notice of Appeal received on the 21<sup>st</sup> day of September 2017, 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 €30,100.

1.2 The grounds 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:

- “1) No consideration has been given to the construction and age of building ‘C & D’ and their respective rateable value.  
2) The floor area of one building is incorrect. Building ‘D’.”*

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €22,550a.

**2. REVALUATION HISTORY**

2.1 On the 3<sup>rd</sup> day of March 2017 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 €32,400.

2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was reduced to €30,100

2.3 A Final Valuation Certificate issued on the 7<sup>th</sup> day of September 2017 stating a valuation of €30,100.

2.4 The date by reference to which the value of the Property, the subject of this appeal, was determined is 30<sup>th</sup> of October 2017.

### **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 The parties are agreed as to the following facts.

4.2 The subject property is located in Cappincur Industrial Estate East of the N52 Ring Road and Tullamore Town Centre. The property comprises seven industrial buildings on an associated hard-core yard.

4.3 The agreed floor areas are as follows

BUILDING NUMBER	AREA M <sup>2</sup>
1	881.98
2	88.00
3	329.10
4	78.42
5	144.80
6	143.35
7	487.85
Yard	2000

### **5. ISSUES**

5.1 The grounds of appeal concerned the construction type of some buildings on site and the appellant's claimed that this warranted a reduced valuation. The appellant's claimed that the floor areas were incorrect however the floor areas have now been agreed as above.

5.2 The appellant's claimed that the valuation should be confirmed at €30,100.

### **6. RELEVANT STATUTORY PROVISIONS:**

6.1 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.”

6.2 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 Mr. Patrick McDermott in his written submission stated that Building A referred to as Building No. 1 in the agreed floor areas comprised 881.98 m<sup>2</sup> and that the rate per square metre of €17.00/ m<sup>2</sup> was correct and accepted by him. He confirmed that this building had a concrete floor, concrete block and double skin walls and a double skin roof but no services – ESB water and sewerage.

7.2 Mr McDermott confirmed that Building B-the offices- referred to as Building 2 above comprised 88.00m<sup>2</sup> and that the rate per square metre of €17.00/m<sup>2</sup> was correct and accepted by him.

7.3 Mr McDermott referred to Building C (referred to Building 3 of the agreed floor area 329.10m<sup>2</sup>) and accepted that the floor area was correct but disagreed that the rate per square metre attributed to it by the Commissioner at €8.50/ m<sup>2</sup>. He regarded as this as excessive for an open sided, gravel floored, building which had single skin cladding and roof covering. He claimed that this building comprised a low-quality building but with a higher finish than Building E (a single skin barn style store, open on two sides with a substantial gravel floor) which had been valued at €2.55/ m<sup>2</sup> and he argued that Building C should have an NAV of €5.00/ m<sup>2</sup>.

7.4 Mr McDermott referred to Building D (Building 4 &5 in the agreed schedule) and stated that in his opinion this was a low-quality building and should not be valued at the same rate as Building A which was a modern store with a concrete floor, block and metal deck walls and a pitched and ridged metal deck roof. He argued that this building which was of lean-to construction with single skin cladding should be valued at the same level as Building C at €5.00/ m<sup>2</sup>.

7.5 McDermott referred to Building E (Building 6 &7 in the agreed schedule) and agreed with the NAV of €2.55/ m<sup>2</sup>.

7.6 Mr McDermott referred to the yard which had been finished with hard-core and argued that in his opinion the NAV reduced from €1.70/ m<sup>2</sup> to €1.00/ m<sup>2</sup>.

7.7 This concluded the appellant’s submission.

## 8. RESPONDENT'S CASE

8.1 Mr David O'Brien provided a submission on behalf of the Respondent the Commissioner of Valuation. He confirmed the location at Cappincur Industrial Estate East of the N52 Ring Rd and Tullamore Town. He provided an aerial photograph and a block plan of the subject property and described the subject property as comprising an industrial category of property. He confirmed that the floor areas were agreed per correspondence dated 20 March 2018. He provided external photographs of the entrance to the site, block 1, blocks 2 & 3, blocks 4 & 5, and blocks 6 & 7. He also provided an internal photograph of block 1, block 3 and block 4.

8.2 He stated that the buildings comprised a mixture of open stores and canopy areas and extended to 2,159.39 m<sup>2</sup>. He confirmed that block 3 was an open store finished with a hard-core floor which he valued at 50% of the prevailing level. He referred to block 7 as essentially a covered yard/canopy which he valued at 15% of the prevailing level of €17.00/ m<sup>2</sup>.

8.3 He stated that the valuation submitted by the occupier was based on discussions with the local auctioneer and took into consideration age, type, condition, and services within the building. He stated that in his opinion prevailing rate per square metre of €17 reflected the size location and condition of the property. He stated that the property had access to electricity from a centralised station and that water was obtained from a neighbouring well.

8.4 He confirmed that following representations the valuation had been amended from €32,400-€30,100.

8.5 Mr O'Brien provided the following calculation to support his opinion of the Valuation following representations:

Block	Use	Area M <sup>2</sup>	€.M <sup>2</sup>	NAV
1	Warehouse	881.98	€17.00	€14,933.66
2	Offices	88.00	€17.00	€1,496.00
3	Open store	329.10	€8.50	€2,797.35
4	Store	78.42	€17.00	€1,333.14
5	Store	144.80	€17.00	€2,461.64
6	Store	143.35	€17.00	€2,436.95
7	Canopy	487.85	€2.55	€1244.01
	Hard-core yard	2000	€1.70	€3,400.00
Total NAV				€30,162.71

Say **€30,100**

8.6 Mr O'Brien in his submission relied upon three items of market information to inform the estimate of net annual value. Each of these transactions was investigated and analysed according to the Valuation Office policy and procedures and regard was had to the date of the transaction relative to the statutory valuation date; any inducements which were included in the transaction; and any other individual features of the transaction. The result of these investigations provides what is described as the Net Effective Rent – NER. In relation to the subject property a valuation level of €17.00/ m<sup>2</sup> was applied to standard buildings while valuation levels of €8.50/ m<sup>2</sup> and €2.55/ m<sup>2</sup> were applied to partially open buildings and canopy areas.

8.7 Key rental transaction 1 provided a NER of €31.25/ m<sup>2</sup> for offices and warehouse. This property is located within the same industrial estate as the subject property and comprised a modern industrial building with a single skin clad roof and a mix of concrete and single skin clad walls. It has an eaves height of 4 m and was valued at €25.00/ m<sup>2</sup>. Details included in appendix 1.

8.8 Key rental transaction 2 in Killcruttin Business Park provided an NER for offices and workshop stores of €19.50/ m<sup>2</sup>. This property is located at the southern end of Tullamore and is valued at €17.00/ m<sup>2</sup>.

8.9 Key rental transaction 3 refers to Cloncollog industrial estate and has an NER for offices and warehouse of €29.55/ m<sup>2</sup>. This is a modern industrial unit was valued at €25.00/ m<sup>2</sup>.

8.10 Mr O'Brien produced several NAV comparisons from Cappincur Industrial Estate as evidence of equity and uniformity.

PN 1514210	Office 75.6 m <sup>2</sup> @ €20. Warehouse 3,055 m <sup>2</sup> @ €20. Portakabin 120 m <sup>2</sup> @ €8.	Modern industrial unit with single skin clad walls and roof.
PN 210 8706	Office 171.85 m <sup>2</sup> @ €17. Warehouse 3049 m <sup>2</sup> @ €17 Open store 1,245.65 m <sup>2</sup> @ €8.50 Portakabin 191.82 m <sup>2</sup> @ €6.80 Canopy 1,178.29 m <sup>2</sup> @ €6.80 Yard 2,010 m <sup>2</sup> @ €1.70 Weighbridge @ €1900	Modern industrial unit block walls and a mix of single and double skin cladding stop the roofs finished with double skin cladding and the buildings vary from 5 m to 9 m eaves height.
PN 2204018	Warehouse 439.60 m <sup>2</sup> @ €25 open warehouse 550.06 m <sup>2</sup> @ €12.50	Modern industrial unit comprising three bay warehouse concrete block walls and single skin cladding. Skin clad roof.
PN 151 4214	Warehouse 839.98 m <sup>2</sup> @ €25 office 68.62 m <sup>2</sup> @ €25	Modern industrial unit with warehouse of concrete block walls and single skin cladding single skin clad roof.
PN 151 4229	Offices 70.95 m <sup>2</sup> @€17 workshops 1,268.75 m <sup>2</sup> @€17 Portacabins 227.71 m <sup>2</sup> @€6.80 yard 2,961 m <sup>2</sup> @ €1.70	Old unit with workshops having a mixture of corrugated iron and single skin cladding and offices are in Portacabins.
PN 151 4230	workshops 1,225.34 m <sup>2</sup> @ €20	Modern industrial unit concrete block walls double skin clad roof.

8.11 In conclusion Mr O'Brien requested that the Tribunal affirms the valuation the subject property at €30,100.

## 9. SUBMISSIONS

9.1 No legal submissions were made.

## 10. FINDINGS AND CONCLUSIONS

10.1 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 Offaly County Council.

10.2 The Tribunal having considered all the written evidence presented before it, and following a site visit has arrived at the following conclusions;

10.3 The Tribunal has based its determination on the floor areas as follows

BUILDING NUMBER	AREA M <sup>2</sup>
1	881.98
2	88.00
3	329.10
4	78.42
5	144.80
6	143.35
7	487.85
Yard	2000

10.4 The appellant's have agreed the NAV for Buildings 1 and 2 and 7.

10.5 In relation to Building 3 which has a gravel floor and single skin walls and roof the Tribunal finds that the rate of €8.50/ m<sup>2</sup> is too high when considered in relation to the comparisons. It has no water or sewerage services and the rate per square metre has been reduced to €6.00/ m<sup>2</sup>

10.6 The Tribunal finds that the specification and construction of Buildings 4 & 5 is not to the same standard as Building 1 which was agreed at €17.00/ m<sup>2</sup>. These are lean-to buildings with metal deck and galvanised iron walls and no water or sewerage services and the rate has been reduced to €12.00/ m<sup>2</sup> and €10.00/ m<sup>2</sup> respectively.

10.7 The Tribunal also finds that the quality of Building 6 does not compare to Building 1. This building has single skin galvanised walls and roof and no services-water and sewerage. The rate has accordingly been reduced to €10.00/ m<sup>2</sup>.

10.8 The Tribunal finds that the rate per square metre applied to the yard is too high when compared to the NAV yard comparisons which appear to be mainly finished in concrete and it had reduced the rate per square metre to €1.50/ m<sup>2</sup>.

10.9 Calculations

Block	Use	Area M <sup>2</sup>	€·M <sup>2</sup>	NAV
1	Warehouse	881.98	€17.00	€14,993.66
2	Offices	88.00	€17.00	€1,496.00

3	Open store	329.10	€6.00	€1,974.60
4	Store	78.42	€12.00	€941.04
5	Store	144.80	€10.00	€1,448.00
6	Store	143.35	€10.00	€1,433.50
7	Canopy	487.85	€2.55	€1244.01
	Hard-core yard	2000	€1.50	€3,000.00
Total NAV				€26,530.81

Say €26,500.

**DETERMINATION:**

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €26,500.

And the Tribunal so determines.