

Appeal No. VA01/1/024

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

Budget Rent a Car

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Office, Carpark at Map Reference 9B, Townland: Ardsallagh More, E.D.
Roscommon Rural, R.D. Roscommon, County Roscommon
Quantum - Offices and car rental carpark

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairman

Michael Coghlan - Solicitor

Member

Maurice Ahern - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 27 TH DAY OF NOVEMBER, 2001

By Notice of Appeal dated the 23rd April, 2001 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £123 on the above described hereditament.

The grounds of Appeal as set out in the said Notice of Appeal are that, "the valuation of £123 is excessive, inequitable, and bad in law.

The appeal proceeded by way of an oral hearing, which took place on the 12th day of October 2001 in the Council Chamber, Galway Corporation, Galway. The Appellant was represented by Mr. Joseph Bardon of Bardon & Co. Chartered Surveyors, Rating Consultants & Valuers. The respondent was represented by Mr. David Walsh B.Agr.Sc. a District Valuer in the Valuation Office. Both valuers adopted the written submissions as being their evidence in chief given under oath.

The Property

The subject property comprises of an owner occupied purpose built two-storey office building on the outskirts of Roscommon and provides the following agreed accommodation measured on a net internal area basis.

Ground floor	1,819 sq. ft.	169 metres squared
First Floor	1,561 sq. ft.	145 metres squared
Total Net Area	3,380 sq. ft.	314 metres squared

The gross external area of the building is 464 square metres. Off street car parking with a surface area of approximately 1,000 metres is provided at the front and rear of the building.

Valuation History

The property was first valued at the 1999/4 revision and assessed at a rateable valuation of £150. At first appeal stage this assessment was reduced to £123 and it is against this reduced figure that the appeal to this Tribunal now lies.

The Appellant's Evidence

Mr. Bardon on behalf of the appellant company contended for a rateable valuation of £90 calculated as set out below: -

Offices Ground Floor	1819 sq. ft.	@	£5.50	£9,982
First Floor	1561 sq. ft.	@	£5.00	£7,805
Net Annual Value				£17,787
Rateable Valuation		@	0.5% say	£ 90

In support of this valuation Mr. Bardon provided fourteen comparisons in relation to various office buildings located throughout the country. Mr. Bardon's comparisons are set out in detail in appendix 1, attached to this report.

In arriving at his opinion of net annual value Mr. Bardon contended that there was a limited demand for office accommodation in towns the size of Roscommon. He further contended that such demand as there was would be confined to the town centre. In relation to Roscommon he was unable to find a truly comparable property and hence had been forced to look at buildings of a similar size throughout the country. Mr. Bardon also suggested that the level of assessment proposed by the Commissioner of Valuation was more appropriate to Dublin than to Roscommon, which should be assessed at a considerably lower level.

The Respondents Evidence

Mr. David Walsh on behalf of the Respondent stated in his evidence that the correct rateable valuation of the subject property was £123 calculated as set out below.

Method 1

Gross external area	464 metres squared	@	£51.11 pence per metre	=	£23,715
Add for car parking				=	£1,000
Net Annual Value					£24,715
Rateable Valuation	£24,715	@	0.5%	=	£123

Method 2

Net Internal Floor Area	314 metres squared	@	£75.32 pence	=	£23,650
Add for parking	£1,000				
Total Net Annual Value	£24,650				
Rateable Valuation		@	0.5%	=	£123

Mr. Walsh in support of his valuation introduced six comparisons details of which are set out in appendix 2 attached hereto.

Four of Mr. Walsh's comparisons are located in Roscommon town whilst the other two are located in industrial estate type developments one just outside Roscommon town and the other close to Athlone. At the hearing Mr Walsh indicated that he did not wish the Tribunal to consider his comparison No.2.

Tribunal Findings:

- 1) In accordance with Section 11 of the Valuation (Ireland) Act 1852 net annual value is to be determined on the basis of the rent a hypothetical tenant would pay for the property in its existing state and circumstance.
- 2) Section 5 (2) of the Valuation Act 1986 qualifies Section 11 and directs that in arriving at the appropriate net annual value regard shall be had to the valuation of other hereditaments which are comparable and of a similar function and whose valuations have been made or revised within a recent period.
- 3) In the context of this appeal there is no evidence of rental value either in respect of the subject property or in any of the comparisons and hence the Tribunal is forced to rely upon what can be described as indirect evidence provided by the net annual values of other properties. None of Mr. Bardon's comparisons are in the Roscommon town area whilst all of Mr. Walsh's are. In the circumstances the Tribunal attaches more weight to Mr. Walsh's comparisons as they are located in the same locale and provide better evidence in relation to the economic circumstances pertaining in the locale and hence to net annual value, rather than the evidence drawn from elsewhere.

A critical examination of Mr. Walsh's evidence would seem to indicate that comparisons 1 and 6 occupy out of town locations, as does the subject property. Both however are much larger than the subject and located in established industrial and commercial environments whereas the subject is situated in a more rural location where there is a mix of residential and commercial development. Comparison 5 is also helpful.

Mr. Bardon considered that a number of Mr. Walsh's comparisons were unhelpful due to the fact that the occupiers enjoyed exemption and hence were not unduly concerned about the levels of assessment. Mr. Walsh pointed out however that the Commissioner of Valuation determined the net annual value on the basis of the Valuation Acts solely

without reference to the status of the occupier. The Tribunal considers Mr. Walsh's statement to be a fair assessment of the Commissioner of Valuation's role.

Mr. Bardon's comparative evidence whilst being of lesser assistance does provide a flavour of assessments throughout the country in relation to office accommodation both smaller and larger in extent than the subject. In those comparisons, which occupy out of town locations, no addition has been made for off-street car parking.

In relation to the subject property, it is common case that the level of car parking provided is in excess of that which would normally be found in an office building of this size and location. In the circumstances therefore the Tribunal considers Mr. Walsh's approach to be correct in that a hypothetical tenant would have regard to this in formulating an opinion of rateable value.

Determination

Having carefully considered all the evidence proffered and argument adduced, the Tribunal determines the Net Annual Value of the subject property to be as follows:

Offices (Net Internal Area)	314metres @	£60 =	£18,840
Add for car-parking			£1,000
Total	=	£19,840	
Net Annual Value say		£20,000	
Rateable Valuation Tribunal	@	0.5%	£100