

Appeal No. VA02/2/050

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

Research Business Solutions Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices at Map Reference: Unit 16, Kilcarberry Distribution Park, Townland:
Ballybane, Clondalkin Dunawley, County Dublin
Quantum - location, comparisons

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Frank O'Donnell - B.Agr.Sc. FIAVI.

Member

Michael F. Lyng - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF MARCH, 2003

By Notice of Appeal dated the 24th April 2002, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €123.16 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are;

"That the RV is excessive and inequitable and bad in law. The quantum is excessive when compared with properties of similar function, location and value which have been revised and appealed in recent years."

The appeal proceeded by way of an oral hearing which took place in the Distillery Building, Church Street, Dublin on the 16th October 2002. The Appellant was represented

by Mr Eamonn S. Halpin B.Sc (Surveying) M.R.I.C.S. M.I.A.V.I.. The respondent was represented by Mr Kevin Heery B.Comm., M.R.I.C.S., M.I.A.V.I., Staff valuer in the Valuation Office. In accordance with the Rules of the Tribunal, the parties had prior to the commencement of the hearing, exchanged their précis of evidence and submitted same to this Tribunal. At the oral hearing both parties having taken the oath, adopted their précis as being their evidence in chief.

Property Location

The property is located at Ballybane, Kilcarbery Distribution Park, Clondalkin, Dublin 22.

Description

- (a) The subject property is a two-storey terraced office in a Courtyard development at Ballybane, Kilcarbery Distribution Park. The Courtyard is a new development of 25 two and three storey own door office/business units.
- (b) Internally the premises is fitted out to a good office standard.
- (c) It has gas-fired central heating, perimeter three core trunking and suspended acoustic tile ceilings with down lighters in the reception area and category 2 fluorescent lighting in the open plan areas.
- (d) The walls are concrete block construction with metallic wall panels to first floor with surrounding stone cladding. The windows and doors are green tinted and double-glazed.
- (e) The floor to ceiling height per floor is 2.83 metres.
- (f) The subject property has 7 car spaces.

Valuation History

The property was revised in November 2001 and appealed in March 2002 with no change.

Tenure

The property is freehold

Agreed Floor Area Gross Internal

Ground Floor 112.18m.sq

1st Floor 111.20m.sq

Total 224.38m.sq

Appellant's case:

Mr Eamonn S. Halpin, commented on the premises as follows:

That the appeal was a test case covering seven other cases and whatever decision was taken in this case would be persuasive in relation to the determination of the other appeals as they were all similar type buildings.

He stated that in the Kilcarbery Park development, the subject property had its own car parking spaces. The buildings are attractive outside and are well fitted inside. The building, he felt, was defective in relation to inside lighting. This, he felt, was partially due to the fact that the property had no windows to the back or side. The accommodation was mainly open plan. The large hallway downstairs was common to all occupants. The total area is 224.38sq.m. measured on a gross internal basis. Mr Halpin stated that at the time of revision only 15 units were occupied with 10 units unoccupied. In so far as the location was concerned Mr. Halpin stated that the subject property was at the end of the Nangor Road and there were no developments further out. This was proving a difficulty for some occupiers because a Post does not collect the post in this area as it does further up the Nangor Road. As a result, the occupants must travel to Clondalkin to deliver post. Mr Halpin said that the main comparison relied on by the revising valuer when revising the subject property was Unit 2060, Time and Data in City West Business Campus. He stated that the revising valuer was correct in allowing a discount to the subject property

but this discount was not sufficient because the valuer was not aware that the comparison she relied on, which was under appeal, had actually been determined and reduced by 19.35% at the time of this revision. Mr Halpin stated that in comparing the relative values at Kilcarbery Park and City West it was on that basis that he advised his clients that their valuations were too high. He stated that City West consistently achieved premium rental and purchase prices over the years. Mr Halpin gave the Tribunal seven comparisons in support of his valuation. Under cross-examination by Mr Kevin Heery, Mr Halpin accepted that the subject property was originally rented at £13.50 p.s.f. but he stated that it was before his involvement. Mr Halpin would not agree that a lot of development was taking place in Kilcarbery Park at the moment, but he agreed that it would happen in time but this may take some years. Mr Heery stated to the Tribunal that Mr Halpin was the only valuer who lodged an appeal in relation to this development. In relation to Mr Halpin's comparisons, Mr Heery pointed out to the Tribunal that four were not in the same rating area as the subject property and one was still before the Tribunal. Mr Heery submitted that a base figure of about £7 p.s.f gross internal would be the norm for standard type offices in City West and that the valuer's figure of £6 p.s.f for Time and Data at City West would be out of line with that area.

Respondent's case

Mr Kevin Heery having taken the oath adopted his written précis and valuation as being his evidence in chief.

He stated that the property was in an area that was not as developed as other parts of the Nangor Road. He agreed with the gross internal area as 224.38 sq.m. with 7 car spaces. He stated that there were 25 new units valued in 2001/4 and stated that Mr Halpin had lodged appeals on behalf of some of them and the others had not been appealed.

Mr Heery in his written submission set out his estimate of NAV at €19,500

“Valuation

NAV (Gross Internal Area)

224.38 sq.m. @ €87.25/m² = €19,577

NAV €19577 @ 0.63 % = Rateable Valuation €123.16”.

To support his assessment, he set out details of seven comparisons all within the same rating area as the subject property and he provided a photograph of a Unit in City West.

In reviewing his comparisons Mr Heery referred to unit 2060, Time and Data which was a common comparison valued at £6 p.s.f. Mr Heery told the Tribunal that the revising valuer who carried out the valuation on Time and Data was a new valuer and she took a view that it was inferior and not as well located as other offices in City West, which he would contend are valued at a base of £7 to £8.50p.s.ft.

Under cross examination by Mr Halpin as to what the valuation appeal rate generally was, Mr. Heery stated that it would be about 15%-20% which he considered to be generally low. Mr Heery stated that he thought that most occupiers were satisfied with the valuation at revision but he would agree with Mr Halpin that appeals were dealt with in a more thorough way. Mr Heery agreed with Mr Halpin that when the new Ring Road was completed it would be beneficial to Kilcarbery Park but it would also be beneficial to City West. Regarding his comparisons 1 and 2, in reply to Mr. Halpin, Mr. Heery agreed that the revising valuer was the same valuer as carried out the valuation on the subject property. He also agreed that in her report the valuer referred to Time and Data as her comparison and that she would not have known that it was reduced by 19.35%. Mr Halpin contended that in view of the revising valuers main contention not being correct, both comparisons based on her figures should be treated with caution. Mr Heery would not agree with this proposition. In relation to Time and Data, a significant comparison in this appeal, Mr Halpin put to Mr Heery that City West is a better location than Kilcarbery Park. Mr Heery stated that the rental for Offices in City West was a minimum of £7 to £8.00 p.s.f and the appeal valuer’s figure of £6 in respect of Time and Data reflects the particular circumstances of the particular unit she was revising. Mr Heery replying to Mr. Halpin stated that the Time and Data building was not in a good location within City

West because of its obscure position. Mr Halpin continued that if a discount was allowed to Time and Data with 12 car spaces, a similar type unit in an inferior location with 7 car spaces should be allowed the same discount. Mr Heery would not agree with that analysis because he stated that Time and Data at £6 p.s.f was not the going rental for City West. The Tribunal Chairman asked Mr. Heery whether a hypothetical tenant would pay a higher rent in City West for an office of similar size and in a similar location to the Time and Data building Unit 2060, as against the same type of office in Kilcarbery Park. Mr Heery stated that both locations were the same distance from City centre and the differential in favour of City West would be offset by the particular circumstances which in this case is the large element of industrial usage in City West. Mr Halpin replying to the same question from the Chairman, stated that a large premium would be available for City West and office accommodation would be much more sought after and more easily let there than in Kilcarbery Park.

Determination: -

The Tribunal, having carefully considered all the evidence, including that in relation to comparisons, both in the written submissions and given orally at the hearing, makes the following findings:

The Tribunal considers that the common significant comparison between both parties was Unit 2060 at City West. The fact that the revising valuer was not aware that this property was already reduced by 19.35%, when she used it as one of her comparisons in valuing the property concerned, has to be taken into account when valuing the subject property. The Tribunal also notes the fact that on balance City West is a more attractive location than Kilcarbery Park.

Tribunal therefore, having regard to these factors, determines the rateable valuation on the subject property as follows:

224.38 sq.m. @ €72 per sq.m. = €16,155

NAV €16,155 @ 0.63% = Rateable Valuation €101.77

Say €100

Accordingly the Tribunal determines the RV of the subject property to be €100. The appeal of the appellant is allowed to this extent and the determination of the Commissioner of Valuation is varied accordingly.