

Appeal No. VA05/1/017

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

**Airtricity Ltd.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices at Lot No. Unit B, Ravens Court, Sandyford Industrial Estate, Carmanhall,  
Dundrum Balally, Dundrum, County Dublin

**B E F O R E**

**John O'Donnell - Senior Counsel**

**Chairperson**

**Michael McWey - Valuer**

**Member**

**Mairéad Hughes - Hotelier**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 9TH DAY OF MAY, 2005**

By Notice of Appeal dated the 14th day of February, 2005, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €1,518.00 on the above described relevant property.

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

"The valuation is inequitable, excessive and bad in law."

## **Introduction:**

A proposed Valuation Certificate issued on the 19<sup>th</sup> November 2004 provided a rateable valuation for the property of €1,518 on this subject property. No representations were made to the Revision Officer and a Valuation Certificate was issued on the 22<sup>nd</sup> December 2004 at the same valuation. An appeal was lodged, the result of which issued on the 18<sup>th</sup> January 2005 with the rateable valuation still unchanged. Against this valuation the Appellant has appealed to the Valuation Tribunal. The only issue is the issue of quantum of rateable valuation.

## **The Property:**

The property is situated in Ravens Court Road in the heart of the Sandyford Industrial Estate. The property can be accessed from Burton Hall Road, Blackthorn Road and Three Rock Road. The building was constructed in 2002 and is one of a block within the Ravens Court Office Park. The property is a detached six storey modern office building with basement car parking (60 spaces). The building in question is adjacent to a café, a creche and a security hut. The area around the block in question is landscaped, though it is suggested that the landscaping is not particularly inspiring. The property in question is held on a 20 year 1 month lease from July 2003. The rent is stepped, gradually increasing in the first five years. The property is fitted with raised access floors, recessed light fittings, plastered and painted wall finishes, suspended ceilings, passenger lift, gas fired central heating. It does not have air conditioning in the ground floor to fourth floor. However it does have air conditioning on the fifth floor. The square metre area of the ground floor to fourth floor offices is 1, 537.04 sq. metres. The area in square metres of the fifth floor offices is 267 sq. metres. The rate in respect of the 60 car park spaces was agreed between the parties prior to the hearing at €317.43 per space.

The hearing of the appeal took place on the 4<sup>th</sup> April 2005 at the Valuation Tribunal, Ormond Quay, Dublin 7. The Appellant was represented by Mr. Martin O'Donnell, O'Donnell Property Consultants. The Respondent was represented by Ms. Rachel McCarry, Valuer, Valuation Office. Both sides furnished written précis and adopted them as their evidence.

### **The Appellant's Case:**

The Appellant contended:

- (i) The rateable valuation was significantly higher than comparable properties in the vicinity.
- (ii) The rateable valuation did not take account of the absence of air conditioning in five of the floors.
- (iii) The rateable valuation did not take account of the inferior location.

### **The Appellant's Comparators:**

- (i) The Appellant produced four comparators, as set out in Appendix 1 to this judgment. In only one of those (Millbank House) were the offices valued at a rateable valuation of €122.96 per sq. metre (the valuation of the subject property is €123 per sq metre). Millbank House however was significantly superior in that it had air conditioning throughout, it was located very close to the LUAS and was in the office "sector" of the Industrial Estate. Another property, Ballymoss House, did not have air conditioning; the offices were valued at €116.13 per sq. metre. A similar valuation was also agreed in respect of the Vodafone building; this building had air conditioning but it was suggested that it was in a "mixed use" environment (i.e. offices and industrial buildings). A property known as Arena House had attracted a valuation for its offices of €109.34 per sq. metre. The Tribunal were provided with a copy of a Tribunal determination, **VA02/2/062 - Roughan & O'Donovan v Commissioner of Valuation**. The findings of the Tribunal in that appeal did not refer expressly to the absence of air conditioning in this building though this was raised as an issue in the course of the hearing. The proximity of Arena House to a halting site and ESB depot were factors taken into account in lowering the rateable valuation of those premises.

### **Air Conditioning:**

- (ii) Mr. O'Donnell asserted that it was standard practice that an allowance in respect of rateable valuation would be made for an office which did not have air conditioning as against an office which did have air conditioning. While no express finding was made in respect of this matter in the Roughan & O'Donovan case, undoubtedly it was the subject of argument.

### **Location:**

- (iii) Mr. O'Donnell suggested that the premises in question were in a somewhat inferior location. He accepted that the offices were located in an industrial estate and that there were bound to be industrial premises nearby. However in his view there was a significantly higher number of offices to the north of the Bracken Road/Corrig Road/Burton Hall Road than there was to the south of it (where the subject property is). He accepted that the subject property had visual frontage and pedestrian access to Burton Hall Road.

### **Rent:**

- (iv) Mr. O'Donnell also contended that the favourable rent (from the tenant's point of view) and the rental arrangement with the landlord suggested that it was not as easy to obtain tenants for this part of the estate as it was in other parts of the estate for offices. He accepted however that while there may be industrial buildings nearby there was also a café, crèche and security hut.

### **The Respondent's Case:**

Ms. McCarry argued that there should be no distinction between the floors in the offices which had air conditioning and the floor which did not. She produced eight comparisons (see Appendix 2 to this judgment) all of which had a rateable valuation of €123 per sq. metre. Some of these

were expressly stated to have air conditioning. However it was unclear whether the remainder of her comparators did not in fact have air conditioning. She accepted that there was an extra cost in installing air conditioning to offices and a higher return would be expected by a developer who had fitted air conditioning to offices. She suggested that the location of the subject property was a good one. In her view it enjoyed a high profile position within the estate. She did not believe that the presence or absence of air conditioning had been factored in to earlier valuations.

**Determination:**

The Tribunal does not think that the property is in a significantly inferior location to other comparators. The proximity of the Arena House property to a halting site and an ESB Depot was significant in that case but in our view there is no property proximate to the subject property which would have a detrimental effect on the NAV. If anything the location of the property is enhanced by virtue of it being close to a café, crèche and security hut. The property is in an industrial estate and as a consequence is likely to be in the vicinity of industrial buildings. Had the Appellant wished to have its headquarters in a “pure” office area it would presumably have looked at other areas such as the IFSC. Nor does the Tribunal believe that the evidence establishes that this part of the estate is significantly more difficult to let than other areas within the estate. While properties closer to the main highways may have better access, the Tribunal does not believe that the access to this property is so limited or inadequate as to have a detrimental effect on the NAV.

The Tribunal notes that five of the floors in question do not have air conditioning. The view of the Tribunal is that this is a matter of some significance. The Tribunal believes that installation of air conditioning would enhance the rental value of these or indeed virtually any office premises. The Tribunal notes the extensive work done by the Valuation Office in locating suitable comparators within the area. However while some of these properties undoubtedly do have air conditioning it was unclear from the evidence whether or not any of them were without air conditioning. In our view it is reasonable to suggest that the NAV would be modestly affected by the absence of air conditioning in part of the offices in question.

Mr. O'Donnell suggests an allowance of €6.83 per sq. metre. While Ms. McCarry did not believe any particular allowance had been made (or indeed should be made) for the presence or absence of air conditioning, she did not quibble with the figure suggested by Mr. O'Donnell in this regard, were such an allowance to be made. In our view an allowance in this amount should be made for the floors within the offices that do not have air conditioning. Accordingly we would allow the appeal to vary the rateable valuation as follows:

- (i) Office – ground floor to fourth floor, inclusive area 1,537.04 sq metres.

Rate: €16.18

NAV €178,573.30

- (ii) Fifth floor offices 267 sq metres.

Rate: €23.01

NAV €32,843.67

- (iii) Car Spaces, 60

Rate: €317.43 (agreed)

NAV €19,046.

**Total: NAV €230,462.97 RV at 0.63% €1,451.91 (say €1,452).**

Accordingly the Tribunal determines the rateable valuation on the subject property to be €1,452.