

Appeal No. VA10/5/095

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

Rush Credit Union Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 432125, Office at Credit Union House, Station Road, Lusk, County Dublin.

B E F O R E

Maurice Ahern - Valuer

Deputy Chairperson

Frank Walsh - Valuer

Member

Michael Connellan Jr - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 28TH DAY OF FEBRUARY, 2011

By Notice of Appeal dated the 1st day of September, 2010 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €31,200 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal are:

"On the basis that the NAV as assessed is excessive & inequitable. It fails to take into account the relative values in Lusk on a one year with another basis. Lusk is a poor office location with relatively low demand. It is unfair to assess the subject at the same level as superior located properties in Swords, Skerries, etc."

The appeal proceeded by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 15th day of November, 2010. At the hearing the appellant was represented by Mr. Eamonn S Halpin, BSc (Surveying), ASCS, MRICS, MIAVI, Eamon S Halpin & Co Ltd. and the respondent by Mr. Alan Sweeney, BSc (Property Valuation and Management), a Valuer in the Valuation Office. Mr. Liam Cahill of the Valuation Office was also in attendance. Each representative having taken the oath, adopted his précis and valuation, which had previously been received by the Tribunal and exchanged with the other party, as his evidence-in-chief.

Issue

Quantum

Location

The property is located at Station Road in Lusk, Co. Dublin. Lusk is a rapidly growing commuter town located approximately 21km north of Dublin City Centre and is easily accessible to Dublin via the R127 and N1 motorway.

Description

The subject property comprises of a semi-detached purpose-built 2-storey building, constructed in 2005/2006. Planning for the development was granted in late 2004. The ground floor consists of an entrance hall, ATM, cash counter, public office, staff office and W.C. The first floor consists of staff offices and meeting rooms. The offices are finished throughout to a high standard.

Accommodation

Accommodation comprises:

Blocks 2-4 & 8: Ground Floor Offices; ATM	69.18 sq. metres
Blocks 5-7: First Floor Offices	51.49 sq. metres

(as amended and agreed prior to hearing)

Valuation History & Relevant Dates

The property was inspected by the Revision Officer as part of the Fingal Revaluation exercise. The proposed Valuation Certificate was issued at a valuation of €31,200. No representations were made and the final Valuation Certificate issued at €31,200. An appeal

was made to the Commissioner of Valuation by Mr. Eamonn Halpin on behalf of the appellant. Following consideration of first appeal, no change was made to the valuation. The appellant appealed this decision to the Tribunal.

Appellant's Case

Mr. Eamonn Halpin took the oath and adopted his précis as being his evidence-in-chief. Mr. Halpin made his case as set out in page 6 of his précis, as follows:

“The unit, although new and well finished, does not compare in our view with the better located similar type credit union units elsewhere in Fingal as assessed by the Commissioner.

The 1st floor meeting room has relatively poor natural light and is thus inferior due to the condition that the small window be maintained to blend in with the adjoining property and reflect the appearance of the original building.

Many of the comparisons also have there (sic) own designated car parks which made these units more attractive & valuable.

The hypothetical tenant would not pay more per metre squared for this unit than for comparison nos 1 or 2, which are close by in Rush and Balbriggan, both much larger towns. Both properties also have the advantage of a car park.

The levels applied by the Commissioner are excessive in view of the actual position within the village and do not take account of the relatively poorer location and lack of profile both of which would be significant factors here.

It is accepted that with this type of property as with all other there is a range of values, however, this unit is not comparable with the best units and the premium applied by the Commissioner is totally inappropriate and unsustainable given the established tone in the area for comparable property and the actual location of the premises.

It is inequitable to value the subject by reference exclusively to market conditions & rents at 30/9/2005 as this represented an extraordinary high point in the property cycle. To do so is thus contrary to the method of valuation as set out in 48 (3) of the 2001 Act i.e the long

established concept of one year with another, which clearly avoids such high and low points in the cycle in the process of arriving at fair annual values for rating purposes (even when carrying out valuations by reference to a single valuation date)."

In his oral evidence, Mr. Halpin stressed the poor location of the building in Lusk and stated that the footfall passing the building was poor. He also stated that the potential for business at this location is moderate due to the village's proximity to larger centres such as Swords, Skerries, Rush and Balbriggan. He stated that there is a moderate amount of passing trade at this location. Mr. Halpin stated his opinion that these factors would greatly reduce the attractiveness of the subject property to retailers or other commercial users.

Mr. Halpin contended for a valuation of €22,000, calculated as follows:

Ground Floor entrance lobby	5.75 sq. metres @	Nil
Ground Floor public & private offices	69.18 sq. metres @ €200 per sq. metre =	€13,836
Tea Station	3.232 sq. metres @ €165 per sq. metre =	€ 533
1 st Floor offices	51.49 sq. metres @ €165 per sq. metre =	<u>€ 7,723</u>
		€22,092
Say RV	€22,000	

In support of his estimate of NAV, Mr. Halpin introduced 5 comparisons as follows:

Comparisons

1. Property No. 434475. Occupier: Rush Credit Union.

Valuation €67,700 (Agreed on appeal).

NAV BASIS: Ground Floor 166.59 sq. metres @ €200 per sq. metre

First Floor 177.56 sq. metres @ €175 per sq. metre

Mr. Halpin stated that this is a modern landmark premises in an off-centre location and benefits from having its own designated car park.

2. Property No. 274374. Occupier: Balbriggan Credit Union.

Valuation €109,500.

NAV BASIS: Ground Floor: 326.52 sq. metres @ €200 per sq. metre

First Floor: 218.95 sq. metres @ €175 per sq. metre

Mr. Halpin stated that this is a much superior premises in a prominent location at Dublin St., Balbriggan.

3. Property No. 436370. Occupier: Skerries Credit Union.

Valuation €59,400.

NAV BASIS: Ground Floor: 125.38 sq. metres @ €310 per sq. metre

First Floor : 98.11 sq. metres @ €210 per sq. metre

Mr. Halpin stated that this is in a superior location in the centre of the town of Skerries in a retail/residential street.

4. Property No. 1141145. Occupier: Donabate Credit Union.

Valuation €57,400.

NAV BASIS: Ground Floor: 130.60 sq. metres @ €320 per sq. metre

First Floor: 91.50 sq. metres @ €220 per sq. metre

Mr. Halpin stated that this property benefits from its own car park. He also noted that the valuation does not appear to have been tested by representations or appeal.

5. Property No. 2197796. Occupier: Swords Credit Union.

Valuation €139,300.

NAV BASIS: Ground Floor: 196.84 sq. metres @ €320 per sq. metre

First Floor: 197.71 sq. metres @ €220 per sq. metre

Mr. Halpin stated that this property is in a vastly superior location in the town of Swords on a retail/commercial street. He noted that the valuation on this property had originally been assessed @ €220 per sq. metre but that it had been increased subsequently.

Mr. Halpin stressed that his primary comparison was the Rush Credit Union property in Rush, stating that it was in a far better location, and a better town. He also pointed out that the same tenant occupies this comparison as occupies the subject.

Mr. Halpin claimed that when the Commissioner went out to Lusk he got an overly bullish view, but that on reflection, based on representations and appeals, he had discounted properties in Lusk by an average of 20%. Mr. Halpin asserted that his clients were also entitled to this discount.

Respondent's Evidence

Mr. Alan Sweeney, having taken the oath, adopted his written précis and valuation, which had previously been received by the Tribunal as his evidence-in-chief.

As a result of an adjustment to areas agreed between parties prior to hearing, Mr. Sweeney contended for a rateable valuation of €31,000, calculated as follows:

Blocks 2-4: 8 Ground Floor Office	69.18 sq. metres @ €300 per sq. metre =	€20,754
Blocks 5-7: First Floor Office	51.49 sq. metres @ €200 per sq. metre =	€10,298
Total NAV:		€31,052
Valuation rounded to	€31,000	

In support of his opinion of rateable valuation Mr. Sweeney put forward four comparisons as follows:

1. Property No. 2199096.

Dr. Pavlina Fagan, Second Floor, Lusk Town Centre, Market Square, Station Road, Lusk, Co. Dublin.

2nd Floor Office 75.54 sq. metres @ €200 per sq. metre = €15,108

Valuation €15,100

2. Property No. 2197841.

Lusk Fitness, Dun Emer, Kilhedge Lane, Lusk, Co. Dublin.

First Floor Gym 143.84 sq. metres @ €200 per sq. metre = €28,768

Valuation €28,700

3. Property No. 432165.

John & Ursula McDonald, Fingal House, The Square, Lusk, Co. Dublin.

Ground Floor Office – 42.20 sq. metres @ €200 per sq. metre = €8,440

Valuation €8,440

4. Property No. 2162689.

Lusk Chinese and Thai Takeway, Station Road, Lusk, Co. Dublin

Retail zone A	36.84 sq. metres	@ €500 per sq. metre	€18,420
Retail zone B	18.24 sq. metres	@ €250 per sq. metre	€ 4,560
Store	18.26 sq. metres	@ €100 per sq. metre	<u>€ 1,826</u>
Valuation			€24,800

In his evidence Mr. Sweeney stated that the subject property is a new building, purpose-built and opened in 2006. The Credit Union has car parking for 3 cars. Mr. Sweeney also contended that the property was well located in Lusk being adjacent to the new Supermarket. [Mr Sweeney submitted](#) CSO population figures for Lusk as at June 2006, stating that Lusk is a rapidly growing commuter town. Mr. Sweeney took issue with all of Mr. Halpin's comparisons and stressed that his own comparisons were much more relevant as they are all in Lusk. He said that Mr. Halpin had failed to compare the values in Lusk and that there is no need to look outside of Lusk. Mr. Sweeney concluded that a valuation of €31,000 is fair and reasonable.

Findings

The Tribunal has carefully considered the evidence adduced by both parties, both in their oral and written evidence, and finds as follows:

1. The appellant's comparisons are all Credit Unions from the adjoining towns such as Rush, Balbriggan, Skerries, Donabate and Swords, whereas the respondent's comparisons are all comparisons within Lusk itself. The Tribunal is of the opinion that in arriving at a true valuation both sets of comparisons need to be taken into consideration.
2. The subject property is a sub-office of Rush Credit Union, which comparison, submitted by the appellant, the Tribunal found to be of particular assistance.
3. The subject property is purpose-built and in excellent condition with 3 parking spaces.
4. There has been a significant increase in the population in Lusk since the 2002 census; indeed all the towns mentioned in the comparisons have had significant increases in population. However, Lusk is still the smallest of these towns population-wise.

5. The Tribunal accepts that there is not a huge amount of commercial activity in that Lusk and Lusk has a poor main street from retail point of view.
6. The Tribunal accepts that the ring road around Lusk has reduced passing trade.

Determination

Having regard to the foregoing, the Tribunal has come to the conclusion that the valuation of the property should be concluded as set out below:

Blocks 2-4 & 8

Ground Floor Office: 69.18 sq. metres @ €250 per sq. metre = €17,295

Blocks 5-7

First Floor Office: 51.49 sq. metres @ €180 per sq. metre = € 9,268

Total €26,563

Say €26,500

And the Tribunal so determines.