

Appeal No. VA11/5/022

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

Dr. Hugh O'Broin

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 504146, Surgery (Office) at Dental Surgery, 23A Castle Street, Dalkey, County Dublin.

B E F O R E

John F Kerr - BBS, FSCSI, FRICS, ACI Arb

Deputy Chairperson

Joseph Murray - BL

Member

Michael Connellan Jr - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF DECEMBER, 2011

By Notice of Appeal dated the 19th June 2011, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €24,400 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal and accompanying correspondence are attached at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7, on the 07th day of October, 2011. At the hearing the appellant was represented by Mr. John Stewart, FSCSI, FRICS, MCI Arb, Chartered Surveyor. The respondent was represented by Mr. Dean Robinson, BSc (Hons) Surveying, a valuer in the Valuation Office. Both parties having taken the oath adopted their respective précis which had previously been received by the Tribunal as their evidence-in-chief. From the evidence so tendered, the following emerged as being the facts relevant and material to the appeal.

The Issue

Quantum

Location

The property is located on the first floor of an end of terrace two-storey retail and commercial premises which is occupied by DTZ Sherry Fitzgerald and Crisp Dry Cleaners on the ground floor along St Patrick's Road. It fronts onto Castle Street and has a return frontage to St Patrick's Road. Dalkey is a small village approx. 6 km south of Dun Laoghaire on the eastern seaboard and services a low density affluent residential population. Car Parking is restricted on Castle Street to a limited number of on street metered car parking spaces though there is a large surface pay and display car park located a short distance from the subject property. There is no parking in front of the subject property as it has double yellow lines in position on Castle Street.

Accommodation

The accommodation has been agreed by the parties as follows and was measured on Net Internal Area (NIA) basis:-

Office 102 sq. metres.

Tenure

The subject property is held as part property of a leasehold agreement. A 20 year lease commenced on the 1st January, 2007 at a rent of €22,500 per annum. The lease refers to both sections of the first floor, including the subject accommodation and an area demised for a hairdressing salon. A secondary lease sets out the specific rental terms on the latter at €2,972

per annum. The tenant is responsible for internal repairs and the lease includes 5 yearly “upwards only” rent reviews. The tenant has a break option in year 10.

Appellant’s Evidence

Mr. John Stewart having taken the oath, adopted his précis as his evidence-in-chief. Mr. Stewart for the appellant maintained:

1. Access to the first floor is available from a single hallway off Castle Street. The hallway is shared with the staff of DTZ Sherry Fitzgerald as their toilet accommodation is located at the rear of the hall. The hairdresser salon people who occupy part of the first floor also utilise the hall as their entrance as it is the only access to the upper floor.
2. The stairs is narrow and steep, of L shape construction with 20 steps to the subject property. The hairdresser salon is located off the stairs but does not form part of the subject property for the purpose of the appeal.
3. The subject property comprises 5 rooms and a common or shared toilet facility on the first floor with a separate store located in the return building which is at a lower level.
4. The reception is located in the centre of the floor, it does not have a window and has no natural light source save a very deep skylight. As with other rooms on this floor this one features an open fireplace, chimney breast and hearth. The access door is only 2 feet 5 inches wide. The walls have original domestic woodchip wallpaper finished with emulsion paint.
5. The reception adjoins a smaller office with a suspended timber floor, uneven and sloping to the front left corner. The room features a domestic fireplace and chimney breast and hearth. It has one single glazed timber framed sliding window.
6. The second front facing room has two single glazed window panes and an uneven timber tongued and grooved floor with no central heating and the walls are plastered and painted.
7. The central room has a single glazed sliding sash window, woodchip papered walls and an original fireplace and hearth.
8. The rear room is accessed from the central hallway and no central heating with domestic fireplace, chimney breast and hearth. The window is PVC double glazed construction.

9. The fifth room on the first floor comprises domestic styled bathroom accommodation. This facility is shared with the hairdresser and her clientele.
10. There is also a remote room located over a former garage/stables area. Access is through a central hall which leads to a narrow corridor and through a very low door. This leads to an L shaped staircase with 7 steps down to the store area floor. The room has covered ceilings, no central heating and walls are plastered and painted.

Mr. Stewart in his evidence cited 2 comparison properties.

Comparison 1

Subject Property under appeal including the hairdressing salon.

Floor area 126.94 sq. metres.

Comparison 2

Dominic Dowling Solicitors. The appellant's representative amended the analysis to reflect:

123 sq. metres x €200 per sq. metre = €24,600.

62 sq. metres x €68 per sq. metre = €4,216.

Total €28,816, say €29,000.

Mr. Stewart inspected this property two weeks before the hearing and advised that it is superior to the subject property, does not have restricted access or a narrow stairs. It is of better quality. Evidence was also given from CBRE, a major commercial property agency which showed the progression of rental values for prime offices in secondary locations in relevant periods.

Respondent's Evidence

Mr. Dean Robinson, having taken the oath adopted his précis as his evidence-in-chief. In his evidence he gave 3 comparisons in support of his submission.

Comparison 1

Tim Murphy, 69 St Patrick Street (First Floor). The property is on the adjoining road to the subject property and very similar to it in terms of quality and build. At the valuation date, the property was held on a 3 year lease commencing 1st March, 2004 at an annual rental of €1,000.

Comparison 2

Michael Doherty, 1 Convent Road (First Floor), Dalkey. The property is located on Convent Road approximately 55 metres from the subject property. At the valuation date the property was held on a 3 year lease commencing in September, 2006 at a passing rent of €12,000 per annum, equating to a rate per sq. metre of €295.

Comparison 3

Dominic Dowling Solicitors, 35/36 Castle Street Dalkey. The property is located on Castle Street approximately 16 metres from the subject property and is similar to the subject property in build and finish quality. The property is held on a leasehold basis commencing in 1994 and was reviewed in February 2005 at €35,000. It has its own access as the Eurospar on the ground floor has separate access.

The primary comparison relied upon by Mr Robinson is comparison 3. He accepted in cross-examination by Mr. Stewart that he valued the subject property and the hairdressers together prior to issuing the Valuation Certificate and corrected the valuation after receiving representations after the issue of the Valuation Certificate.

Findings

The Tribunal has carefully considered all the evidence and arguments adduced by the parties and makes the following findings:

1. The subject property is the only property with shared access while the comparable properties do not have shared access.
2. There is no evidence of the comparable properties having narrow access, limited headroom, being of similar quality and with various step levels.
3. The tone of the list is not yet established for comparable properties in the Dun Laoghaire Rathdown rating area.
4. The primary evidence is rental evidence.

Determination

Having regard to the foregoing, the Tribunal determines the valuation of the property concerned to be as follows:

Office 102 sq. metres. @ €16 per sq. metre = €2,032.

NAV €2,032

Say €2,030

And the Tribunal so determines.