

Appeal No. VA11/5/042

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

**John T. Gibbons**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 382293, Office at Larchfield, Dundrum Road, County Dublin.

**B E F O R E**

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

**Deputy Chairperson**

**Aidan McNulty - Solicitor**

**Member**

**Patricia O'Connor - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 20TH DAY OF DECEMBER, 2011**

By Notice of Appeal dated the 27th day of June, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €2,600 on the above described relevant property.

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

The appeal proceeded by way of an oral hearing in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 21<sup>st</sup> day of September 2011. Mr. John Algar, B.Sc. of Bardon & Co Property Valuation and Management MIAVI, represented the appellant and Ms. Fiona Mullins BSc, a District Valuer in the Valuation Office, represented the respondent. At the hearing both parties having taken the oath, adopted their respective précis as their evidence-in-chief.

### **The Property**

The subject property comprises a two storey over basement detached period house which is in use as offices. The building was originally a Georgian farmhouse which has a Victorian extension dating from 1843. The property is located on the east side of the Dundrum Road at the junction with Larchfield, circa 0.9 km north of Dundrum Village Centre and circa 6.5 km south of Dublin City Centre. The floor measurements are agreed between the parties, as follows:

Ground Floor Office: 128.22 sq. metres

First Floor Office: 112.96 sq. metres

Basement Store: 40.83 sq. metres

### **Valuation History**

The Valuation Certificate was issued on 15<sup>th</sup> of June 2010 with a proposed valuation of €5,300. Representations were submitted on 12<sup>th</sup> July 2010 and following considerations the valuation issued unchanged. An Appeal to the Commissioner was lodged on 8<sup>th</sup> February 2011. The valuation issued on 31<sup>st</sup> May, 2011 reduced to a level of €2,600.

The appellant appealed the Commissioner's decision to the Valuation Tribunal on the 27<sup>th</sup> June 2011. The appeal is based on quantum.

Following agreement between the parties on adjustments to measured floor area prior to the Tribunal hearing, the Commissioner of Valuation further reduced the valuation to a level of €7,100. The parties further agreed a figure of €100 per sq. metre for the basement area.

## **Services**

The main services consisting of water, drainage, electricity with oil fired heating and telephone.

## **Tenure**

Interest is understood to be freehold.

In 2005 there were two short term tenancies within the building located on the first floor and comprised 75 sq. metres at a net rent of €134.44 per sq. metre/per annum and 21 sq. metres at a net rent of €37.30 per sq. metre/per annum. The rents paid for both office units reflected fully serviced office accommodation.

## **Appellant's Case**

Mr John Algar having taken the oath and adopted his précis as his evidence-in-chief, stated that the valuation determined by the Commissioner of Valuation was too high and made the following submissions:

1. The property is located within a predominantly residential location at the front of the residential estate of Larchfield.
2. This is not a desirable office location as it is removed from any suburban village such as Dundrum and Clonskeagh and over six miles from Dublin city centre.
3. The subject property is an old building dating back to the early 1800s and as a result the maintenance and upkeep of the building is extremely expensive.
4. The foregoing would discourage any tenant taking the property on a full repairing and insuring basis in contrast with considerations to a modern building.
5. There were two short term tenancies within the building in 2005. He stated that those lease agreements provided that the rent paid by the tenants included rates, insurance, utility costs, security, maintenance and cleaning. Included in his Appendix 7 is a full schedule of the annual expenses of the building for the year 2005. These two rental agreements devalued as set out on page 3 at 1 and 2 of his précis (attached herewith at Appendix No. 2).

Mr Algar assessed the Net Annual Value (NAV) at 30<sup>th</sup> September 2005, as set out below:

Ground Floor	128.22 sq. metres	@	€200.00 per sq. metre	=	€25,644
First Floor	112.96 sq. metres	@	€200.00 per sq. metre	=	€22,592
Basement	40.83 sq. metres	@	€100.00 per sq. metre	=	<u>€4,083</u>
					€2,319
					Say €2,300

Details of Mr Algar's 3 comparisons are at Appendix No. 3 hereto.

### **Cross- Examination of the Appellant**

Mr. Algar in reply to Ms. Mullins confirmed that he was instructed to represent the property owner on his comparison no. 2, the NAV of which was agreed at representation stage on the basis that the rental value of the property was impaired by the poor condition of the basement at that time. He added that his comparison properties reflect the "tone-of- the- list".

### **Respondent's Case**

Ms. Fiona Mullins having taken the oath, adopted her précis as being her evidence-in-chief and assessed the rateable valuation of the subject property with agreed areas as follows:

128.22 sq. metres	NIA valued @ €220 per sq. metre	=	€28,208.40
112.96 sq. metres	NIA valued @ €220 per sq. metre	=	€4,851.20
40.83 sq. metres	NIA valued @ €100 per sq. metre	=	<u>€ 4,083.00</u>
	NAV	=	€7,142.60
Valuation Office Estimate of NAV (Round to)			€7,100

Ms. Mullins stated that:

1. The valuation adopted by the Commissioner of Valuation of €7,100 was in line with her comparisons,
2. The subject property was a period house converted to offices in a cluster of similar properties.
3. Full regard has been given to the age and location of the subject unit.
4. The level per square metre applied reflects the "tone-of-the-list" as all her comparisons demonstrate.

5. All factors have been considered to ensure that this property is valued fairly according to its size, location and build quality.
6. The valuation levels were derived from an analysis of available open market rental information of comparable properties and applied to the subject property.

Details of Ms Mullin's 3 comparisons are at the Appendix No. 4 hereto.

### **Cross-Examination of the Respondent**

Ms. Mullins in reply to Mr. Algar, confirmed that she agreed with the rate of €100 per sq. metre applied to the basement. She confirmed that she was the revision officer on her comparison properties nos. 1 and 2. She did not accept that a multi-tenanted building led to reduced total rental costs for tenants by sharing service charges and management fees. Ms. Mullins further stated that she would not agree that smaller offices occupied by a number of tenants in a complex sharing expenses allowed landlords charge higher rents than they would otherwise charge if renting the spaces to a single tenant.

### **Findings**

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

1. The only dispute between the parties was the NAV applied on the office area of the subject property which extends over the ground and first floor.
2. The value of the store in the basement was agreed between the parties prior to this hearing.
3. Two of the applicant's comparison properties were valued as a single lot.
4. The subject property is valued as a single lot.
5. The common comparison property namely Lynwood House, Ballinteer Road, Dundrum, was valued in five lots.

6. Comparisons Nos. 1 and 2 submitted by the respondent both related to the same building albeit separate areas which were valued as part of a group of six relevant properties.
7. In this case the Tribunal is satisfied that the NAV assessed on the subject property by the Commissioner of Valuation, taken as one lot, expressed on a per sq. metre basis should be fixed at a level lower than that of the common comparison property No. 3 and the respondent's two other comparison properties to provide for quantum area allowance and the benefit arising to the hypothetical tenant with respect to single occupancy.
8. The Net Annual Value of the subject property is determined in accordance with Section 48(3) of the Valuation Act 2001.

### **Determination**

In light of the foregoing the Valuation Tribunal determines that the Net Annual Value of the subject property be calculated as follows:

Ground Floor	128.22 sq. metres	@	€200.00 per sq. metre	=	€25,644
First Floor	112.96 sq. metres	@	€200.00 per sq. metre	=	€22,592
Basement	40.83 sq. metres	@	€100.00 per sq. metre	=	<u>€ 4,083</u>
					€2,319

NAV Say ~~€~~2,300

And the Tribunal so determines.