

Appeal No. VA11/5/169

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

O'Briens Wine Off Licence

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 526185, Retail (Shops) at 58 Upper Georges Street, Dun Laoghaire, County Dublin.

B E F O R E

Maurice Ahern - Valuer, IPAV

Deputy Chairperson

Michael F Lyng - Valuer

Member

Mairead Hughes - Hotelier

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 21ST DAY OF FEBRUARY, 2012

By Notice of Appeal received on the 22nd day of August, 2011 the appellant appealed against the determination of the Commission of Valuation in fixing a valuation of €38,600 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 when the sustainable value of the property on a one year with another basis is taken into account." "This is a very moderate location with limited footfall & low values. The property is in poor condition & would be worth substantially less than suggested if let in its actual state."

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 23rd day of January 2012. At the hearing the appellant was represented by Mr. Eamonn Halpin, BSc (Surveying), ASCS, MRICS, MIAVI and the respondent was represented by Mr. Paul Ogbebor, BEng (Hons) Civil Engineering, a valuer in the Valuation Office.

Location

The property is located at 58, Georges Street Upper, Dún Laoghaire, Co. Dublin

Description

The property comprises of ground floor retail unit in a two storey mid-terrace property. The construction is of red brick with pitched tiled roof.

The agreed floor area, measured on a Net Internal Area (NIA) basis, is 160.58 sq. metres.

Basis of Valuation

The subject premises were the subject of a Revaluation as one of all rateable properties in the Dún Laoghaire County Council area. The Valuation Order for Dún Laoghaire County Council specifies 30th September 2005 as the Valuation date. Valuation levels were derived from the analysis of available open market rental information of comparable properties and applied to the subject property. The valuation of this property, on appeal to the Commissioner of Valuation, was determined by reference to the values of comparable properties stated in the valuation list in which the property appears.

Valuation History

- ⤴ A proposed Valuation Certificate was issued for the subject property on 15th June 2010 which had a valuation of €45,400.
- ⤴ Representations were lodged by the agent (Eamonn Halpin & Co. Ltd.) on behalf of the landlord on the 12th July 2010 and the valuation remained unchanged.
- ⤴ An Appeal was lodged by the agent (Eamonn Halpin & Co. Ltd.) on behalf of the landlord to the Commissioner of Valuation on the 8th February 2011 and the valuation was reduced to €38,600 due to 5% end reduction for physical obsolescence and removal of 10% loading for off-licence.

^ An Appeal was lodged to the Valuation Tribunal on the 22nd August 2011.

Appellant's Case

Mr. Eamonn Halpin, having taken the oath, adopted his written précis and valuation, which had been received by the Tribunal and the respondent, as his evidence-in-chief. He outlined to the Tribunal a number of points which he asked the Tribunal to consider in assessing the Net Annual Value of the subject property.

He stated that the subject property is located away from the prime commercial centre of Dun Laoghaire and that despite being located in the centre of a retail parade, the block as a whole should be regarded as one of the most moderate office locations in Dún Laoghaire, as rental evidence demonstrates.

A large section of the rear office accommodation in the subject property is suffering from wet and dry rot. In addition, a significant hole in the roof has caused damage to the accommodation below. The hypothetical tenant would factor in this damage and the overall generally poor condition of the building in any rental bid, particularly on an FRI basis. Mr. Halpin felt that the Commissioner had failed to value the premises in its actual state as dictated in the 2001 Act.

He also believed that the valuation levels used by the Commissioner for retail in Georges Street Upper as a whole (i.e. €50 per square metre on all properties) is grossly unfair on the subject in view of the Tribunal Decision (**VA/11/5/076 – Dermot McCluskey**) on 50 Georges Street Upper which is in the same block as the subject and due to the subject's poorer condition and obsolescence. Although the Commissioner had allowed 5% for this, Mr. Halpin felt that 20% would be more appropriate. He also felt that the unit should qualify for a frontage-to-depth discount of 5%, similar to that applied to **VA11/5/076**. He said too that there is a range of values for this type of property and that this particular unit falls at the lowest end of the range.

Valuation

Mr. Halpin contended for a valuation of €28,000 on the subject property, calculated as follows:

Retail Zone A	45.75 sq. metres @ €600 per sq. metre	=	€27,450
Retail Zone B	11.25 sq. metres @ €300 per sq. metre	=	<u>€ 3,525</u>
		=	€1,125
Less 5% for frontage to depth ratio		=	<u>(€ 1,556)</u>
			€29,569
+ Office	8.63 sq. metres @ €80 per sq. metre	=	€ 690
+ Store	94.95 sq. metres @ €50 per sq. metre	=	<u>€ 4,748</u>
			€35,007
Less 20% for age and condition of building		=	<u>(€7,002)</u>
			€28,005

NAV Say €28,000

Appellant's Comparisons

In support of his opinion of net annual value of the subject property, Mr. Halpin put forward two comparisons, both on Georges Street Upper.

Comparison 1

Hair Creations, 50, Upper Georges St., Dún Laoghaire

Property No. 526175

This property is located 8 doors from the subject. Zone A level reduced from €650 to €600 by the Tribunal in **VA11/5/076** and the Office level reduced from €300 per sq. metre to €80 per sq. metre by the Tribunal.

Property No 526176

Ground Floor store is valued at €100 per sq. metre having been reduced from €300 per sq. metre on appeal to the Tribunal

Comparison 2

Snap Printing, 67 Upper Georges St, Dún Laoghaire

Property No. 526202

Ground Floor Zone A valued at €650 per sq. metre.

Cross-Examination

Mr. Halpin stated that the subject is not an Off-Licence, as the licence has moved to another premises. The subject is vacant since 2007.

Respondent's Evidence

Mr. Ogbebor having taken the oath, adopted his written précis and valuation which had been received by the Tribunal and the appellant, as his evidence in-in-chief. Mr. Ogbebor contended for an NAV of €38,600 as follows:

Ground Floor Retail Zone A	45.75 sq. metres	@ €50 per sq. metre =	€29,737.50
Ground Floor Retail Zone B	11.25 sq. metres	@ €25 per sq. metre =	€3,656.25
Ground Floor Office	8.63 sq. metres	@ €300 per sq. metre =	€2,589.00
Ground Floor Store	94.95 sq. metres	@ €50 per sq. metre =	<u>€4,747.50</u>
Total:			€40,730.25
5% end allowance given for physical obsolescence =			-€2,035
Total NAV			€38,695.25
Say €38,600			

Mr. Ogbebor submitted three comparisons all located in Georges Street Upper. He told the Tribunal that there were two levels in Georges Street Upper. Close to the shopping centre the value for Zone A was €350 per sq. metre, further away the value reduced to €650 per sq. metre. His three comparisons were all located on Georges Street Upper and all had Zone A Retail levels of €650 per sq. metre. Mr. Halpin felt that because the subject property was unoccupied for some time, an allowance should be made. Mr. Ogbebor stated that he had allowed 5% for this.

Findings

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

1. The appellant failed to advance sufficient evidence as to why the Zone A rate of the subject property should be reduced from €650 to €600.
2. The Tribunal notes the agreement of both parties that a frontage-to-depth allowance is appropriate in respect of the subject property.
3. The Tribunal considers that the 5% given by the respondent is insufficient for physical obsolescence.

Determination

Having regard to the foregoing, the Tribunal determines that the Net Annual Value of the subject property is as follows:

Ground Floor Retail Zone A	45.75 sq. metre	@ €50 per sq. metre =	<u>€29,737.50</u>
Ground Floor Retail Zone B	11.25 sq. metre	@ €325 per sq. metre =	<u>€ 3,656.25</u>
			€3,393.75
Less 5% allowance for Frontage to Dept Ratio			(€ 1,669.69)
			€1,724.06
Ground Floor Office	8.63 sq. metre	@ €300 per sq. metre =	€ 2,589.00
Ground Floor Store	94.95 sq. metre	@ €50 per sq. metre =	<u>€ 4,747.50</u>
			€9,060.56
Less 10% end allowance for physical obsolescence		=	(€3,906.06)
			€5,154.50
NAV Say	€35,000		

And the Tribunal so determines.