

Appeal No. VA12/2/002

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

QDM ARCHITECTURE

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 190418, Office(s) at Lot No. 36.37/Unit 11, Mary Street, South Gate A, City Hall, County Borough of Cork.

B E F O R E

Niall O'Hanlon - BL

Deputy Chairperson

Mairead Hughes - Hotelier

Member

Thomas Collins - PC, FIPAV, NAEA, MCEI, CFO

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 27TH DAY OF SEPTEMBER, 2012,

By Notice of Appeal received on the 10th day of April, 2012, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €36 on the above described relevant property.

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

"NAV is excessive."

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, 3rd Floor, Holbrook House, Holles Street, Dublin 2 on the 13th day of June 2012. At the hearing the appellant was represented by Mr Gerard O'Callaghan, Chartered Surveyor, Re/Max Cork & County. The respondent was represented by Mr Anthony Mulvey, BSc (Hons), Surveying, Dip. Finance and Accounting, a valuer at the Valuation Office.

The Issue

Quantum.

Valuation History

The subject property was previously revised in 1991. It was reduced in size within the last 12 months following a reconfiguration of the 1st floor, and subsequently was revised again in 2011. A Valuation Certificate (proposed) was issued with a proposed RV of €36. An appeal was lodged with the Commissioner of Valuation and following consideration of this appeal the Commissioner made no change. On 10th April, 2012, a Notice of Appeal was lodged with the Valuation Tribunal.

The NAV was assessed on a net internal area (NIA) basis as follows:

Block 1-3, 1st Floor Office	69 sq. metres	@	€82.02 per sq. metre	€5,659.38
NAV				€5,659.38
RV	€35.65			
Say RV	€36			

The Property

The property is located on Mary Street, off Georges Quay and close to the South Mall in Cork City Centre. Mary Street is predominately residential; however there are a number of pubs as well as a medical premises and a charity office on the street, and it is beside the city's business district. The property is a mid-terrace, mixed-use building and the subject comprises a first floor office that was recently reconfigured to its present state. Other occupiers of the property include a self-storage business, a private school, Alliance Française and a historical researcher. The occupier of the subject property bought the entire property in 1988.

Accommodation

The accommodation was measured on a NIA basis as follows:

1st Floor Office 69 sq. metres

The Appellant's Case

Having taken the oath, Mr Gerard O'Callaghan adopted his written précis as his evidence-in-chief.

Mr O'Callaghan told the Tribunal that he has been managing the entire premises for the past 10 years on behalf of the owner, and argued that the location of the subject property is moderate and that the street on which the subject premises is located in general lacks market demand. A sub-division of the subject premises during 2011 resulted in a size reduction from 178 sq. metres to 69 sq. metres. The subject property does not have any modern office specifications such as suspended ceilings, raised access floors, or air conditioning. He described the subject property as having been painted recently, but that it was still an inferior property in that the lighting is not up to modern expectations, the windows are four feet above floor level, the toilet is shared with other rented units in the building, and the office space generally is not what one would expect of a modern office.

Mr O'Callaghan said that demand for office space in recent years is mainly in the central business area of the city or else in the suburban business parks or modern office blocks on the outskirts of the city. He said that [NAVs of circa €82 per sq. metre](#) have been applied to offices that are superior to the subject in locations such as the South Mall and other locations in the central business district, and that it was not correct to apply the same rate to the subject.

Comparisons

In support of his opinion of valuation Mr O'Callaghan introduced two comparisons, details of which are set out in Appendix 1 to this judgment.

He accepted that his comparison 1 (St Finbarr's Credit Union) was invalid as it refers to a property that was valued pre-1988, but that he was now relying on his comparison 2 (Fitzgerald's Menswear on Partick Street in the city centre). He described comparison 2 as a retail property with 3rd floor office use. Under cross-examination by Mr Mulvey, Mr O'Callaghan was asked if he was mindful of Section 49(1) and was comparing 'like with

like' when suggesting that his comparison 2 was similar to the subject. Mr O' Callaghan said that despite the comparison being a retail unit with 3rd floor offices, this office space was valued at €81.97 per sq. metre and was in a much superior location.

Summarising, Mr O'Callaghan told the Tribunal that Mary Street was now in decline, that no improvements had occurred with the subject since 1991, that it was now an inferior office, and that NAVs should come down where decline occurs.

Respondent's Evidence

Mr Anthony Mulvey, having taken the oath, adopted his written précis as his evidence-in-chief. Mr Mulvey outlined the valuation history of the subject as already detailed previously in this judgment. In support of his opinion of NAV, he introduced five comparisons, details of which are attached at Appendix 2 to this determination. He agreed with Mr O'Callaghan's earlier description of the subject property, and also acknowledged that there was no re-plastering of walls or new carpets laid since the unit was sub-divided. He said that all of his comparisons were similar to the subject and similarly valued. Mr Mulvey stated that there were 11 offices on Mary Street, two of which were 'non-list' or exempt from valuation. He said that his comparisons and the subject are similar to one another and valued at the same rate per sq. metre, except for his comparison 3, which is located on the same street as the subject and though a fairly basic building is valued higher at €95.64 per sq. metre for the 1st floor offices. Mr. Mulvey stated that all of his comparisons are in the same area as the subject. He described the location in Drinan Street of his comparison 4 (property no. 174527) as being inferior to that of the subject, but that comparison 4 is similarly valued at €82.02 per sq. metre.

Under cross-examination by Mr O'Callaghan, he was asked if it was normal practice within the Valuation Office to place lower values on storage space than office use. Mr Mulvey replied that if a unit was lowered to storage, he would not place a lower value on what is a 'lower value purpose', and cited the principle of '*rebus sic stantibus*' to back up this argument.

When it was suggested to him by Mr O'Callaghan that Mary Street is now a less attractive street than in 1991, and as such, the subject building is now more suitable to storage than to

office space, Mr Mulvey said that he had compared ‘like with like’ and was constrained by Section 49 (1) of the Act.

In summary, Mr Mulvey said that while the appellant’s comparison 1 was not relevant, the subject was, broadly speaking, valued in line with the comparison properties offered by him.

Findings

1. The Tribunal notes that the parties agreed that the appellant’s comparison 1 was not a valid comparison as the property had been valued pre-1988.
2. The Tribunal considers the comparisons put forward by the respondent to be helpful and that they assisted in demonstrating that a ‘tone of the list’ was established where similar properties in similar locations were similarly valued.
3. The Tribunal is mindful of Section 49(1) of the Valuation Act, 2001 which states *“(1) If the value of a relevant property (in subsection (2) referred to as the “first-mentioned property”) falls to be determined for the purpose of section 28(4), (or of an appeal from a decision under that section) that determination shall be made by reference to the values, as appearing on the valuation list relating to the same rating authority area as that property is situate in, of other properties comparable to that property”*.
4. The Tribunal finds that no evidence was offered by the appellant to overturn the valuation on the subject property.

Determination

Mindful of the foregoing, together with all the evidence submitted and advanced at hearing, the Tribunal considers the valuation of the subject property of €82.02 per sq. metre to be fair and reasonable and determines that the decision of the respondent be upheld and the rateable valuation on the subject property be affirmed at €36.

And the Tribunal so determines.