

Appeal No. VA93/2/018

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 1988**  
**VALUATION ACT, 1988**

**UDT First Southern (Woodchester Credit Lyonnais)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices at Map Ref: 38.40 (Ground Floor) (Boland's Office Building) Grand Canal Street  
Lower, South Dock Ward, County Borough of Dublin  
Quantum

**B E F O R E**

**Henry Abbott**

**S.C. Chairman**

**Paul Butler**

**S.C.**

**Veronica Gates**

**Barrister**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 20TH DAY OF DECEMBER, 1993**

By Notice of Appeal dated the 19th day of May, 1993 the appellant appealed against the determination of the Commissioner of Valuation in fixing a Rateable Valuation of £1,730.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the revised valuation of £1,730 is excessive and inequitable having regard to the provisions of the Valuation Acts. In particular it reflects a Net Annual Value that is considerably higher than the true or effective rental value of the demise at the relevant date".

### **The Property**

The property was held by UDT/First Southern Bank from Ambiorix Limited under an F.R.I. lease of 35 years from the 23rd November, 1990 with 5-yearly rent reviews, at an initial rent of £239,012 per annum. UDT/First Southern Bank was taken over by Woodchester Credit Lyonnais some 8 months after taking up possession of the unit. They vacated the property and it is currently vacant and to let. The hereditament is newly converted from Bolands Mills bakery complex which consisted of a five storey bakery building of 1930's vintage plus older one storey blocks used for van parking and warehousing. These older blocks were later demolished and replaced by 40 two's and three's own door office units - Clanwilliam Square and Terrace - and a car park area. The block was purchased in the mid 1980's and has been transformed into an office block with V.A.V. system of air conditioning.

### **Written Submissions**

Both parties delivered written submissions and same are annexed hereto as Appendix 1 & 2. The submissions contained details of comparative evidence and arguments.

### **Oral Hearing**

The oral hearing took place in Dublin on the 21st day of November, 1993. Mr. Michael D. Coyle F.R.I.C.S. M.I.A.V.I. Dip Arb Law, ACIARB, Valuation Partner of Palmer McCormack & Partners appeared for the appellant and Mr. Terence Dineen, Valuer with 19 years experience in the Valuation Office and a B.Agr.Sc appeared for the Respondent.

From the outset in the interest of establishing consistency between the subject hereditament and the hereditament the subject of **Appeal No. VA/93/2/045 - John Ronan, Ambiorix Limited** in respect of the top floor of the premises it was decided and agreed that both appeals would be heard together. At the oral hearing further documentation was submitted from the appellant and same contained details of E.D.S. on the fourth floor of the office block containing the subject, showing a net rent of £12.10 per square foot. Also a further letter dated the 18th November, 1993 from Battersby to Mr. Michael Coyle was submitted. Both these documents are annexed hereto as Appendix 3 and 4. Mr. Coyle also disclosed a list of prospective tenants canvassed to take an assignment of the lease in the subject hereditament without success. Basically, Mr. Coyle relied on the weakness of the market as a determinant of N.A.V. in this case. While he recognised that the occurrence of intense business activity in the financial services centre in the Dock Site discouraged companies from locating in the

Boland Mills Complex, he felt that the strongest influence in the market pulling prospective tenants away from the subject was the influence of the development in St. Georges Quay, encouraged by the Designated Area Tax incentives. He stated that there was a general overhang of the market in Dublin in relation to office space and that the number of tenants who would not be influenced by the general pull of the market "towards the River" were few. Mr. Dineen did agree that Government Bodies not concerned about tax implications were not in the market to any significant extent in recent years. That left only banking and insurance type companies with a special V.A.T. regime or service type manufacturing firms with 10% tax positions in the market as potential tenants.

Mr. Coyle offered the comparisons as indicating that there was a base rent of £9.00 or £10.00 p.s.f. which should be the dominant factor in determining any N.A.V.. Mr. Dineen countered that notwithstanding some market difficulties with the premises, the developer had been reasonably successful in letting a number of floors of the premises, and that the onus was on the Tribunal to determine the valuation taking one year with another. Mr. Coyle and the parties representing the appellant in the other appeal relating to the top floor agreed that with the lift facilities in the building, no differentiation should be made in relation to the location of the unit in the block on the basis of its position in the floor sequence.

### **Findings**

The Tribunal has no difficulty in finding that while the subject is an excellent premises reaching an almost state of the art condition of development were it not for the slightly off standard depth specification thereof, the N.A.V. must however be considered in the light of Market movements. There is no doubt that the subject has great difficulty competing with the more financially and institutionally attractive locations of the Financial Services Sector and the St. Georges Quay development along the River Liffey some distance away. The Tribunal does not consider that the range of £9.00 to £10.00 per square foot is appropriate having regard to the quality and the reasonably good existing and expected potential of the building. The building certainly would represent a high status location or headquarters for any organisation in the Service - Financial, Administrative or Manufacturing areas. Accordingly, the Tribunal considers that an appropriate valuation of the subject is £1,500 and so determines.

