

Appeal No. VA96/2/013

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

Goodbodys

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices at Map Ref: 122.124/b Carrisbrook House, Pembroke Road, Ward: Pembroke West, County Borough of Dublin

Quantum - Stressful environment due to tenancy of Embassy of Israel

B E F O R E

Fred Devlin - FRICS.ACI Arb.

Deputy Chairman

Con Guiney - Barrister at Law

Deputy Chairman

Marie Connellan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF APRIL, 1997

By Notice of Appeal dated the 3rd April, 1996 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,330 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that "the valuation is excessive and inequitable".

The property comprises a seven storey over basement level office building which is hexagonal in shape on a site of approximately 24,500 sq.ft.. A service core containing stairs, lifts and toilet facilities is located in the centre of the building on each floor.

The subject matter of this appeal comprises the ground floor up to and including the fourth floor. The accommodation and agreed floor areas are as follows:-

Ground Floor:	Reception	816 sq.ft.
First Floor:	Offices	4,640 sq.ft.
Second Floor:	Offices	4,640 sq.ft.
Third Floor:	Offices	4,640 sq.ft.
Fourth Floor:	Offices	4,640 sq.ft.

The appellant described the premises as having 41 car spaces while the respondent described the premises as having 44 car spaces.

The relevant valuation history is that the subject of this appeal was included in the list of new rateable valuations published by the Commissioner of Valuation on the 9th November, 1995 at RV £1,330. An appeal was lodged by the appellant on 7th December, 1995. At First Appeal stage the RV of £1,330 was published unchanged.

A written submission by Mr. Adrian Power-Kelly on behalf of the appellant was received by the Tribunal on 24th September, 1996. Mr. Power-Kelly is an Associate Partner in Harrington Bannon, Chartered Valuation Surveyors, a Fellow of the Society of Chartered Surveyors and has sixteen years experience.

The written submission outlined a series of negative factors which the appellant contended would reduce the rent that a hypothetical tenant would be prepared to pay for the premises.

These included:-

- (1) The building being an old first generation building located approximately 1 mile from the central business district to the west.

- (2) The hexagonal design of the premises creates an angular layout and this inhibits sub-division of the floor space into individual regularly shaped offices.
- (3) An "open plan" layout is inhibited by the fact that the service core is located in the centre of the building and this creates a situation where staff are separated from each other by the service core and cannot interact.
- (4) The windows of the premises are aluminium framed and single glazed. In summer months these windows create a high level of solar gain and in winter months they contribute to heat loss.
- (5) The floors are of traditional design and do not allow access flooring. Distribution of communication and computer services can only be by means of perimeter trunking or tracing cables through the ceiling void. This creates an inflexible and unattractive working environment.
- (6) The air handling system in the building is not centrally controlled. It has been installed on a piecemeal basis throughout the building. This has the effect of giving different levels of temperature throughout the building as there is no central control mechanism.
- (7) The Embassy of Israel occupies part of the building and this has necessitated extra security measures at the site of the premises which is disruptive to clients visiting the premises.
- (8) The service charge for the premises is £5.13 per square foot. This compares to general levels of service charges in other multi-tenanted buildings which average £2.25 to £2.70 per square foot.
- (9) Access to the car parks is either via the security barriers on Pembroke Road or via a ramp on Northumberland Road. In both cases this creates difficulties of access and egress, particularly at rush hours as both Pembroke Road and Northumberland Road carry heavy volumes of traffic.

Mr. Power-Kelly's written submission contained details of the rent payable by the appellant and contained a schedule of comparisons with respect to five buildings.

Mr. Adrian Power-Kelly estimated the rateable valuation as follows:-

"19,376 sq.ft. @ £8.75 per sq.ft.	=	£169,540
41 car spaces @ £500 each	=	<u>£ 20,500</u>
		£190,040
RV £1,197	Say	£1,200.00"

Written submissions prepared by Patrick Deegan, BA BL, on behalf of the respondent were received by the Tribunal on 25th September, 1996 and 4th October, 1996. Mr. Deegan is a valuer with over 20 years experience in the Valuation Office.

Mr. Deegan's written submission of 25th September, 1996 contained a description of the property. He described the property as having 44 car spaces. The submission contained a schedule of comparisons which included fifteen specific properties.

Mr. Deegan estimated the rateable valuation as follows:-

"Offices	19,376 sq.ft.	@	£9.75	=	£188,916
44 Car spaces		@	£500	=	<u>£ 22,000</u>
					£210,916
					<u>x .63%</u>
					£1,329
			Say		£1,330"

Mr. Deegan's written submission of 4th October, 1996 contained a schedule of comparisons which included twenty specific properties.

The oral hearing of the appeal took place in Dublin on the 4th day of October, 1996. In his sworn testimony Mr. Power-Kelly adopted his written submission as his evidence to the Tribunal. In his evidence he again dealt with the negative factors which related to the subject premises. He gave further evidence on his comparisons.

Griffin House was located in the central business area and had a better aspect overlooking the canal. Car parking was at the rear of the building through an underground access point.

Hume House was in the immediate vicinity of the subject premises. This premises had regularly shaped floors which gave more effective use of the office space. The building had been recently refurbished and was a better quality building than the subject premises. Hume House was of the same age as the subject and was Mr. Power-Kelly's preferred comparison.

St. Martin's House was in the vicinity of the subject premises and being built in 1973 was slightly younger. The floor layout and design were better and more flexible. On the issue of car parking spaces in the subject Mr. Power-Kelly stated that the lease provided for 41 car spaces but by better use of the basement parking area three more cars could be parked there.

In his sworn testimony Mr. Deegan adopted his written submissions as his evidence to the Tribunal. In his evidence Mr. Deegan stated that the subject premises occupied a prestigious area in Ballsbridge which developers of office property would be anxious to locate in, if only allowed to do so by the planning authorities. He said that the RV had been determined by the Valuation Office after taking into account all the issues raised by the appellant. Mr. Deegan considered that the Embassy of Israel was not a drawback in the premises, other offices had similar security systems.

In connection with his comparisons Mr. Deegan stated that offices in Lower Mount Street were his preference. He did not prefer any specific premises but he stated that his comparisons showed a tone of the list for Lower Mount Street at £10.00 per sq.ft.

By way of illustration Mr. Deegan referred to three properties in Lower Mount Street:

- (a) 25/27, Lower Mount Street,
- (b) Bord Banne, and
- (c) General Accident Insurance Co. Limited.

All these properties in Mr. Deegan's testimony gave rise to an over all tone of the list for Lower Mount Street of £10.00 per sq.ft..

Under cross examination by Mr. Power-Kelly, it was put to Mr. Deegan that the office spaces in the General Accident Insurance Co. Limited had a regular layout. Mr. Deegan in reply admitted that not many offices in Dublin had a hexagonal shape.

In connection with 25/27 Lower Mount Street, Mr. Power-Kelly put it to Mr. Deegan that the average RV in the building was £70 and that there were a number of such RV's in the building. Mr. Power-Kelly further put it that the average floor size in the building ranged from 1,000 sq.ft. to 1,100 sq.ft., and that therefore Mr. Deegan was using offices which were 1/20 the size of the subject premises as comparisons. Mr. Deegan did not disagree with these propositions. As to the Bord Baine building Mr. Power-Kelly put it that these offices were regularly shaped as to their floor areas unlike the subject.

Mr. Power-Kelly contended in his cross examination that other comparisons produced by Mr. Deegan were new buildings such as Cambridge Finance 1 - 11, Grand Canal Street Upper and purpose built such as 14 - 16, Haddington Road.

Finally Mr. Frank Robinson, the Compliance Officer and Services Manager of Goodbody's gave evidence on behalf of the appellant. He stated that the car barriers on the property were unlike other barriers. If they were required to come down they did so no matter what was under them. The Embassy of Israel had located in the premises at Christmas 1995. Its presence there had created a very stressful environment on a number of occasions. Sometimes there is a presence of armed Special Branch and Israeli security personnel. There have been political protests outside the building and on one occasion the building was daubed with red paint. Mr. Deegan stated that these problems were temporary and the Valuation Office takes the long term view.

Determination:

The Tribunal considers that some discount must be allowed for the negative factors raised by the appellant in arriving at an RV in this matter. Furthermore the Tribunal considers that Hume House, Pembroke Road is the most appropriate comparison. The Tribunal considers

that 44 car spaces are the appropriate number to be included in the valuation which is determined as follows:-

Offices	19,376 sq.ft.	@	£9.30	=	£180,196.00
44 Car Spaces		@	£500	=	<u>£ 22,000.00</u>
					£202,196.00
					<u> x 0.63%</u>
				=	£1,273.84
		Say		=	£1,274

Therefore the Tribunal determines the rateable valuation of the subject premises to be £1,274.