

Appeal No. VA02/2/043

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

Pacificare International Ltd.,

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Office(s) at Map Reference: 1D/1 Ballyraine, Letterkenny Rural, County Donegal
Quantum - comparisons

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Joseph Murray - Barrister

Member

Patrick Riney - FSCS. MIAVI

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 18TH DAY OF FEBRUARY, 2003

By Notice of Appeal dated the 25th April 2002, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €1222.76 on the relevant property above described .

The Grounds of Appeal as set out in the said Notice of Appeal are that:
"The valuation is excessive and inequitable and or not valued in accordance with the Valuation Acts and related legislation".

1. This appeal proceeded by way of an oral hearing held in Letterkenny on the 17th of January 2003.
2. At the hearing the appellant was represented by Mr. Patrick McCarroll MRICS., FIAVI., ASCS., IRRV., MCI.Arb., and the respondent by Mr. Damien Curran MRICS., ASCS., BSc.(Surv.), a District Valuer in the Valuation Office.
3. Prior to the hearing the Valuers exchanged written submissions and valuations which were forwarded to the Tribunal and subsequently received into evidence under oath at the oral hearing.
4. Issue : Quantum

The Property

5. The property concerned, Pacificare International Ltd, is located in Letterkenny Business Park north of the town centre, in the townland of Lisnenan. Originally built as an industrial premises in the 80's and converted for use as a telecentre, the property comprises of a two-story office section together with a single story building at the rear. Tenure is leasehold for 10 years from 23rd July 2001. Lessee is liable for repairs and insurance. Rent reserved, including fit out costs, is €15,993 per annum. The premises comprise two units, 1 and 2, with a Gross Internal area 4010.77 sq.m.

Valuation History

6. Rateable Valuation at revision stage, €222.76 (published, Nov 2001). Following an appeal to the Commissioner of Valuation, RV published March.2002 unchanged. It against this Determination of the Commissioner of Valuation that the appeal to the Tribunal now lies.

Appellant's Case

7. Mr Patrick McCarroll appearing on behalf of the appellant, adopted his précis of evidence as his evidence in chief. His valuation of the subject property was as follows:

4093.00 sq m @ €29.00/sq.m
NAV = €18,697.00
RV @ .63% = €93.

Mr McCarroll submitted three comparisons in support of his valuation and these are set out at Appendix 1.

The Appellant stated that the property concerned, Pacificare International Ltd, was a purpose built industrial building converted for use as a telecentre. The property consists of a two-story office section with a single building to the rear. Short-term 10 years lease, with break clause, would ensure that rents would be higher than rents obtainable for premises let for a longer term. Lessee responsible for repairs and insurance. Fit out costs £147,000. In the Appellant's opinion the rateable valuation should be €93. The Appellant cited UNIFI as his main comparison.

Respondent's Case

8. Mr Damien Curran appearing on behalf of the respondent adopted his précis of evidence as his evidence in chief. His valuation of the subject property was as follows:

Valuation

Net Lettable area	3,449.35	@	€70.90/sq.m
Gross Internal	4,010.87	@	€60.97/sq.m

His valuation was supported by two comparisons the details of which are set out in Appendix 2.

In relation to the comparisons given by the appellant in support of his valuation, Mr Curran said that UNIFI was not a suitable comparison as it was a "mixed" building, being predominantly an industrial and not an office building. The Appellant was not comparing "like with like". He set out details in his précis of evidence in relation to the UNIFI complex of buildings. In relation to the comparison of William Hill, a telecentre located in Athlone rural, Mr Curran submitted that it was not relevant as it was in a different rating area and the fit out was much more basic than in the subject premises. Mr Curran cited Prumerica Systems Ltd, an office building, as a good comparison with a gross internal area of 1,992 sq. m valued @ €70 per sq.m., compared to subject property with a gross internal area of 4,010.87 sq. m valued @ €60.97 per sq.m.

Closing remarks

9. The Appellant submitted that a quantum reduction should apply to the subject, as it was twice the size of the respondent's main comparison, Prumerica Systems Ltd.. In addition he said that there was a substantial difference between the standard of accommodation in this comparison and the property concerned.

The Respondent submitted that his allowance of 14% was adequate to take account of the standard of construction in the subject property as it had been originally purpose built as a factory. He made no allowance for quantum.

Findings and Determination

The Tribunal has considered all the evidence adduced by both the appellant and the respondent including the comparisons advanced by both sides in support of their valuations. In the light of this evidence and the oral evidence given at the hearing the Tribunal finds as follows:

- The only relevant comparison is that of Prumerica Systems Ltd.
- The Respondent's allowance of 14%, to take account of the standard of accommodation in the subject property, appears to be reasonable.
- The Tribunal is of the opinion that there should be a further allowance for quantum at 5% approx. taking into account the fact that the subject property is twice the size of the Prumerica comparison.

The Tribunal concludes that there should be an overall adjustment of 20%, giving an NAV per sq.m. of €6, on a gross internal area basis giving a net annual value of €24,560, and an RV @ .63% of €1,120.

The Tribunal therefore determines the rateable valuation of the property concerned to be €1,120.

Commentary (not to be included in the written judgment).

The learned Chairperson was of the opinion that there is a practice accepted by the Respondent that when he receives no submission from the Appellant at first appeal, he considers the matter as tantamount to withdrawal of the appeal. The Respondent recommends no change at first appeal stage without giving reasons . In the opinion of the learned Chairperson the Respondent has a duty to investigate the facts fully and to determine the matter “de novo”, before making his recommendation to the Commissioner. Whether the Commissioner agrees with him or not is a matter for the Commissioner.

The Valuer acting for the Appellant should also remember that he has a duty of care to his client and should ensure that written submissions to the Commissioner at first appeal are made within the relevant period. Failure to do so may result in financial consequences for the client.