

Appeal No. VA02/2/016

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

MBNA Ireland Ltd.,

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Office(s) at Map Reference 15, Townland of Attifinlay, DED: Carrick-on-Shannon, County Leitrim

B E F O R E

Tim Cotter - Valuer

Deputy Chairperson

Joseph Murray - Barrister

Member

William K. Nowlan

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 2ND DAY OF APRIL, 2003

By Notice of Appeal dated the 15th April 2002, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €2095.07 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 having regard to the provisions of the Valuation Acts".

This appeal proceeded by way of an oral hearing held in the Arbitration Centre, Dublin, on the 18th October 2002. Mr. Adrian Power Kelly, FRICS., FSCS ACI Arb., of Harrington Bannon , appeared on behalf of the appellant. Mr. Christopher Hicks, a District Valuer in the Valuation Office gave evidence on behalf of the respondent. Prior to the oral hearing the valuers exchanged and submitted to the Tribunal written précis of evidence and valuation, which were subsequently received into evidence by the Tribunal.

The Property

The Property comprises an office/telecentre building situated on the outskirts of Carrick-on-Shannon and constructed circa 2001. The building is of steel and reinforced concrete frame construction with block walls and double pitched tiled roof. Windows are of double glazed type. External elevations are smooth rendered. Internally, the offices are generally of reinforced concreted floors with carpet floor covering on access floors. Suspended ceilings are of standard Armstrong dune tile type.

There is staff car parking for 250 cars on a tar macadam surfaced park to the front of the building.

Areas (agreed)

Two storey Offices	4921 sq.m
Stores	32 sq.m
Car parking	250 spaces

Valuation History

The property was assessed on revision in November 2001 at RV €2,095.07. No change was made at first appeal in March 2002.

Services

All main services are connected to the property

Title

Freehold

Evidence of the Appellant

Mr. Adrian Power Kelly for the appellant having taken the oath, adopted his précis of evidence as his evidence in chief to the Tribunal. He stated that the rural location of the subject property was the main factor affecting its net annual value and that a hypothetical tenant, as envisaged by the 2001 Valuation Act, would reflect the drawbacks of the location in any rental bid. In oral evidence he stated that one of the reasons that the appellant located in Carrick-on-Shannon was because of a Director's connection with the area and that the company was also influenced by the fact that the town is in the B.M.W. rejuvenation region. As a private practitioner he said that if he were offered the property to let in the current economic climate, he would have to advise clients that there would be a long marketing period in order to get a hypothetical tenant who would pay a rent in its existing state and circumstances. It was his opinion that very flexible rent and lease agreements would have to be agreed to.

Mr Power-Kelly set out his assessment of the net annual value as follows:

Floor	Use	Area Sq.m	Rate	NAV
Ground Floor	Offices	2168.3	€40.00	€86,732
	Canteen	301.5	€40.00	€12,060
	Store	32.0	€20.50	€656
First Floor	Offices	2450.9	€40.00	€98,036
Total NAV				€197,484
Say RV	@.5%			€985.00

Mr Power-Kelly gave details of eight comparisons, which are set out in tabular form at Appendix 1.

He stated that in his view the car parking should not be valued as it was a necessity for such a location, where public transport was not readily available and was not an optional extra for which a hypothetical tenant would expend rent.

Mr. Power Kelly stated that although he did not present evidence on a quantum allowance, it was his opinion that the size of the building merited a quantum discount. Mr. Power Kelly stated it was not a financial centre but a call centre answering queries on MBNA credit cards.

Evidence of the Respondent

Mr. Hicks for the respondent, having taken the oath, adopted his précis of evidence as his evidence in chief to the Tribunal. In oral evidence, Mr. Hicks said he inspected the property inside and outside and thought it to be an exceptional building, built to a very high standard of specification. He said that he had requested details of the costs of building and it was his conclusion that the building costs were above the normal standard.

Mr Hicks assessed the rateable value as follows

Two Storey Offices	4,921sq.m	@	€78.58	=	€386,692
Store in compound	32sq.m	@	€27.32	=	€874
Car Parking	250	@	€127	=	€31,750
NAV	€419,316	@.5%	Say RV		€2095.07

Mr Hicks gave details of three comparisons, details of which are set out at Appendix 2.

Mr. Hickey said that the property is an owner developed call centre, whereas many other call centres are warehouses converted to call centres. Mr. Hicks regarded Carrick-on-Shannon as an attractive town and a well-known holiday area. He said that the road improvements in recent years have brought major improvements to the town. He said that this was evidenced by the population growth of 24% in Carrick-on-Shannon compared to a national average of 7.4%. Mr. Hicks said that he would have assumed that M.B.N.A. were given some financial incentive to locate here as is normal with such a large development. Mr Hicks submitted that the fact that a large extension has been built to the subject property was testimony to the confidence the appellants have in the location.

Findings and Determination

The Tribunal is once again forced to point out that all documentation in relation to appeals before it should be presented with the précis, in accordance with the Rules of the Tribunal. Reference was made during this hearing to a PKS Quantity Surveyor publication. As no copy of this was presented to the Tribunal, any reference to this publication has to be discounted. Furthermore it is the Tribunal's stated wish that every effort should be made to resolve disputes in relation to the facts of an appeal before the Tribunal hearing and where this is not possible the reasons for the failure to agree should be put before the Tribunal.

In conclusion the Tribunal wishes to point out that it regards as hearsay, information given to one agent by another, unless that agent presents themselves before the Tribunal to give such evidence.

Determination

The Tribunal has considered the evidence presented by the appellant and the respondent and has noted the arguments adduced by them.

Of all the comparisons adduced by the parties and set out in the Appendices to the judgment, only one is within the same rating area i.e. the Masonite Corporation, Drumsna, Co. Leitrim

The Tribunal accepts that there is some merit in the appellant's contention that this property if vacated by MBNA, could be difficult to let to a hypothetical tenant. However, the Tribunal has noted that a further extension is nearing completion, which indicates the confidence that the appellant has in the area from a business point of view.

The property is owner occupied and clearly it made sound business sense for MBNA to set up in this location, taking into account whatever incentives were given by the Government for them to do so.

In the light of evidence adduced and comparisons referred to above, the Tribunal concludes that the valuation placed by the Commissioner of Valuation on the offices and store in the subject property is fair and reasonable. The Tribunal considers that the lack of public transport in this area makes the provision of a staff car park with this property essential.

The Tribunal therefore determines the net annual value as follows:

Two storey offices net lettable	4921 sq.m @ €78.58 =	€386,692
Store in compound	32 sq.m @ €27.32 =	€874
	NAV =	€387,566
	RV @ 0.5% =	€1,937.83
Say	RV	= €1, 940.00

And the Tribunal so determines.