

Appeal No. VA08/3/015 & 016

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

**Sean Harrington Architects (VA08/3/015)**

**and**

**MCO Projects Limited (VA08/3/016)**

**APPELLANTS**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2191999 (VA08/3/015), and Property No. 2191997 (VA08/3/016),  
Office(s) at Lot No. 121-122 Flr 3 rear (VA08/3/015), and 121-122 Flr 2 rear (VA08/3/016),  
Capel Street, North City, North City 1, County Borough of Dublin

**B E F O R E**

**Michael P.M. Connellan - Solicitor**

**Deputy Chairperson**

**Damian Wallace - QFA, MIPAV, Valuer**

**Member**

**Aidan McNulty - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**

**ISSUED ON THE 7TH DAY OF JANUARY, 2009**

By Notices of Appeal received on the 18th day of July, 2008, the appellants appealed against the determination of the Commissioner of Valuation in fixing a valuation of €159.00 on each of the above described relevant properties.

The Grounds of Appeal as set out in each Notice of Appeal are:

"On the basis that the RV as assessed is excessive and inequitable and not in accordance with the established tone for comparable property. The value of the property here should fully take into account the nature of the space, loft style (former mill), its lack of profile, relatively low value and poor/shared access with the residential units."

With the consent of the parties the oral hearings in relation to these appeals were held contemporaneously in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 12<sup>th</sup> day of November, 2008. Mr. Eamonn Halpin, BSc (Surveying), ASCS, MRICS, MIAVI, represented the appellant and Mr. Patrick McMorrow, ASCS, IAVI, a Valuer in the Valuation Office, represented the respondent. At the hearing having taken the oath, both parties adopted their précis as their evidence-in-chief.

### **The Properties**

The subject property in the possession of MCO Projects Limited (VA08/5/016) is offices comprising the entire second floor in a refurbished former mill/warehouse building at the rear of 121-122 Capel Street, Dublin 1.

The subject property in the possession of Sean Harrington Architects (VA08/5/015) is offices comprising the entire third floor in the same building.

The development known as The Warehouse, Anglesea Row is a six-storey building with shared residential pedestrian access from Capel Street. The measurements are agreed by the parties as set out in their précis of evidence.

### **Valuation History**

The properties were revised in 2007 and Valuation Certificates were issued on 16<sup>th</sup> November, 2007 with a rateable valuation of €159.00 on each subject property. Appeals to the Commissioner issued on 23<sup>rd</sup> June, 2008 unchanged at €159.00. The appellants appealed the Commissioner's decisions to the Tribunal on 18<sup>th</sup> July, 2008 on the issue of quantum.

### **Title**

MCO Projects Limited (VA08/5/016) - Leasehold: 20 years from 25<sup>th</sup> August, 2006 with 5 year rent reviews @ €70,000.00 pa (€25.75 per sq. foot). Lessor: Laura Magahy & Eva – Ann Cullinane (connected parties).

Sean Harrington Architects (VA08/5/015) – Long leasehold at a nominal rent.

### **Appellant's Case**

Mr. Eamonn Halpin having taken the oath stated that the valuation adopted by the Commissioner of Valuation was too high and made the following submissions:



Asked if he should not have confined himself to comparisons in Capel Street, Mr. Halpin replied that there were none like with like. The only one might be that at the top end of Capel Street towards Bolton Street and would not be regarded by him as like for like.

Questioned in relation to his own comparisons Mr. Halpin accepted that comparison No. 2 was not in a good location and had no lift for the five-storey building but he contended that there was parking in the vicinity. Comparison No. 3, he said, had a better location than the subject properties overlooking Grand Canal docks and, although not close to Capel Street, it was converted from an old mill into offices similar to the subject properties. Comparison No. 4 had no lift and although currently vacant was on the market to let and that all his comparisons were suitable comparisons due to type and similarity with the subject properties.

### **Respondent's Case**

Mr. Patrick McMorrow having taken the oath, adopted his précis as being his evidence-in-chief and assessed the rateable valuation of each of the subject properties as follows:

Office 252.5 sq. metres @ €100.00 per sq. metre	= €25,250
NAV	= €25,250
RV @ 0.63%	= €159.08
RV Say	= €159.00

Mr. McMorrow stated that the valuation adopted by the Commissioner was in line with his comparisons: that the subject properties were upgraded and refurbished to a high standard, presentable and not substandard; that the issue of lack of natural light was not a major disability and that the offices were accessed by lifts while maintaining some of the old character features such as exposed rubble, masonry stone and brickwork, replica timber frame sliding sash windows, cast iron support columns and timber ceiling beams. The mix of contemporary finish and retention of period character features resulted in an aesthetically pleasant office atmosphere on all main levels.

Mr. McMorrow confirmed that although close to a major retail area Capel Street has not seen significant office developments until relatively recently and subsequent to the HARP (Historic Area Rejuvenation Project) which was first initiated in 1996 and contributed to development in later years.

Mr. McMorrow agreed that the Capel Street area has not traditionally been an office location apart from a selection of modest over-the-shop and workroom type units. However, he did confirm that a change had come over the past three to five years with the development and refurbishment of quite a number of office buildings in the area. An example of this was, he said, The Capel Building, Mary's Abbey, Dublin 1 which came on the market in 2005, a particularly fine multi-tenanted development where the rents are relatively high for the area (lettings at €35 per sq. foot) he said, as set out in his comparison No. 4. Comparison No. 2, Jervis House, Jervis Street, Dublin 1 attracted a letting at €27.66 per sq. foot in 2005.

The subject building attracts three rents within the building. Mr. McMorrow's Comparison No. 1, The Achievers Group on the first floor below the subject properties is almost identical to them and attracted a rent of €24 per sq. foot in 2005. This was a market rent transaction at arms-length. The subject property on floor 2 (MCO Projects Limited (VA08/5/016) is let at a rent of €26 per sq. foot (connected parties) and another unit in the building was let at €40 per sq. foot in 2007.

Considering the current open market rents prevailing Mr. McMorrow said that the subject units set at NAV €100 per sq. metre was a generous downward adjustment and compared favourably, that a valuation of €159 was fair and reasonable and in line with the tone of the list.

Details of Mr. McMorrow's comparisons are at Appendix 2 hereto.

### **Cross-examination**

Under cross examination by Mr. Halpin, Mr. McMorrow said that the offices were not workshops and were refurbished to a high standard. He had used modern well located properties such as The Capel Building and Jervis House in his comparisons because they were the nearest available to the subject properties. The NAV of €150 per sq. metre in The Capel Building was as strong as distinct from a prime NAV. The rents of €34 and €35 per sq. foot in the The Capel Building included the cost of security and receptionist/porter. He did not rely on rents alone if there was good tone of the list available. He had included examples of rents in The Capel Building to demonstrate to the Tribunal what the rents would look like. His NAV on the subject properties was significantly lower than the rents. Mr. Halpin

remarked that Mr. McMorrow's Comparison 1 was valued at the same time as the subject properties.

### **Findings**

The Tribunal having carefully considered all the evidence and arguments adduced by the parties make the following findings:

1. The subject properties do not enjoy a traditional office location. Capel Street is not a traditional recognised office area unlike other areas that enjoy purpose built modern offices.
2. The subject properties overlook a narrow laneway at Angelsea Row to the rear of Capel Street.
3. The subject properties have a common pedestrian entrance shared with some forty residential units in the building.
4. The comparisons by both parties were helpful. However the appellant's were more similar to the subject properties as loft type buildings and old warehouse conversions as distinct from up-market and modern properties as shown by the respondent.
5. The Tribunal has taken into consideration the respondent's highly comparable Comparison No.1. However this did not come under appeal and was valued at the same date as the subject properties.
6. The Tribunal acknowledge the discount applied by the Valuation Office to take account of the perceived disadvantages of the subject properties. However it is of the opinion that they have not gone far enough in view of the disadvantages of the properties set out above. In the circumstances the Tribunal determines that a fair and reasonable NAV to be €90 per sq. metre.

### **Determination**

The Tribunal, having regard to the foregoing, determines the rateable valuation of each subject property to be €143 calculated as follows:

Office	252.5 sq. metres	@ €90 per sq. metre	= €22,725.00
RV @ 0.63%	= €143.16		
RV Say	€143		

And the Tribunal so determines.