

Appeal No. VA08/5/020

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

Ulster Bank

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 407531, Bank at Monastery Road, Clondalkin, County Dublin

B E F O R E

Maurice Ahern - Valuer

Deputy Chairperson

Joseph Murray - B.L.

Member

Tony Taaffe - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 11TH DAY OF NOVEMBER, 2008

By Notice of Appeal dated the 26th day of June, 2008 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €80,400 on the above described relevant property.

The grounds of Appeal as set out in the Notice of Appeal are:

"The Valuation is excessive both in relation to the actual passing rent and comparisons in the area."

The appeal proceeded by way of an oral hearing which took place in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 11th day of September, 2008. Ms. Dawn Holland, B.Sc. (Hons), MIAVI, of GVA Donal O Buachalla, Property & Rating Consultants represented the appellant and Mr. Damien Curran, MRICS, ASCS, a Staff Valuer in the Valuation Office, represented the respondent. At the oral hearing both parties, having taken the oath, adopted their précis as being their evidence-in-chief.

Location

The property concerned is situated on the northern side of Monastery Road close to the junction with Main Street in the centre of Clondalkin village.

Description

The subject property is a former hardware shop which was converted to a bank in 1994. The agreed floor area of the subject property measured on a net internal area basis is:

Zone A	67.22 sq. metres
Zone B	34.36 sq. metres
Zone C	9.45 sq. metres
Safe	10.54 sq. metres
Kitchen	9.26 sq. metres
Store	2.08 sq. metres

Tenure

The property is held under a 35 year lease from 9th May, 1994, and is subject to five year rent reviews. The current passing rent which was reviewed on 9th May, 2004 is €58,500.

Valuation History

The property was the subject of a revaluation as one of all rateable property in the South Dublin County Council area. A Valuation Certificate (proposed) was issued on 18th September, 2007. The property was valued at €80,400. An appeal was lodged on the 8th February, 2008. The first appeal was concluded. The valuation remained unchanged. An appeal was lodged to the Valuation Tribunal on 26th June, 2008.

Appellant's Case

Ms. Dawn Holland, having taken the oath, adopted her written précis and valuation, which had been received by the Tribunal, as being her evidence-in-chief and expressed her keen disappointment with what she alleged was the failure of the Valuation Office to reasonably engage with her at First Appeal stage. She applied for minor amendments to page 8 of her précis which were agreed. She also confirmed that the floor areas were agreed and confirmed that she had amended her original estimate of the net annual value of the subject property from €58,500 to €62,000.

Ms. Holland gave detailed evidence in respect of the subject property and of her comparisons, details of which are attached at Appendix 1 hereto. Ms. Holland also gave detailed evidence of the availability of parking in Clondalkin village by reference to a map contained in her appendix. She did not accept that the subject property enjoyed a superior location to AIB (her comparison No. 2), which is located at Monastery Road and which has parking facilities adjacent to it. She was of the view that Permanent TSB (her comparison No. 3), which is purpose built, is located on the Main Street and has immediately adjoining parking facilities, was in a superior location to the subject property. She also stated that no quantum allowance had been made in respect of the subject property. She gave detailed evidence in respect of the market transactions in respect of properties in Clondalkin village and referred to the various documents in her appendix booklet supporting these. Ms. Holland contended for a rateable valuation as set out below:

Zone A	67.22 sq. metres	@	€650 per sq. metre	= €43,693
Zone B	34.36 sq. metres	@	€325 per sq. metre	= €11,167
Zone C	9.45 sq. metres	@	€162.50 per sq. metre	= €1,532
Store	2.08 sq. metres	@	€200 per sq. metre	= €416
Safe	10.54 sq. metres	@	€325 per sq. metre	= €3,425
Kitchen	9.26 sq. metres	@	€200 per sq. metre	= <u>€1,852</u>
Total NAV/RV				€62,088
Say	€62,000			

Cross Examination

In his cross examination Mr. Damien Curran stated that he dealt with the entirety of Clondalkin village and that one valuation approach was made to the village. There was a

zoning approach taken and it was therefore suggested, and Ms. Holland agreed, that quantum was not an issue. Mr. Curran suggested that adjacent properties to the subject property had been valued at the same level. He also suggested that newspaper cuttings (as contained in Ms. Holland's précis) were not and should not be admitted as evidence. He also suggested that First Active (Ms. Holland's comparison No. 1) was of equal value to the subject. Ms. Holland replied that it was in a far superior location to the subject property, on Main Street with access to a large number of parking spaces. Mr. Curran contended, and it was agreed, that additional parking spaces at Monastery Shopping Centre and two other locations represented additional parking not referred to in Ms. Holland's evidence. There were 95 free parking spaces adjacent to Monastery Shopping Centre. He suggested that the AIB, Irish Permanent and the Barber Shop properties (Ms. Holland's comparisons 2, 3 and 4) were inferior to the subject property in their locations but this was not agreed by Ms. Holland. In the course of his cross-examination he stated that he had met with local auctioneers and with the local Chamber of Commerce before commencing on his rating exercise for the village of Clondalkin.

Respondent's Case

Mr. Curran, having taken the oath, adopted his précis as being his evidence-in-chief. He assessed the valuation of the subject property as follows:

Net Internal area Retail		
Zone A	67.22 sq. metres	@ €850.00 per sq. metre
Zone B	34.36 sq. metres	@ €425.00 per sq. metre
Zone C	9.45 sq. metres	@ €212.50 per sq. metre
Safe	10.54 sq. metres	@ €425.00 per sq. metre
Kitchen	9.26 sq. metres	@ €200.00 per sq. metre
Store	2.08 sq. metres	@ €200.00 per sq. metre
Total		€80,495.62
Rounded to		€80,400.00

Note: Zone B rate applied to Safe area due to superior construction.

Mr. Curran stated that he had been the Team Leader for the valuation of the entire of Clondalkin village and that there were approximately 200 properties there, of which only 3 had been appealed to final stage. He took the Tribunal through the locations in Clondalkin village consisting of Main Street, Tower Road, Monastery Road, the five shopping parades, Monastery Shopping Centre, Castle Crescent Shopping Centre, Village Shopping Centre and Tower Shopping Centre. In assessing his valuations he took into account all market evidence, rents passing and, as previously stated, spoke to local auctioneers and the local Chamber of Commerce. The size of the properties was not an issue in their zoning and he set out for the Tribunal what he termed his hierarchy of values, which ranged from a minimum Zone A value of €500 per sq. metre to a maximum of €850 per sq. metre. He described the various locations in Clondalkin village in respect of these values.

Cross Examination

Cross-examined by the appellant, Mr. Curran agreed that the objective of all revaluations was to bring fairness and equity to the valuation list. He agreed that the only market evidence that he had given was in respect of the subject property which had a rent of €58,500. He referred to four comparisons (John Sherlock – Shop (Offices), Power Leisure – Betting Shop, EBS Building Society and Four Star Pizza – Takeaway) details of which are attached at Appendix 2 hereto. He agreed that page 4 of his précis was incorrect insofar as it referred to properties on the valuation list. He said that all his comparisons were relevant. He said the EBS had the same quality finish as the subject but was an older building and he confirmed that its valuation had not been appealed.

In her summary, Ms. Holland stated that the commercial rent for the subject property was €58,000 and that no commercial rental evidence had been given by the respondent.

Findings

The Tribunal has considered all the evidence and arguments adduced by both parties and concludes that:

1. The Tribunal does not accept the basis of valuation of the respondent as enunciated at 4.1, Page 4 of their précis of evidence: *“Valuation has been made by reference to values of comparable properties on the Valuation List in the village of Clondalkin.”*
2. A valuation level has been presented by the respondent for Clondalkin village which the Tribunal accepts is satisfactory for comparison purposes insofar as it was derived from an

analysis of available market rental information for comparable properties and applied to the subject property.

3. The Educational Building Society, the respondent's Comparison No. 3, is the most reasonable one to compare with the subject property. It is, however, in a better location than the subject.
4. Where the zoning method is applied to valuations the question of a quantum allowance does not arise.
5. The Tribunal considers it fair and reasonable and in accordance with the concept of the valuation level for the area presented to make a reduction in the values set out in the respondent's précis.

Determination

Having regard to all of the above the Tribunal determines that the net annual value of the subject property should be €76,000, calculated as follows:

Zone A	67.22 sq. metres	@	€800 per sq. metre	= €53,776
Zone B	34.36 sq. metres	@	€400 per sq. metre	= €13,744
Zone C	9.45 sq. metres	@	€200 per sq. metre	= €1,890
Safe	10.54 sq. metres	@	€400 per sq. metre	= €4,216
Kitchen	9.26 sq. metres	@	€200 per sq. metre	= €1,852
Store	2.08 sq. metres	@	€200 per sq. metre	<u>= €416</u>
Total				€75,894
Say €76,000				

And the Tribunal so determines.