

Appeal No. VA11/4/015

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

**Portwest Ltd.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 2209240, Office(s) at Lot no. 6AB/1, Lodge Road, Gortaroe, Westport Rural, Westport, County Mayo.

**B E F O R E**

**John F Kerr - BBS, FSCSI, FRICS, ACI Arb**

**Deputy Chairperson**

**Aidan McNulty - Solicitor**

**Member**

**James Browne - BL**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 1ST DAY OF JUNE, 2012**

By Notice of Appeal received on the 12th day of December, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €97 on the above described relevant property.

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

*"The floor areas are incorrect & the rate per sqm applied is excessive." "The floor area relied upon is incorrect."*

The appeal proceeded by way of an oral hearing, which took place in the offices of the Valuation Tribunal, located on the third floor of Holbrook House, Holles Street, Dublin 2, on the 22<sup>nd</sup> day of February, 2012. The appellant was represented by Mr. Aidan Reynolds, MSCSI, MRICS, associate with Savills and the respondent was represented by Ms. Roisín Casey, BSc Real Estate, valuer at the Valuation Office.

In accordance with the Rules of the Tribunal, the parties had exchanged their respective précis of evidence prior to the commencement of the hearing and submitted same to this Tribunal. At the oral hearing, both parties, having taken the oath, adopted their précis as being their evidence-in-chief. This evidence was supplemented by additional evidence given either directly at the hearing or via cross-examination. From the evidence so tendered, the following emerged as being the facts relevant and material to this appeal.

#### **At Issue**

Quantum.

#### **The Property**

The subject relevant property is a two-storey modern, purpose-built detached office building. The ground floor comprises office space, canteen, store, boiler room, switch room and WCs; and the first floor consists of offices and WCs. The building is served with stairs and a lift. The subject property is located within Westport Business and Technology Park, which comprises an area of c. 15 hectares (c. 38 acres). Car parking is available to the front and rear of the property.

#### **Location**

The subject property is located within the Westport IDA Business and Technology Park, on Lodge Road, off the N5 Castlebar – Westport Road, which is also the main Dublin – Westport Road. The Park is situated 5 minutes' drive from the centre of Westport and its train station and 45 minutes' drive from Ireland West Airport at Knock. Other well-known companies within the same area as the subject, though not within the same Park, are Allergan, Isotron, Amo and Carraig Donn.

### Services

The subject relevant property is served with mains power, water, telephone, storm and foul sewer.

### Tenure

The parties were not certain but agreed that the property is likely held on a long lease granted by the IDA.

### Floor Areas

The floor areas were measured on a Net Internal Area (NIA) basis by the parties. Prior to the hearing, the parties had failed to reach an agreement on the NIA and following discussions and a brief adjournment of the hearing to resolve the issue, the parties confirmed that they had reached an agreement as to the NIA, as follows:

<b>Floor</b>	<b>Accommodation</b>	<b>Area sq. metres</b>
1 & 2	Offices	933.41
	<b>Total:</b>	<b>933.41</b>

### Valuation History

- February 2011: The property was inspected.
- March 2011: A proposed Valuation Certificate issued with an RV of €124.
- April 2011: A Final Valuation Certificate issued with an RV of €124.
- April 2011: The subject property was entered onto the Valuation List.
- May 2011: An appeal was submitted to the Commissioner of Valuation.
- November 2011: Following First Appeal, the RV was reduced to €97.

December 2011: An appeal was lodged with the Valuation Tribunal by the appellant's agent on 12<sup>th</sup> December, 2011.

Having regard to the foregoing agreement reached on the NIA of the subject relevant property, Ms. Casey confirmed that the RV should accordingly be adjusted to €91.

### **Appellant's Case**

Mr. Aidan Reynolds took the oath, adopted his précis as his evidence-in-chief and provided the Tribunal with a review of his submission, making the following points:

1. Mr. Reynolds reaffirmed the agreement just reached with the respondent, as noted above; being the floor area calculated over two floors on an NIA basis of 933.41 sq. metres.
2. He then provided the Tribunal with the salient points pertinent to his client's appeal, as detailed in his précis of evidence, governed by the grounds of appeal filed by the appellant in the Notice of Appeal submitted to the Valuation Tribunal in December 2011.
3. As the dispute with respect to floor area had been resolved, the sole remaining ground of appeal was concerned with the rate per sq. metre applied by the Commissioner of Valuation on the subject property.
4. He noted that the location of the subject property is quite remote insofar as there are no other completed buildings or occupiers in the subject IDA Park, the infrastructure and services which were installed many years ago.
5. While accepting that the pharmaceutical firm Allergan is located in close proximity to the subject, he explained that there is no direct link, facilities and/or services shared by the latter and his client.
6. He acknowledged that the valuation of the subject falls to be determined in accordance with Section 49(1) of the Valuation Act, 2001.

7. He characterised the general neighbourhood of the subject as undeveloped, greenfield and brownfield areas.
8. He acknowledged the modern specification of the subject detached two-storey building and confirmed that many of the offices are served with air handling units, wall mounted radiators and perimeter electrical trunking and also advised that the accommodation is served with a passenger lift.
9. He stated that in applying himself to the task of complying with Section 49(1) of the Valuation Act, 2001, he found it difficult to identify close or suitable comparisons to the subject in terms of modern office accommodation located in isolation within an industrial area.

### **Appellant's Comparison Properties**

Mr. Reynolds put forward two comparison properties for consideration by the Tribunal. However, in accordance with Section 49(1) of the Valuation Act, 2001, the Tribunal was obliged to disregard the second comparison, as it was outside the subject Rating Authority Area.

#### Comparison No. 1

Property: Two-storey offices, Castlebar Road, Westport.  
Occupier: Former Portwest premises.  
RV: €222.20 (with the offices therein valued at a level of €34.16 per sq. metre and lower rates applied to the other areas within the complex including those described as warehouse, miscellaneous and loft).

### **Valuation by the Appellant**

Based on the agreement reached at hearing with respect to the NIA of both floors taken together of the subject property, Mr. Reynolds concluded that the rateable value of the subject should now be determined as follows:

<b>Floor</b>	<b>Accommodation</b>	<b>Area sq. metres</b>	<b>€per sq. metre</b>	<b>NAV</b>
1 & 2	Offices	933.41	€50	<b>€46,670.50</b>
			<b>Total NAV:</b>	<b>€46,670.50</b>

**Total estimated NAV = €46,670.50 @ 0.5% = RV €233.35**

**Rounded to: RV €233**

### **Cross-examination of the Appellant**

In response to questions put by Ms. Casey and the Tribunal, Mr. Reynolds stated that:

1. He did not accept that office areas are valued similarly whether associated with warehouse space, as in his comparison property no. 1, or not.
2. He acknowledged that the subject property, being a modern office within an industrial estate, is constructed to a more modern standard and higher specification than the office area component of his first comparison property.
3. He accepted that the manufacturing activity conducted at his first comparison property was in effect both ancillary and subsidiary to the attached office, but added conversely that the office in that circumstance was very important to the manufacturing activity there and accordingly ancillary to it and acknowledged further that if such manufacturing was not undertaken in the said complex, the level of value applied to that office in comparison no. 1 could possibly be higher than that assessed at €34.16 per sq. metre.
4. He confirmed that his second comparison property is located within another rating authority area, i.e., the Westport Town Council area. He argued that the facts pertaining to the valuation of his second comparison property should be considered, but he agreed that as the respondent had identified other comparison properties, as noted in her précis, from the Mayo County Council area, his second comparison property was not a valid submission and accordingly should be removed from evidence.

### **Respondent's Case**

Ms. Roisín Casey then took the oath and formally adopted her précis as her evidence-in-chief.

The location, description and accommodation details of the subject relevant property provided by the respondent were common case to those provided above by the appellant.

Ms. Casey restated the agreement reached during the hearing with reference to the NIA of the subject property, as noted above. In so doing, she referred to the floor plans contained in her précis at page 7 and requested that the appellant and Tribunal ignore the first floor plan sketch on same.

The respondent also confirmed that the valuation of the subject property was made by reference to the values of comparable properties appearing in the Valuation List for the Mayo County Council area, in accordance with Section 49 of the Valuation Act, 2001.

### **Respondent's Comparison Properties**

Ms. Casey referred to location map 2 on page 4 of her précis to identify the location of the subject property with regards to other industrial units nearby, namely Allergan, Isotron and Carraig Donn.

#### Comparison No. 1

Property No: 2161644  
 Property: Ground and first floor offices, Moneen Road, Castlebar, Co. Mayo.  
 Occupier: Kaptec Contract Services Centre Ltd.  
 RV: €529 (based on ground and first floor values of €83.80 per sq. metre each).

#### Comparison No. 2

Property No: 2192779  
 Property: Ground floor kitchen/store and first floor offices, Moneen Road, Castlebar, Co. Mayo.  
 Occupier: Vacant.

RV: €16 (based on ground and first floor values of €3.80 per sq. metre each).

Ms. Casey confirmed that although these properties are within a complex located on Moneen Road, Castlebar, some distance from Westport, they are nevertheless within the County Mayo rating authority area.

Comparison No. 3

Property No: 2207520  
 Property: Ground and first floor offices, Clare Street, Ballyhaunis, Co. Mayo.  
 Occupier: Ballyhaunis Credit Union.  
 RV: €63 (based on levels assessed on the ground floor at €23 per sq. metre and on the first floor at €68.33 per sq. metre).

Ms. Casey explained that the ground floor level applied is higher than that applied to the subject by reason of its size, while the rate on the upper floor is lower due to the absence of lift service in this property). Ms. Casey also brought the attention of the Tribunal to page 14 of her précis of evidence to indicate the location of the subject relative to the three comparison properties.

**Valuation by the Respondent**

The following represents the valuation details of the subject property computed by the respondent, as amended by Ms. Casey during the course of the hearing:-

<b>Floor</b>	<b>Accommodation</b>	<b>Area sq. metres</b>	<b>€per sq. metre</b>	<b>NAV</b>
1 & 2	Offices	933.41	€3.80	<b>€78,219.76</b>
			<b>Total NAV:</b>	<b>€78,219.76</b>

**Total NAV = €78,219.76 @ 0.5% = €391.01**

**Rounded to: €391**



**Cross-examination of the Respondent**

In reply to various questions asked by the Tribunal and the appellant, Ms. Casey responded that:

1. The subject relevant property is located on the periphery of Westport town, possibly at a distance of 900 metres from the N5. Ms. Casey confirmed that she had visited the complex.
2. The subject property is located at the rear of the industrial park without profile from the N5.
3. Other industrial / manufacturing units are located within nearby industrial areas.
4. There are no other office occupiers in the area and accordingly, notwithstanding the promotional literature, the subject IDA Park may not currently be considered as a popular or choice office location.
5. She acknowledged that the subject office building does not feature raised access floors and that perimeter trunking is not a characteristic of third generation office specifications.
6. The industrial units nearby the N5 Business Park are situated within a busy commercial area, unlike the subject.
7. She was not familiar with the fit-out of her comparison properties nos. 1 and 2, with specific reference to a query on raised floors and air conditioning.
8. She acknowledged that the subject, unlike her first and second comparison properties, does not front a public road and that Westport is not as large an urban centre as Castlebar.
9. She accepted that her Moneen Road comparisons 1 and 2 at Castlebar are surrounded by a mix of industrial, commercial, retail and office uses and a service station.

10. She confirmed that her comparison no. 2 is vacant and that the Moneen Road building is designed and occupied as a multi-tenancy complex and accordingly may warrant a higher rent per sq. metre than that of a single large office area take such as the subject.
11. She acknowledged that her comparison no. 3 in Ballyhaunis is a purpose-built financial institution comprising a ground floor banking hall with offices overhead, though stated that it was valued on the List as ground floor office, and acknowledged that it is on a busy commercial street.

### **Summations**

Both the appellant and the respondent availed of the opportunity to provide summation statements which were a synopsis of the foregoing arguments and positions employed by them in both their précis of evidence and adduced at hearing.

### **Findings**

The Valuation Tribunal thanks the parties for their efforts, their written submissions, arguments and contributions at hearing.

The Tribunal finds that:-

1. The parties had exchanged their respective précis of evidence in the normal manner prior to the hearing and though the appellant's second comparison property was challenged by the respondent and accordingly removed at hearing, the Tribunal was not asked to consider the consequence of same with regard to Section 49(1) of the Valuation Act, 2001.
2. The Tribunal as usual is led and informed exclusively by the evidence of the parties.
3. In making its determination, the Tribunal is obliged to weigh the evidence proffered by both parties and in this case was surprised that the appellant was effectively seeking to rely upon comparison evidence drawn from one property only.

4. It was evident from the parties' submissions that the subject relevant property is somewhat isolated and devoid of profile or exposure in any meaningful way. These facts are in contrast with the comparison properties relied upon by the respondent.
  
5. The Tribunal is satisfied that multi-tenanted office complex values expressed on a rate per sq. metre basis are typically assessed higher than corresponding or larger office areas being offered as a single unit or take.

### **Determination**

Mindful of all of the above, the Tribunal considers that a fair and reasonable Rateable Valuation on the subject relevant property should be calculated as follows:

<b>Floor</b>	<b>Accommodation</b>	<b>Area sq. metres</b>	<b>€per sq. metre</b>	<b>NAV</b>
1 & 2	Offices	933.41	€1.23	€66,486.79
			<b>Total NAV:</b>	<b>€66,486.79</b>

**Total NAV: €66,486.79 @ 0.5% = €332.43**

**RV Say €330**

And the Tribunal so determines.