

Appeal No. VA11/5/079

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

For Floors Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 515225, Retail (Shops) at Lot No. 114A George's Street Lower, Dun Laoghaire, County Dublin.

B E F O R E

Niall O'Hanlon - BL

Deputy Chairperson

Veronica Gates - Barrister-at-Law

Member

Frank Walsh - QFA, Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 6TH DAY OF JANUARY, 2012

By Notice of Appeal dated the 9th of July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €45,400 on the above described property.

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

"On the basis that the RV as assessed is excessive & inequitable. The Commissioner has completely overestimated the value of this property on a sustainable one year with another basis." "Greater allowance needs to be made for the subject's actual location & poor internal configuration, if it is to be fairly weighed against other units in this street."

The appeal proceeded by way of an oral hearing which took place in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 26th day of October, 2011. At the hearing the appellant was represented by Mr. Eamon Halpin, S.Sc (Surveying) A.S.C.S., M.R.I.C.S., and the respondent was represented by Mr. John O'Brien BSc (Hons) Real Estate Management, MSCSI.

In accordance with the rules of the Tribunal, the parties exchanged their respective précis of evidence prior to the commencement of the hearing and submitted same to the 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 at the hearing either directly or via cross examination. From the evidence so tendered, the following emerged as being the facts relevant and material to this appeal.

Issue

Quantum

The Property

The property comprised of a ground floor showroom and stores in an old two-storey end of terrace mixed-use building.

Location

The property is located at 114a Georges Street Lower, Dun Laoghaire, Co. Dublin, close to the junction with Wellington Street and close to the centre of Dun Laoghaire.

Services

Mains water, electricity and sewer are connected to this property.

Tenure

The property is held on a 4 year 9 month FRI lease from November 2010 at an initial rent of €9,500 per annum in Year 1 allowing for 6-month rent-free period, €19,000 for Year 2, €21,000 for Year 3 and €22,000 for Years 4 and 5.

Accommodation

The agreed floor areas are –

Showroom	103.96 sq. metres
Stores	<u>66.93</u> sq. metres
Total	170.89 sq. metres

Valuation History

The property was the subject of a revaluation as one of all rateable properties in Dun Laoghaire Rathdown County Council Area. The valuation order specified 30th September, 2005 as the valuation date.

1. A Valuation Certificate (Proposed) was issued on the 10th September, 2010. The property had a valuation of €56,800.
2. Following the representation stage the valuation changed to €49,400.
3. An Appeal was lodged to the Commissioner of Valuation on 7th February, 2011. The valuation changed to €45,400.
4. An Appeal was lodged to the Valuation Tribunal on the 9th July, 2011.

The Appellant's Evidence

Mr. Halpin, having taken the oath, adopted his précis of evidence and valuation which had previously been received by the Tribunal and the respondent as being his evidence-in-chief.

In his evidence Mr Halpin contended for a NAV of €29,500, calculated as follows:

Showroom: Zone A	49.71 sq. metres @ 500 per sq. metre	=	€24,855
Showroom: Zone B	10.65 sq. metres @ 250 per sq. metre	=	€ 2,662
Balance	<u>43.60</u> sq. metres @ €100 per sq. metre	=	<u>€ 4,360</u>
Total	103.96 sq. metres		€31,877
Less: 20% for poor layout/construction			<u>(€6,375)</u>
			€25,502
+ Stores	66.93 sq. metres @ €60 per sq. metre	=	<u>€ 4,016</u>
			€29,518
NAV Say €29,500			

In support of his NAV Mr. Halpin introduced 4 comparisons which included the subject, details of which are contained in Appendix 1 to this judgment.

In his evidence and under cross-examination Mr. Halpin stated the following relevant points-

1. The location of the subject property is very moderate being away from the commercial and retail centre of Dun Laoghaire.
2. The Commissioner's Zone C cannot be applied as there is a solid wall with a 2 metre opening running through the building, which in his opinion would prohibit this type of zoning.
3. The Commissioner has failed to take account of the nature and layout of the buildings and the fact that the actual rent is the best evidence of the relative value of the subject property, which reflects its negative physical aspects.

The Respondent's Evidence

Mr. O' Brien having taken the oath adopted his précis of evidence and valuation which had previously been received by the Tribunal and appellant as being his evidence-in-chief. In his evidence Mr. O' Brien contended for a valuation of €45,400, calculated as follows:

Zone A	49.71 sq. metres @ 500 per sq. metre	=	€24,855.00
Zone B	30.25 sq. metres @ 250 per sq. metre	=	€ 7,562.50
Zone C	24.00 sq. metres @ €125 per sq. metre	=	€ 3,000.00
Store	<u>66.93</u> sq. metres @ €150 per sq. metre	=	<u>€10,039.50</u>
Total	170.89		€45,457.00

Valuation (rounded) €45,400

In support of his opinion of valuation Mr. O' Brien introduced 3 comparisons, details of which are set out in Appendix 2 to this judgment. Mr. O' Brien also introduced internal photos of the subject property with the agreement of Mr. Halpin which were of benefit to the Tribunal.

Mr. O' Brien in his oral evidence maintained that the subject property was suitable for purpose and that the opening in the wall was more than adequate as it was 2.1 metres out of a total of 3.8 metres. Under cross-examination Mr. O' Brien acknowledged that his

comparisons were significantly smaller in size than the subject property and he also accepted that as it is recommended that the maximum number of zones should be 4, the balance (Zone 4) would be at a rate of €62.50 per square metre. Mr. O' Brien also agreed with Mr. Halpin that the stores on the left of the showroom had a very narrow access passage with low head-room. Mr. O'Brien also stated that his valuation was fair and reasonable.

Both Mr. Halpin and Mr. O'Brien made brief closing submissions.

Findings

The Tribunal has carefully considered all of the oral and written evidence produced by the parties and the arguments adduced at the hearing and make the following findings which are relevant to the subject property.

1. Both the appellant and the respondent are in agreement with the Zone "A" rate of €500 per sq. metre.
2. The Tribunal is satisfied that the 2 metre opening between the Showrooms is more than adequate and that the inside room is fit for purpose.
3. Mr. O'Brien agreed that the stores were of poor quality and that his rate per square metre for the stores was higher than a Zone 4 (Balance) rate.
4. Mr. Halpin's suggested discount for poor layout and construction was not justified.

Determination

Zoning has become established as an acceptable method of establishing rental values and when zoning is applied it is also recommended that the subject property be considered on an overall basis as there are instances when zoning produces an anomalous result.

Having regard to the above submissions and findings, the Tribunal determines the valuation of the subject property to be as follows –

Zone A	49.71 sq. metres NIA @ €500 per sq. metres =	€24,855.00
Zone B	30.25 sq. metres NIA @ €250 per sq. metres =	€7,562.50
Zone C	24.00 sq. metres NIA @ €125 per sq. metres =	€3,000.00
Store	<u>66.93</u> sq. metres NIA @ €62.50 per sq. metres =	<u>€4,183.12</u>
Total	170.89 sq. metres	€39,600.62

Say NAV €39,600

And the Tribunal so determines.