

Appeal No. VA11/5/089

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

Oceanscape Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2202270, Car Park (Office) at Units 4-6 Stillorgan Industrial Park, Birch Avenue, Sandyford, County Dublin.

B E F O R E

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

Deputy Chairperson

Patrick Riney - FSCSI, FRICS, ACI Arb

Member

Tony Taaffe - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 16TH DAY OF JANUARY, 2012

By Notice of Appeal dated the 19th July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €185,200 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal are attached at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing on 6th day of December, 2011, which took place in the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7. The appellant was represented by Mr. Paul Finucane, BSc (Surv), MRICS., MSCSI., of Colliers International. The respondent was represented by Ms. Fiona Mullins, a valuer in 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 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.

At issue

Quantum.

The Property

The subject relevant property comprises a development site of approximately 2.17 acres (c. 0.88 ha), which was formerly a warehouse facility and has subsequently been cleared for redevelopment purposes and been granted temporary Planning Permission for use as a car park. There are 285 surface car parking spaces. The boundaries of the site comprise a mix of masonry walls and palisade style metal fencing.

The 285 car parking spaces in the car park are monitored by a contracted parking company who check that current parking tickets are displayed on the dashboard of the parked vehicles, on a daily basis.

Location

The subject car park is located fronting onto Blackthorn Drive, with another boundary adjoining Holly Avenue, within the Stillorgan Industrial Estate, Sandyford. Access to the site is facilitated for vehicles via a gated entrance to the south-west off Holly Avenue via Birch Avenue. A gated pedestrian entrance is provided to the north-east of the site off Blackthorn Drive. The subject relevant property is situated approximately 10 kms south of Dublin city centre and within close proximity to the N11 Leopardstown exit and J14 of the M50.

Sandyford Industrial Estate comprises a mix of residential and newer and older type industrial, office and retail units with occupiers including Aldi, Dunnes Stores at Beacon South Quarter, car dealerships, Bewleys Hotel, the Beacon Medical Clinic and Beacon Hotel, Microsoft, Vodafone and others. Public transport is provided principally by the Luas Green Line with stops at Stillorgan, Sandyford and Central Park.

Services

The subject relevant property is understood to be in close proximity to mains power, water, telephone, storm and foul sewer.

Tenure

The interest in the property is understood to be freehold, held by Oceanscape Ltd.

Valuation History

- June 2010: A Valuation Certificate (proposed) was issued with valuation of €213,000.
- July 2010: Representations were lodged with the Commissioner of Valuation. The valuation remained unchanged.
- February 2011: An Appeal was lodged with the Commissioner of Valuation and following consideration of the grounds of appeal submitted, the valuation was reduced to €185,200.
- July 2011: An Appeal was lodged to the Valuation Tribunal on 19th July, 2011.

Appellant's Case

Mr. Paul Finucane took the oath, adopted his précis as his evidence-in-chief and provided the Tribunal with a review of his submission. The following is a summary of the salient points made by the Consultant Valuer while referring to his précis:

1. Adopting an approach to valuation based on a “tone-of-the-list” for car parks in the subject Local Authority area, he listed the following characteristics unique to the subject car park:-
 - a) Vehicular access is provided exclusively by driving through an industrial estate.
 - b) The location of this car park is not specific to any particular destination and is removed by some distance from the nearest Luas Stop, the Beacon development and other partially developed and proposed and/or stalled developments in Sandyford.
 - c) The property suffers from poor profile and is not served with on-site full-time security.
 - d) This car park was not purpose-built but is merely an interim use pending an economic redevelopment opportunity for the site.
 - e) The Consultant Valuer noted that this car park merely serves as an overflow parking facility to the Luas surface car parks located more proximate and considerably more convenient to the Stillorgan Luas Stop.
 - f) The car park is not fitted with sophisticated barrier controls or monitoring systems.
 - g) The car park, located within the industrial estate, is not linked to, served by, or does not meet the parking requirements of any Park & Ride operations, retail outlets, a town centre or other such facilities where established anchor tenants generate footfall and associated parking needs.

- h) The car park does not serve any major leisure or business facilities, unlike the car parks at Dundrum Town Centre and Dun Laoghaire Harbour.
- i) The pedestrian ingress and egress to and from the subject car park and its distance from the Luas stop and the Beacon development combine to represent a security consideration, particularly for female users.
- j) Parking requirements for the Beacon Hospital are facilitated through an agreement with the Beacon South Quarter complex, which charges a rate of €4 per day or €50 per month.
- k) The subject now charges €3 per day or €9 per week for parking, whereas parking at the Balally Park & Ride facility serving the Dundrum Town Centre is set at €4 per day for a secure underground car park located much closer to the city centre. The charges above at the subject car park reflect a reduction from the 2010 rates of €4 per day or €12 per week.
- l) The subject car park operates at approximately 60 – 70% capacity from Monday to Friday and these percentages drop substantially at the weekends.
- m) Most of the large-scale amenities and facilities in the Stillorgan / Sandyford area are served by their own adjacent car parks. In addition, public car parks are located at the Stillorgan Luas stop, Beacon South Quarter and Bewley's Hotel in Sandyford.

Appellant's Comparison Properties

Comparison No. 1

Property:	Dun Laoghaire Harbour Car Park
Car Spaces:	545
Value per space:	€650

Mr. Finucane emphasised that this car park is adjacent to the town centre of Dun Laoghaire, the Dun Laoghaire Ferry Port, the DART Station, the Dun Laoghaire Rathdown County Council offices and other large-scale commercial and public buildings. He added that it was a purpose-built and secure car park managed to a high standard. He contended that this car park facilitates a large centre of activity, operating all week from 9.00am to 8.00pm with high occupancy levels extending through the weekends. He also noted that the facility offers almost double the number of car parking spaces and generates higher income than the subject, charging parkers €2 per hour, €16 for the first day and €8 for each day thereafter.

Comparison No. 2

Property:	Frascati Shopping Centre Car Park
Car Spaces:	500
Value per space:	€674

He noted that this car park was also purpose-built, operates 7 days per week, is barrier controlled and monitored and also offers open surface parking. He explained that it forms part of the Frascati Shopping Centre in Blackrock, which in turn is anchored by Marks & Spencer and Debenhams and serves as a pedestrian link to Superquinn. He stated that this car park, located across from the Blackrock Shopping Centre and circa 100 metres from Blackrock's Main Street, generates income of €1 per hour with a maximum stay of 3 hours, enforced by clamping.

Comparison No. 3

Property:	Dundrum Town Centre
Car Spaces:	3,300
Value per space:	€550

Mr. Finucane noted the key features of this largest car parking facility in the country, as follows:

- Barrier controlled and monitored, with a vast majority of the 3,300 spaces provided within a multi-storey complex.

- An award-winning car park in terms of design, operation, maintenance and ease of use, facilitated in part by overhead red and green activated sensory lighting.
- In all respects, a more superior car park, purpose-built and secure, adjoining the largest shopping centre in the country with other uses including office, medical, entertainment, public amenity, cinema and restaurants.
- Car park open 24 hours per day, 7 days per week, generating income between the hours of 7.00am to 11.00pm, charging € per hour flat rate with 1 hour for the price of 3 from 7.00am to 6.00pm and 2 hours flat fee charged from 6.00 pm to 11.00pm.
- Mr. Finucane noted that this facility offers more than ten times the number of spaces of the subject car park compound.

The foregoing considered the Consultant Valuer sought a valuation on the subject relevant property, as follows:

Spaces	NAV / Space	Total
285	€300	€85,500
	Total:	€85,500

Cross-examination of Appellant

In reply to enquiries and questions raised by Ms. Fiona Mullins and the Tribunal, Mr. Finucane confirmed or stated that:

- i. The R & E Method of Valuation is not an appropriate method to value car parks for rating purposes.
- ii. The relevant Valuation Date was 30th September 2005 and the initial approach to valuation was to compare what the hypothetical tenant could contribute in rental terms bearing in mind like properties in the subject rating authority area.

- iii. He acknowledged that the hypothetical tenant would value the property as though “vacant and to let”, but added that rental values for car parks in the subject area would have been at lower levels in 2005 when compared to 2011.
- iv. He confirmed capacity is not mentioned or to be found as a specific issue of consideration in the Valuation Act 2001.
- v. Pedestrian travel distance from the subject across Blackthorn Drive to the Beacon South Quarter and Beacon Hospital and most of the adjoining large office developments and apartment complexes is reasonably short.
- vi. The absence of barriers, unlike the comparison properties he cited above, makes it difficult for the operator of the subject car park to trade efficiently or competitively.
- vii. The subject car park serves the local area known as the Stillorgan Industrial Estate, which he added, features very few offices and most of the commercial and industrial operations in the estate provide for own on-site free parking.

Respondent’s Case

Ms. Fiona Mullins took the oath and adopted her précis as her evidence-in-chief. The matters of location, description and site area were agreed, as set out above. She commenced her direct evidence by informing the Tribunal that the Dun Laoghaire Harbour car park was initially chosen at the commencement of the Revaluation exercise in the subject Rating Authority area as the benchmark by which others would be compared and noted that at or about the relevant Valuation Date, annual parking permits were available for issue there at a charge of €900 p.a.

She then stated that the hypothetical tenant, on his initial assessment of what level of rental payment he could afford to pay for a car park, would clearly consider its income and trading capacity, how conveniently located it might be to retail and office accommodations and other facilities where management, staff and public may require parking arrangements.

Ms. Mullins outlined the basis of her valuation, noting that initially, valuation levels were derived from the analysis of available open market rental accommodation of comparable properties and applied to the subject property.

She added that the valuation of this property, on appeal to the Commissioner of Valuation, was determined by reference to the values of comparable properties stated in the Valuation List in which they appear.

She then addressed four comparison properties, each which she considered to be compatible in one way or another, with the subject.

Respondent's Comparison Properties

Ms. Mullins provided details of four comparison properties, listed hereunder.

Comparison No. 1

Property:	Beacon South Quarter, Sandyford
Car Spaces:	750
Value per space:	€750 less a quantum allowance of 10%

She noted that most of the 750 spaces in this car park are located underground and unlike the subject, it is barrier controlled.

Comparison No. 2

Property:	Dun Laoghaire Harbour
Car Spaces:	545
Value per space:	€650

This common comparison property is a surfaced car park similar to the subject, the value of which was reduced to the foregoing level following First Appeal.

Comparison No. 3

Property:	IMC, Dun Laoghaire
Car Spaces:	190
Value per space:	€650

Ms. Mullins noted a typographical error and requested that the NAV be adjusted to correctly read €123,500 and not the €274,500 as outlined on page 8 of her précis of evidence. She also advised the Tribunal that the valuation was reduced following consideration of points raised and evidence submitted during the course of representations made by the occupier. This property is also barrier controlled and situate within a multi-store complex.

Comparison No. 4

Property: Blackrock Shopping Centre
 Car Spaces: 367
 Value per space: €750

The respondent noted that this is both a surface and basement car park serving the Blackrock Shopping Centre, the valuation of which was agreed post First Appeal.

Valuation by the Respondent

The following represents the agreed number of spaces and valuation details of the subject property computed by the Respondent:-

Block	Level	Use	Measured	Area	Rate	Value
	0	Car Park	NIA	285 spaces	€650 / space	€185,250
					Total:	€185,250

Valuation Office Estimate of NAV (Rounded to) €185,200

Cross-examination of the Respondent

Responding to various questions asked by Mr. Finucane and the Tribunal, Ms. Mullins responded as follows:-

- 1) The comparison car parks in the précis of evidence submitted by the respondent reflect the “tone-of-the-list” for car parks in the Dun Laoghaire Rathdown area, which ranges from a low level of €650 to a high level of €750 per car space, with all of the issues raised earlier by the appellant Consultant considered, factored in

and taken into account when the level of €650 per space was set by The Commissioner of Valuation on the subject.

- 2) Ms. Mullins acknowledged that her four comparison properties are barrier controlled, unlike the subject.
- 3) All of the comparison car parks chosen by her are located in close proximity to large scale developments, generating demand for parking facilities.
- 4) She acknowledged that three of her four comparison properties cited in her précis are sited within the large urban conurbations of Dun Laoghaire and Blackrock and the fourth comparison at Beacon South Quarter is within the curtilage of the large scale Beacon South Quarter mixed retail, residential and office facility, albeit uncompleted as yet.
- 5) Ms. Mullins agreed that vehicular ingress and egress facilities to and from the comparison properties in her précis are much more convenient than the vehicular route to and from the subject property, as described earlier.

Summation by the parties

Both Mr. Finucane and Ms. Mullins provided brief summations of their respective arguments reiterating the salient points noted above.

Findings & Conclusion

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

The Tribunal finds that:

1. The comparison properties cited by the respondent would be viewed by the hypothetical tenant in the first instance as offering greater propensity and opportunity to provide him with an economic return based on their propinquity to established centres of population, commercial, office, retail and entertainment facilities.

2. The Tribunal accepts the argument proffered by the appellant that the profile of the subject is compromised by its set-back location within an industrial estate and removed from major facilities such as those mentioned in Finding No. 1 above.
3. The Tribunal accepts that car parks secured and patrolled and served by barriers in particular are better positioned to secure and maintain income controls than facilities which solely rely upon ad-hoc visual inspection to confirm that vehicles are parked legally with drivers having pre-paid their parking charge.
4. The Tribunal accepts the contention of the appellant that the subject car park is merely a temporary facility and a manner of holding the property pending a redevelopment opportunity, and as such is not purpose-designed or built.
5. The Tribunal is satisfied that the established and large mixed-use developments, the Luas line at the Stillorgan Industrial Estate and nearby Sandyford are well serviced with a plethora of convenient parking arrangements available to residents, management, staff, visitors and patrons in the area, both by on-site private arrangements and on and off-site public parking facilities.

Determination

All of the foregoing considered together with all of the evidence submitted and adduced at the hearing, the Valuation Tribunal considers that the subject property should be valued, as follows:

285 spaces	@	€455 per space	=	€29,675
Total NAV				€29,675

NAV Say €129,700

And the Tribunal so determines.