Appeal No. VA11/5/096

AN BINSE LUACHÁLA

VALUATION TRIBUNAL

AN tACHT LUACHÁLA, 2001

VALUATION ACT, 2001

Future Range Limited **APPELLANT**

and

Commissioner of Valuation **RESPONDENT**

RE: Property No. 383830, Future Range House, 1 Farmhill Road, Goatstown, Co. Dublin.

B E F O R E

Fred Devlin - FSCSI, FRICS	**Deputy Chairperson**
Joseph Murray - BL	**Member**
Mairead Hughes - Hotelier	**Member**

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 26TH DAY OF JANUARY, 2012

By Notice of Appeal dated the 27th day of July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €30,200 on the above described relevant property.

The grounds of Appeal as set out in the Notice of Appeal is:-
"The valuation is excessive."

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 11th day of November, 2011. At the hearing, the appellant was represented by Mr. John Algar, BSc (Property Valuation and Management), c/o Bardon & Co. Rating Consultants & Valuers, while Mr. Dean Robinson BSc (Hons) Surveying, a Valuer in the Valuation Office, represented the respondent.

The Issue

The issue between the parties was the issue of quantum, the appellant maintaining that the rateable valuation of €30,200 was excessive.

Valuation History

The property was the subject of a revaluation as one of all rateable properties in the Dun Laoghaire-Rathdown County Council area. A Valuation Certificate (proposed) was issued on 15th June 2010 with a valuation of €31,100. An appeal was lodged to the Commissioner of Valuation on the 8th February 2011 and following consideration of this appeal the Commissioner changed this initial valuation to €30,200. On 28th July 2011 a Notice of Appeal was lodged with the Valuation Tribunal.

The NAV was assessed on a gross internal basis as follows:

Zone A - 45.93 sq. metres @ €600 per sq. metres =	€27,558
Zone B- 11.96 sq. metres @ €300 sq. metres =	€ 3,588
Less 3% discount for layout	- €934
NAV	€30,212
NAV (rounded)	€30,200

The Property

The subject property is situated at the junction of Farmhill Road and Larchfield Road, Goatstown, Dublin 14 and forms part of a terraced neighbourhood centre of 7 retail units at ground level with some office accommodation at 1st floor level. The subject comprises a ground floor office unit that is divided by a communal hall and stairwell, while a 2-bedroom apartment is located overhead at first floor level. Other units in the terrace include a pharmacy, off-licence, ladies boutique and a flower shop, while a further 2 units remain vacant. The occupier of the subject property currently holds a 2 year and 9 month lease from

October 2009. Prior to the current lease agreement the premises was held on a 9 year and 1 month FRI lease from May 2000 at an annual rent of €35,551.92, agreed in 2005, to include the ground floor office and the upper floor residential accommodation.

Accommodation

The subject was measured on a NIA basis as follows:

Zone A	=	45.93 sq. metres
Zone B	=	11.96 sq. metres

The Appellant's Case

Having taken the oath, Mr. John Algar, adopted his written précis as his evidence-in-chief. Mr. Algar described the subject property as a ground floor office with a shared entrance from the street to the first floor apartment, with the office unit itself divided by a communal hall and stairwell and joined at the back of this stairwell beside the toilets, whilst overhead the 2-bedroom apartment made up the balance of the accommodation. He said that the unit has been used as an office since 2000. Mr. Algar suggested that it would be very difficult to operate this subject as a retail unit with its communal entrance and the fact that the ground floor unit is divided into two separate areas. He said that the hypothetical tenant, when assessing this property, would consider the ground floor office layout as being very unsatisfactory, disadvantageous and problematic and suggested that the 3% allowance applied by the Commissioner of Valuation was wholly inadequate and, further, would consider the sharing of the entrance with the occupier of the first floor apartment as a distinct disadvantage.

Mr. Algar contended for a valuation of €23,100 calculated on the following basis:

Zone A - 45.93 sq. metres @ €500 per sq. metre	=	€22,965
Zone B - 11.96 sq. metres @ €250 per sq. metre	=	€ 2,990
Less 10% Frontage/Depth Allowance and Layout	=	(€2,596)
		€22,359
Net Annual Value say		€23,100

Mr. Algar said that the above opinion of net annual value was well supported by an analysis of the actual rent paid in 2005 for the ground and first floor accommodation which at that time was a single unit of occupation.

Rent of entire	€35,552
Rent attributable to residential	€14,400
Rent attributable to ground floor	€21,152

Comparisons

Mr. Algar did not supply any comparisons to the Tribunal to support his case. However, it should be said that Mr. Algar did not challenge the Zone A rate of €600 applied to shops on the parade which had a regular configuration.

Respondent's Evidence

Mr. Dean Robinson, having taken the oath, adopted his written précis as his evidence-in-chief.

Mr. Robinson outlined the valuation history of the subject as already detailed here in this judgment. He contended for a valuation of €30,200 on the subject property, as set out previously in this judgment. In support of his opinion of net annual value, he introduced 3 comparisons, details of which are attached to Appendix 1 of this judgment.

All three comparisons are in the same terrace of retail units as the subject and all have the same Zone A level of €600 per sq. metre, with an allowance where appropriate of 3% for layout. Whilst he agreed that all of his comparisons benefited from their own entrances, and were retail units, he nonetheless argued that all units at the centre were of the same value except in two instances where the layout was inferior, and in both these instances he made an allowance of 3% for this. Mr. Robinson contended that the valuation of the subject property was well supported by the values of other comparable properties as stated in the valuation list.

Findings

The Tribunal would like to thank all parties for both the quality and detail of evidence given during the course of the hearing and finds as follows:

1. The Tribunal is of the opinion that the hypothetical tenant would assess the value of the subject in accordance with Section 48(3) of the Valuation Act, 2001 as at the 30th day of September 2005, having regard to market rents for similar properties at similar locations. However, the inferior layout of the subject unit coupled with the fact that access to the accommodation is shared with the occupier of the residential accommodation described.

2. The Tribunal accepts the respondent’s view that a level of €600 per sq. metre is appropriate for Zone A for the subject terrace of neighbourhood retail units.

3. The Tribunal is of the view that, having regard to the problems posed by the unsatisfactory layout of the subject unit, that the 3% allowance already assessed is inadequate. It is the Tribunal’s opinion this allowance should be 12.5%. In arriving at this opinion, the Tribunal has taken into account the problems associated with the efficient running of the subject unit, given the fact that it is divided in two by the communal entrance stairwell.

Determination

Mindful of the foregoing and taking into account all the evidence advanced, the Tribunal considers the Zone A rate of €600 per sq. metre is fair and reasonable. However, in view of the unusual configuration of the property the Tribunal considers a downward adjustment of 12.5% is appropriate. Accordingly, the Tribunal calculates the NAV on the subject property as follows:

Shop Zone A - 45.93 sq. metres @ €600 per sq. metre =	€27,558
Shop Zone B - 11.96 sq. metres @ €300 per sq. metre =	€ 3,588
Total	€31,146
Less 12.5% for configuration	- € 3,893
	€27,253

Net annual value, say €27,200

And the Tribunal so determines.