

Appeal No. VA11/5/115

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

Belfield Office Park Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2118052, Office (Office Park), at Block 2, Beaver Row, Belfield Office Park, Clonskeagh, County Dublin.

B E F O R E

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

Deputy Chairperson

Aidan McNulty - Solicitor

Member

Frank Walsh - QFA, Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF JANUARY, 2012

By Notice of Appeal dated 27th July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €80,000 on the above described relevant property.

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

"Latest open market rent agreed is €9.00 per square foot. Plus 13 months rent holiday."

"Valuation appropriate to open market rent - currently €9.00 p.s.f."

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 30th day of November, 2011. At the hearing the appellant was represented by Mr. Joe Linders a part owner of the subject property and the respondent was represented by Ms. Fiona Mullins, BSc (Hons) Property Studies, a valuer in the Valuation Office. 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.

Test Case

Both parties agreed at the commencement of the hearing that Block 2 (subject property) would serve as a test case and the rate per square metre and the value of the car spaces together with the quantum allowance would also apply to Block 1, VA11/5/114 – Belfield Office Park Ltd. and Block 4, VA11/5/116 – Belfield Office Park Ltd.

Issue

Quantum

The Property

The subject property namely, Block 2, Belfield Office Park, is a modern 6 storey over-basement office building with surface and basement car parking. Block 2 has a total of 2,215.84 sq. metres and 91 car spaces.

Location

The property is located in Belfield Office Park which is on Beech Hill Road in Clonskeagh, Dublin 14. Belfield Office Park is approximately 2km south of Dublin City Centre. It is adjacent to Beech Hill Office Park, Clonskeagh Square, Richview Office Park and UCD.

Accommodation

The subject property was measured on a Net Internal Area (NIA) basis:

Offices (Floors 1-6)	2,215.84 sq. metres
Car Spaces	91

Tenure

The subject property was formerly held on a 10 x 5 FRI lease by Hewlett Packard and is now vacant. The lease commencement date was 14th December, 1998. The rent was €24,470 per annum which equated to €376.14 per sq. metre (including 91 car parking spaces).

Basis of Valuation

The property is the subject of a revaluation as one of all rateable properties in the Dun Laoghaire Rathdown County Council Area. The Valuation Order for Dun Laoghaire Rathdown County Council specifies 30th September 2005 as the valuation date. Valuation levels were derived from the analysis of available open market rental information of comparable properties and applied to the subject property.

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 the property appears.

Valuation History

A Valuation Certificate (Proposed) was issued on 15th June, 2010 in the amount of €14,000. Representations were submitted on 12th July, 2010. Following consideration of those representations, the valuation decreased to €14,000. An appeal was submitted to the Commissioner of Valuation on 8th February, 2011. The Valuation was reduced to €80,000 on 5th July, 2011. An appeal was submitted to the Valuation Tribunal on 29th July, 2011.

Valuation

2,215.84 sq. metres @ €280 per sq. metre	=	€20,435.20
Less 5% Quantum Allowance	=	(€31,021.76)
91 Car Spaces @ €1,000 per space	=	<u>€ 91,000.00</u>
Total NAV	=	€80,413.44

Valuation Office Estimate of NAV (Rounded to) €80,000

The Appellant's Evidence

Mr. Linders, having taken the oath, adopted his précis of evidence, which had previously been received by the Tribunal and the appellant, as being his evidence-in-chief. In his evidence, Mr. Linders did not contend for a specified alternative valuation. Mr. Linders had not previously attended the Tribunal and was not professionally represented. The Tribunal explained in detail the procedure involved. Mr. Linders confirmed that the rents receivable for Block 2 as at 2005 were €24,470, but stressed that this block had recently been let on the market at € per sq. metre. Belfield Office Park was built in 1996 and the office in question was let to Hewlett Packard up to 31st December, 2008. Mr. Linders was of the opinion that the offices could be described as 3rd generation, but that the brick finish was now dated and the office themselves were not up to present day standards. A capital inducement of 18 months free rent for fit-out was granted to the original tenant.

Respondent's Evidence

Ms. Fiona Mullins, having taken the oath, adopted her précis of evidence and valuation which had previously been received by the Tribunal and appellant as being her evidence-in-chief. In her evidence Ms. Mullins contended for a NAV (rounded to) €80,000, as detailed previously in this judgment.

Ms. Mullins contended that the subject property was in excellent condition and was superbly located, with a passing rent of €24,470 in 2005. This, she said, was a market rent. In support of her opinion of valuation Ms. Mullins cited three comparison properties, all of which are located in Belfield Office Park, details of which are set out below:

Comparison No. 1

Property No. 2118169: Ground, 1st and 2nd Floors, (Office) Block 7, Belfield Office Park, Clonskeagh, Dublin 14. Occupier – Skillsoft Ireland Ltd.

Offices: 1,393.36 sq. metres @ €280 per sq. metre	=	€390,140.80
Car Spaces: 60 spaces @ €1,000 per space	=	<u>€60,000.00</u>
NAV		€450,140.80
NAV (rounded to)		€450,000

Comparison No. 2

Property No. 2177142: 3rd and 4th Floors (Office), Block 6, Belfield Office Park, Clonskeagh, Dublin 14. Occupier – Brady Shipman Martin

Offices (Floor 3): 343.5 sq. metres @ €280 per sq. metre = €96,180

Offices (Floor 1): 343.5 sq. metres @ €280 per sq. metre = €96,180

Car Spaces: 26 spaces @ €1,000 per space = €26,000

NAV €18,360

NAV (rounded to) €18,000

Comparison No. 3

Property No. 2118166: Part Ground Floor (Office), Block 6, Belfield Office Park, Clonskeagh, Dublin 14. Occupier – Employee Advisory Resource Ltd.

Offices 115.24 sq. metres @ €280 per sq. metre = €32,267.20

Car Spaces: 12 spaces @ €1,000 per space = €12,000.00

NAV €44,267.20

NAV (rounded to) €44,200

Findings

1. The appellant provided the Tribunal with confirmation of the rental details on the subject relevant property for the specified date of 30th September 2005, and confirmed that the lease reflected a market rent at that time.
2. The appellant also confirmed that there was no dispute on the description, location, condition, area measured and number of car spaces.
3. The Tribunal noted from evidence provided by the respondent that a reduction of €20 in the rate per sq. metre was applied to the subject office space and also to Block 1 & 4 in Belfield Office Park at first appeal to reflect the evolving “tone of the list” for Belfield.
4. There was no dispute between the parties on the rental level applied to the Car Parking spaces.

5. The Tribunal is obliged to consider the provisions of the Valuation Act, 2001 and in particular Section 48(1) and Section 48(3). Section 48(3) states:
“Subject to Section 50, for the purposes of this Act, “Net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably expected to let from year to year, on the assumption that the probable average annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes and charges (if any) payable by or under any enactment in respect of the property, are borne by the tenant.”

6. The Tribunal was not provided with a schedule of comparisons by the appellant or any material or evidence to support a request for adjustment or relief in accordance with the provisions of the Valuation Act, 2001.

Determination

All the foregoing considered, the Tribunal has concluded that based on the evidence submitted and adduced at the hearing there are no grounds to warrant or support a change in valuation of the subject property. Accordingly, the appeal is dismissed and the NAV of €680,000 on the subject property is affirmed.

And the Tribunal so determines.