

Appeal No. VA95/5/018

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

W. Frank Scott

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices at Map Ref: 6, Green Street, Kilkenny No. 2 Urban, Urban District of Kilkenny,
Co. Kilkenny
Quantum - Value of carpark

B E F O R E

Liam McKechnie

S.C. Chairman

Mary Devins

Solicitor

Marie Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 2ND DAY OF APRIL, 1996

By Notice of Appeal dated the 15th day of October, 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £56.00 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal were *inter alia* that no structural alterations had been carried out to the property, it had been refurbished only; that it was not in a prime office area and therefore was difficult to rent and maintain a rent of £560 per month. It was argued that structural alterations could not be carried out due to cost and that the rates applied could not be afforded.

The Property:

The property comprises a two storey end of terrace building in a prominent position near the Troy's Gate roundabout on the Freshford Road.

Accommodation comprises:-

Ground Floor

Public Office	429 sq.ft.
General Office	220 sq.ft.
Kitchenette	39 sq.ft.

First Floor:

Meeting Room	471 sq.ft.
Office	150 sq.ft.
Toilet	33 sq.ft.

Valuation History:

Up until 1993/4 revision the property was valued at £13.50 as a domestic dwelling. At 1993/4 revision the valuation was increased to £70 and reduced to £56 at First Appeal. It is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

Written Submissions:

A written submission was received on the 15th March, 1996 from Mr. Peter McCreery, MIAVI of McCreery Auctioneers Limited, Auctioneers, Valuers & Estate Agents, 40 Parliament Street, Kilkenny on behalf of the appellant.

In his written submission, Mr. McCreery described the subject premises. He said that the appellant owned the premises and sublet the property to his company. He said that this letting was by way of lease agreement at a rent of £3,600 per annum. Mr. McCreery said that in assessing a net annual value on the subject premises regard had to be had to the location of

the subject premises. He argued that because of its location at a busy junction it posed difficulties in terms of parking, access to the rear car park and flooding, as it was in a 'flood alert' area. Mr. McCreery argued that on this basis it was not a highly sought after location and net annual value should be assessed accordingly.

Mr. McCreery proposed a net annual value as follows:-

"Ground Floor Offices	730 sq.ft.	@ £6.50 per sq.ft.	=	£4,745.00
First Floor Office	730 sq.ft.	@ £3.00 per sq.ft.	=	<u>£2,190.00</u>
		Total Rented Value	=	£6,935.00p.a.

We are therefore of the opinion that the rateable valuation which applies to this property should be $£6,935 \times .5\% = £34.67$ "

In support of his estimate of valuation Mr. McCreery offered three comparisons as follows:-

(1) **Deloughry & O'Gorman, Accountants, 18 Vicar Street, Kilkenny.**

Two storey extended, mid terrace office building of c. 2,000 square feet with car parking to rear. Situated mid way between the subject property and Parliament Street.
Rateable Valuation £9.00

(2) **Pembroke Pembroke & Company, Accountants, 9 Ormonde Road, Kilkenny.**

Two storey mid terrace office building c. 1,000 square feet, no private parking, 50 yards from Patrick Street - Kilkenny's main office street.
Rateable Valuation £25.00.

(3) **Campions Hardware, 4 Dean Street, Kilkenny.**

Three storey residential shop premises with retail outlet of c. 500 square feet on ground floor and residential use overhead.
Rateable Valuation £30.00

A written submission was received on the 20th March, 1996 from Mr. Kevin Heery, B.Comm MIAVI, a District Valuer with 26 years experience in the Valuation Office on behalf of the respondent.

In the written submission, Mr. Heery described the subject premises and set out its valuation history, tenure and accommodation. He set out his calculation of the rateable valuation as follows:-

"Ground Floor Public Office	429 ft ²	@ £12 per ft ²	= £ 5,148
Ground Floor Office	220 ft ²	@ £ 8 per ft ²	= £ 1,760
Kitchenette	39 ft ²	@ £ 4 per ft ²	= £ 156
1st Floor Offices	621 ft ²	@ £ 5 per ft ²	= £ 3,105
Add for benefit of car park			= <u>£ 1,000</u>
NAV			= £11,169
		RV/NAV @ 0.5%	= £55.85
		RV Say	= £56.00"

Mr. Heery said that the valuation reflected the fact that the premises was not in a prime commercial location. In support of his assessment of net annual value and rateable valuation, Mr. Heery gave details of four comparisons which are summarised below:-

(1) **New Ireland Assurance Limited, 1a Ormonde Road, Kilkenny.**

1993/4 Revision - No appeal.

Devalues:-

Ground Floor Offices	576 ft ²	@ £12 per ft ²	= £ 6,912
First Floor Offices	565 ft ²	@ £ 6 per ft ²	= <u>£ 3,390</u>
			£10,302
			NAV £10,500
			RV £53.00

(2) **Thomas Weadick, 14 John Street Upper, Kilkenny**

Insurance Office. 1991 Revision - No appeal.

Devalues:-

Ground Floor Front Office	199 ft ²	@	£16 ft ²	=	£3,184
Ground Floor Rear Office	86 ft ²	@	£ 5 ft ²	=	£ 430
First Floor Office	154 ft ²	@	£ 5 ft ²	=	<u>£ 770</u>
			NAV		£4,384
			RV		£28.00

(3) **FAS, 12a Irishtown, Kilkenny.**

1991/4 First Appeal.

Devalues:-

Ground Floor Front Office	355 ft ²	@	£13 ft ²	=	£ 4,615
Ground Floor Rear Offices	707 ft ²	@	£6.50 ft ²	=	£ 4,596
First Floor Offices	365 ft ²	@	£6.50 ft ²	=	£ 2,373
Second Floor Offices	365 ft ²	@	£5.00 ft ²	=	<u>£ 1,825</u>
			NAV		£13,409
			RV		£85.00

(4) **Cantwell Insurances, 7 Ballybought Street, Kilkenny.**

1990/4 First Appeal.

Devalues:-

Ground Floor Office	200 ft ²	@	£15 ft ²	=	£3,000
			NAV	=	£3,000
			RV	=	£15.00

The oral hearing in the above appeal took place in Kilkenny on the 2nd day of April 1996. Mr. Peter McCreery, McCreery Auctioneers Limited appeared for the appellant and Mr. Kevin Heery of the Valuation Office appeared on behalf of the respondent.

The Facts:

The subject premises is a two storey end of terrace building known as Insurance House, Green Street, Kilkenny. Pre-1990 it was used as a main office for Renehan's garage and in that year it was purchased by Mr. Scott for the sum of £60,000. After purchase he expended a sum of £25,000 on both refurbishing the interior and redecorating the exterior. It is agreed by all of those involved that the premises is in excellent condition. There is in existence a lease between Mr. Scott as the owner and a company called Leinster Insurances Limited of which he is a principal shareholder. That lease was made in 1990 and reserved a rent of £6,720 with 5 year reviews. It is a full repairing and insuring lease and there are other covenants and conditions attached to it. The premises is used for the purposes of carrying on an insurance business or brokerage, for the purposes of giving some financial services to those who seek them and also as either, a sub-office or as some form of agency for the First National Building Society. There are two full time employees involved including Mr. Scott himself. The areas are agreed and are those as given by Mr. Heery.

In the ground floor there is a breakdown given of public offices at 429 sq.ft. and of office which presumably means a manager's office or secretarial office for the purposes of the business at 220 sq.ft. There is a kitchenette at 29 sq.ft. The first floor has a total area of 621 sq.ft which comprises a meeting room and office. There is also a toilet at 33 sq.ft. which is not included in Mr. Heery's calculation. There is a total of about 1,300 sq.ft. and as I say that is agreed. At the side and back of the premises there is a tarmacadamed car park which has facilities for six car parking spaces. The only area of dispute so far as that facts are concerned, whether they be facts that are admitted or whether they be facts as found by the Tribunal relates to the location of the property itself.

Appellant's Case:

On behalf of the appellant it is alleged that the premises are located at a busy junction on the outskirts of the city, that adjacent users include licensed premises and furniture shops, that the nearest offices as such were used by Accountants some 200 yards or more away at Vicar

Street and that Dean Street which was also referred to is some considerable distance away and is in a designated area.

Mr. McCreery, when giving evidence at the oral hearing pointed out that there were no other financial or insurance agencies, companies or businesses in the immediate vicinity and apart from the Accountant mentioned earlier there were no other professional uses of the adjacent premises. In all, the area was neither secondary or tertiary but in fact in terms of priority was even further down that list. It was also alleged on behalf of the appellant that from the point of view of vehicular traffic, this was in a poor location, that the entrance to the car park was narrow and would require careful manoeuvring by those who are going into or coming from the car park, but we have had no evidence as to whether or not there is any circulation difficulties once you get in. It is situated close to a roundabout which has its own implications for carrying on business in these premises.

Respondent's Case:

On the other hand, Mr. Heery on behalf of the respondent whilst accepting that it is not in a prime commercial location and indeed may not even suggest that it is in a secondary location, would suggest that it is in some location which could be categorised somewhat similar to a secondary location. He also points out that it has certain advantages in that it is at a corner where advertising is particularly prominent or capable of being prominent and also it is in one of the two major arteries leading into the city.

Findings:

The Tribunal accepts that the location is as described on behalf of the appellant and however, it notes that it is only about ten minutes walking distance from the main centre of activity and it also finds that the car parking spaces at the rear of the property have a value. In relation to putting a rateable valuation on the subject, the first exercise is to find what the net annual value is.

Comparable evidence has been submitted on behalf of both the appellant and the respondent. Mr. McCreery's comparable evidence involved three comparisons, the first having an historic

valuation made in 1907 and the third having a valuation made in 1983. Neither of those comparisons are recently revised for the purposes of the Valuation Acts and accordingly, offered little or no help or assistance to the Tribunal in arriving at the net annual value and therefore the rateable valuation. The second comparison which is the Accountant's office at 9, Ormonde Road, Kilkenny had been taken into account, but it has no private parking and its location is also noted.

Mr. Heery on behalf of the respondent, refers to four comparisons. The most relevant comparison as far as the Tribunal is concerned is that given at comparison 1, namely 9 Ormonde Road, the New Ireland Insurance property. Comparison 2 is in a secondary street, John Street Upper and comparison 4 is probably in a tertiary street or thereabouts. There are other very many distinguishing features between comparisons 2, 3 and 4 and the subject property.

Determination:

Taking the breakdown as given by Mr. Heery wherein, he puts a value of £12 per square foot on the public office area of the ground floor of the subject premises. The Tribunal when considering that believes the figure of £12 per square foot is too high, if one compares Green Street to Ormonde Road there is no doubt whatsoever on the uncontroverted evidence of all that Ormonde Road is a better location, both from the point of view of where it precisely is, but also from the point of view of its convenience and the point of view of the availability of other financial and insurance services and offices nearby and it seems to be almost directly in the centre of the major business, financial and professional activities in Kilkenny. It is also close by to hotel accommodation and all that can offer. So if there is £12 per square foot put on the ground floor of Ormonde Road we feel that a similar figure for the public area of the subject premises is too high and accordingly we have reduced the £12 by £2, therefore the breakdown would be 429 square feet at £10 per square foot. That would give a net annual value of £4,290. The ground floor area of 220 sq.ft. has been similarly reduced by £2 to £6 per square foot but we see no justification in reducing the £4 per square foot for the kitchenette or indeed the first floor offices which are in at £5. There is no doubt about the fact that the letting of first floor offices is always more difficult than the letting of ground

floor offices and whilst the location is a factor, as indeed it is a factor in all letting of properties, nevertheless its importance diminishes when one is talking about the first floor or indeed higher floors when one is talking about and dealing with ground floors. In so far as the car park is concerned, Mr. McCreery himself gave evidence that he has a car parking space available in very close to the centre of activity for £200 per year and that is in a designated area. He has double rent relief in relation to it. Mr. Heery has the car park in at £1,000 which given six spaces breaks down at £166 per space. We believe that is too high. We believe however, that the car park is of benefit, is capable of beneficial use and has a value. We note that it is about 10 minutes walk from the centre of activity and we note the difficulty that exists generally speaking, not only in Kilkenny but elsewhere about on street car parking and indeed that there is no on street car parking for the purposes of the subject premises.

Accordingly, we would propose to allot the sum of £100 per car parking space to the six making a total of £600. That according to my calculation gives a figure of £9,471 as a net annual value and .5% of that is £47.

Accordingly, the Tribunal will fix the valuation of this property in the sum of £47 and so determines.