

Appeal No. VA96/2/038

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

**G.R.E.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices (basement, ground floor, 1-5th floors) and car park at Map Ref: 35.36.37.38, St. Stephen's Green North, Ward: Mansion House B, County Borough of Dublin  
Quantum - Structural defects

**B E F O R E**

**Mary Devins**

**Solicitor (Acting Chairman)**

**Brid Mimmagh**

**Solicitor**

**Patrick Riney**

**FSCS.FRICS.MIAVI**

**JUDGMENT OF THE VALUATION TRIBUNAL**

**ISSUED ON THE 22ND DAY OF JANUARY, 1997**

By Notice of Appeal dated the 23rd day of April 1996 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,685 on the above described hereditament.

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

"The valuation is excessive and inequitable when rental values and other factors are taken into consideration. In addition, to other circumstances the building was partially incapable of beneficial occupation."

**The Property:**

The premises comprises an office block of 24,415 sq.ft. with 32 car spaces. It is located on the north side of St. Stephen's Green at its junction with Merrion Row and immediately adjoining the Shelbourne Hotel.

The property is held freehold. There are six floors over basement stores office building constructed in the 1960's. It is of concrete frame construction with wall cladding to the front elevation.

The accommodation is agreed as follows:-

|                  |               |
|------------------|---------------|
| Ground floor     | 2,155 sq.ft.  |
| 1st - 5th floors | 20,365 sq.ft. |
| Basement         | 1,895 sq.ft.  |
| Car spaces       | 32.           |

**Valuation History:**

The rateable valuation of £1,685 was agreed at 1991/2 revision as follows:-

|                               |                            |                 |
|-------------------------------|----------------------------|-----------------|
| Ground floor (public offices) | 2,155 sq.ft. @ £15.50 = £  | 33,402          |
| 1st - 5th floors (offices)    | 20,365 sq.ft. @ £10.00 = £ | 203,650         |
| Basement (stores)             | 1,895 sq.ft. @ £ 5.00 = £  | 9,475           |
| 32 car spaces x £650 each     |                            | <u>£ 20,800</u> |
|                               | Est. NAV =                 | <u>£267,327</u> |
| RV @ 0.63% = £1,684.16        | Say =                      | <b>£1,685.</b>  |

**Written Submissions:**

A written submission was received on the 13th September 1996 from Brian Bagnall & Associates, Surveyors & Valuers and Property & Rating Consultants on behalf of the appellant.

In the written submission, Mr. Bagnall said that the valuation was agreed on the property at £1,685 in 1991 on the basis that the property was in good condition and devalued at £10 psf rental for the offices and £60 per car space. He said that a report printed in 1993 from

Ove Arup & Partners engaged by Guardian Royal Exchange to refurbish the building indicated that after initial investigation the building required structural works as distinct from refurbishment and Guardian Royal Exchange offered the premises for sale. He said that this information was not available at the time that the valuation was initially agreed with the Valuation Office. Both the Valuer in the Valuation Office and himself had assumed the building to be in good structural condition at the time the valuation was agreed.

Mr. Bagnall said that on the basis of the information now to hand on the condition of the building he assessed rateable valuation as follows:-

|                            |                    |   |                 |
|----------------------------|--------------------|---|-----------------|
| 32 car parking spaces      | @ £500             | = | £ 16,000        |
| Basement stores            | 1,895 sq.ft @ £2   | = | £ 3,790         |
| Ground floor               | 2,155 sq.ft. @ £6  | = | £ 12,930        |
| Offices - 1st to 5th floor | 20,365 sq.ft. @ £4 | = | <u>£ 81,460</u> |
|                            | Total              | = | <u>£114,180</u> |
|                            | @ 0.63%            | = | <b>£719.33.</b> |

A written submission was received on the 17th day of September 1996 from Mr. Edward Hickey, a District Valuer with 25 years experience in the Valuation Office.

Mr. Hickey described the subject premises and its valuation history. He gave two comparisons in support of his contention that the valuation should remain unchanged at £1,685. These valuations are summarised below:-

**1. Irish National Insurance**

9.10 Dawson Street

RV £1,345

Rateable valuation fixed at 1992/4 revision.

|                                      |                      |   |                        |
|--------------------------------------|----------------------|---|------------------------|
| Ground floor (public office)         | 1,914 sq.ft. @ £26   | = | £ 49,764               |
| Ground floor - 5th floor (offices)   | 15,748 sq.ft @ £9.50 | = | £149,606               |
| Basement - 22 car spaces @ £630 each |                      |   | <u>£ 13,860</u>        |
|                                      |                      |   | <b><u>£213,230</u></b> |

RV @ 0.63% = £1,343.35                      Say       =       **£1,345**

This office block was built in 1971.

**2. New Ireland Assurance Company**

11.12 Dawson Street

RV £1,800

This rateable valuation was fixed by agreement at 1992/4 revision.

|                                      |                         |                |
|--------------------------------------|-------------------------|----------------|
| Ground floor (public office)         | 2,094 sq.ft. @ £23 =    | £ 48,162       |
| Ground floor - 4th floor (offices)   | 22,219 sq.ft. @ £9.50 = | £211,080       |
| Basement (stores)                    | 5,514 sq.ft. @ £4.50 =  | £ 24,993       |
|                                      |                         | £284,235       |
| RV @ 0.63% = £1,790.68               | Say =                   | <b>£1,800.</b> |
| This office block was built in 1964. |                         |                |

Mr. Hickey drew the attention of the Tribunal to its decision in VA89/24 - North Kerry Milk Products Limited wherein the Tribunal had stated their wish that valuations fixed should remain in place for an appreciable length of time which it would regard as not less than five years.

**Oral Hearing:**

At the oral hearing which took place in Dublin on the 27th day of September 1996 and was resumed on the 7th day of October 1996, Mr. Brian Bagnall, Valuer and Principal of Brian Bagnall & Associates represented the appellant company and Mr. Edward Hickey, District Valuer with the Valuation Office represented the respondent. Also present at the resumed hearing was Mr. Derrick Edge of Messrs. Ove Arup & Partners Ireland.

Mr. Edge gave detailed and extremely lucid evidence in relation to the poor structural condition of the property when inspected by him in January 1993. He referred to his report of the 7th January 1993 which is attached hereto as Appendix 1 but which, as is customary, will not be reproduced, and confirmed that in June 1994 when he re-inspected the property it had not changed since his previous inspection. Indeed, the more extensive investigations carried out in June 1994 confirmed categorically his earlier findings.

Mr. Bagnall gave evidence in relation to the estimated costs of necessary repair work and in this connection introduced in evidence, with the agreement of Mr. Hickey, a report of Messrs. Bruce Shaw, Quantity Surveyors dated 8th January 1993 which is attached hereto as Appendix 2, but which will not be reproduced, showing the total estimated cost of repairs to be in the region of £1.65m.

Mr. Hickey in evidence seemed to rely on the 1991 agreed rateable valuation of £1,685 as his basis for the current rateable valuation. In reply to questions from Mr. Bagnall, however, he did concede that the sale price achieved for the subject property in 1994 was somewhat less than the market rate for a building of this nature in such a prime location.

Mr. Hickey did submit however that the price achieved reflected not only the structural problems of the building but also the relatively low market price achievable at that time.

**Findings:**

It is a matter of fact that the rateable valuation of the subject property was agreed in 1991.

It is also however, a matter of fact that the true structural condition of the property was not known to either Valuer at that time.

Mr. Edge has given excellent and expert evidence in relation to the undoubtedly deficient structural condition of this property at the relevant revision date and has confirmed that the problems he described would have been present in 1991 also.

The respondent's witness has not refuted such evidence and indeed, in the opinion of the Tribunal, it is unlikely that such evidence could be rebutted.

**Determination:**

In the circumstances and in particular in the absence of any convincing, controverting evidence on the part of the respondent the Tribunal finds for the appellant and determines that the correct rateable valuation of the subject property is £720.